



2006 BUDGET

Town of Markham

Ontario, Canada

Cover photo Canadian flag collage:

top left: Leitchcroft Neighbourhood Park; *middle left:* artists rendering of Centennial Community Centre expansion; *bottom left:* Markham hybrid vehicle

centre: Markham Civic Centre

top right: Markham fire truck; *middle right:* historic McKay House; *bottom right:* Angus Glen Library



GOVERNMENT FINANCE OFFICERS ASSOCIATION

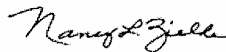
*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Markham
Ontario**

For the Fiscal Year Beginning

January 1, 2005


President


Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Town of Markham, Ontario** for its annual budget for the fiscal year beginning **January 1, 2005**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



2006 BUDGET

EXECUTIVE SUMMARY

We are pleased to present the 2006 Operating, Capital & Waterworks Budget for the Town of Markham. After extensive discussion and planning involving residents, community and business groups, Council and staff have produced a balanced budget that addresses the social needs of the community, maintains service levels and kept the increase in the municipal portion of the tax rates at a minimal level. Vital Markham services such as fire protection, waste management and roads services have been supported at 2005 levels.

The Town of Markham approved the following 2005 Budgets, totalling \$269.0 million:

- Operating \$152.0 million
- Capital \$70.0 million
- Waterworks \$47.0 million

Operating Budget

The Town of Markham continues to face budgetary pressures in many aspects of its operations. Wage settlements, insurance, general inflation, contract escalations and renewals (including winter maintenance contracts and high energy costs) have continued to challenge municipal budgets. Further, as the Town grows, the additional inventory of parks, community centres, watermains, roads, and sidewalks results in the need for increased resources to maintain and replace these assets. In addition to the above, the budget includes phasing in of operating costs related to future facility openings such as the next Fire Station, Community Centre and Library.

The budgetary impact of these pressures were partially offset by increases in revenue resulting in a property tax levy tax rate increase over 2005 of 4.88% (\$36.04 per year on the municipal portion of the tax bill for an average home valued at \$403,000). Of the total residential property taxes collected, the Town receives about 25.5 cents of every dollar, with the remainder going to education – 26.5 cents and the Region of York – 48 cents.

The Town has also received Federal Gas Tax Funding primarily to support environmental sustainability objectives under Canada's New Deal for Cities and Communities. The 2005 and 2006 Gas Tax Revenue, totalling \$4.1 million, is funding the following projects as identified in the Town of Markham's 2006 Capital Budget: Additional Bike Lanes & Pathways, Sidewalk Replacement & New Sidewalks along existing roads, Watermain Construction & Replacement Program, Sabistan Landfill Site Management, Installation of a Green Roof at the Municipal Civic Centre, Markham District Energy, Bridge Repairs along 19th Avenue and Ressor Road Bridge replacement.

Capital Budget

The Capital Budget approved for the year continues to focus on projects that align to Council's priorities of

- Infrastructure & Transportation
- Creating a better quality of community
- Safe Streets
- Improving Environmental Protection & Management
- Implementation of Markham Centre Downtown and
- Maintaining Water & Sewer Programs

Some of the 2006 Budget highlights include:

- \$26.6 million in Infrastructure & Transportation improvements
- \$11.7 million in Quality Communities & Safe Streets improvements
- \$10.4 million in Environment initiatives
- \$5.7 million in Water & Sewer Programs

Waterworks Budget

The Waterworks Budget has increased by \$2.8 million (net) compared to the previous year. Increased legislative requirements have affected the Town's Water Distribution and Wastewater collection (such as the Safe Drinking Water Act, Bill 195). The 2006 budget year is the final year of a three year phase-in of the financial requirements of Bill 195, in addition this Budget has also addressed the growth-related expenditures.

Some of the initiatives addressed in this budget are listed below. These and other initiatives are discussed in detail in the various sections of this document. They represent a strong reaffirmation to the Town's residents, businesses and visitors that the Town of Markham is a best place to work, live and play.

Looking Ahead

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

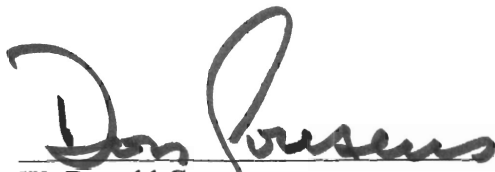
Markham Centre – Markham's emerging downtown core, Markham Centre will have a distinctively urban character with high densities, a mix of land uses and strong streetscapes. It is a place to live, work, play and celebrate, integrated into a natural heritage setting along the Rouge River. While envisioned as a 20 plus year build-out, Markham Centre is beginning to take shape with the recent completion of Circa's first phase apartment project (390 residential units) at the northwest corner of Highway 7 and Town Centre Boulevard. Liberty has started construction on an office project (5 and 12 storeys) at the southeast corner of Highway 7 and South Town Centre Boulevard. Within the Remington Group's comprehensive 'Downtown Markham' project east of Warden Avenue, a 5 storey building is proposed to house Honeywell Canada's corporate offices. Construction on the first residential phase of 'Downtown Markham' could commence later this year consisting of 175 townhomes and 188 apartment units within two buildings (10 and 7 storeys).

Transportation – Council recognizes transportation as one of the most important strategic initiatives of the Town of Markham. As part of the Town’s strategy to achieving a balanced transportation system, staff continue to implement the key initiatives as identified in the Markham Transportation Planning Study (MTPS). The priorities in 2006 include mid-block crossings of Hwy 404 and new ramp extensions, continued support and promotion of Travel Demand Measures, implementation of a bike network, integration of transit in Cornell Centre, and the Markham Safe Streets Strategy.

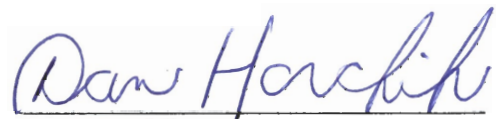
eMarkham - As Canada’s High-Tech Capital, Markham is taking a leading role in exploring ways to improve its service delivery using electronic technology, to conduct an e-business government and to communicate with stakeholders. The Customer Contact Centre will celebrate its third year of operation, providing residents with electronic access to its services. In November 2006, the Town will again utilize on-line voting technology to support the advance polls of its upcoming municipal election. Markham will continue to use the latest information management methods in municipal governance and communication to its residents and stakeholders.

Environment – Markham continues to maintain its leadership role in protecting and improving its natural environment. Strategies being developed include additional Stormwater Management Ponds, Down Stream Improvements programs to improve watercourse erosion and fish habitats, and expanding the Three Stream waste program to include multi-residential units. Further, the Town of Markham has implemented a Green Fleet/Hybrid Pilot project as well as establishing an anti-idling By-Law. To-date the Town has a total of 7 Hybrid vehicles in its fleet. Green roof initiatives are also being investigated, with focus on major Town facilities including the Civic Centre. This year is the first full year of the Markham Energy Conservation Office (MECO). MECO’s objective is to implement programs that will allow for energy conservation, encourage a sustainable community and assist the Town in achieving Kyoto Protocol objectives

Markham continues to build on its reputation as “Canada’s High-Tech Capital” with these initiatives and also its commitment to preserving natural resources which results in a community that is vibrant and provides a quality of life that makes us proud to be part of the community. The 2006 Budget and its long-term initiatives promote these values.



W. Donald Cousens
Mayor



Dan Horchik
Budget Chief & Ward 6 Councillor



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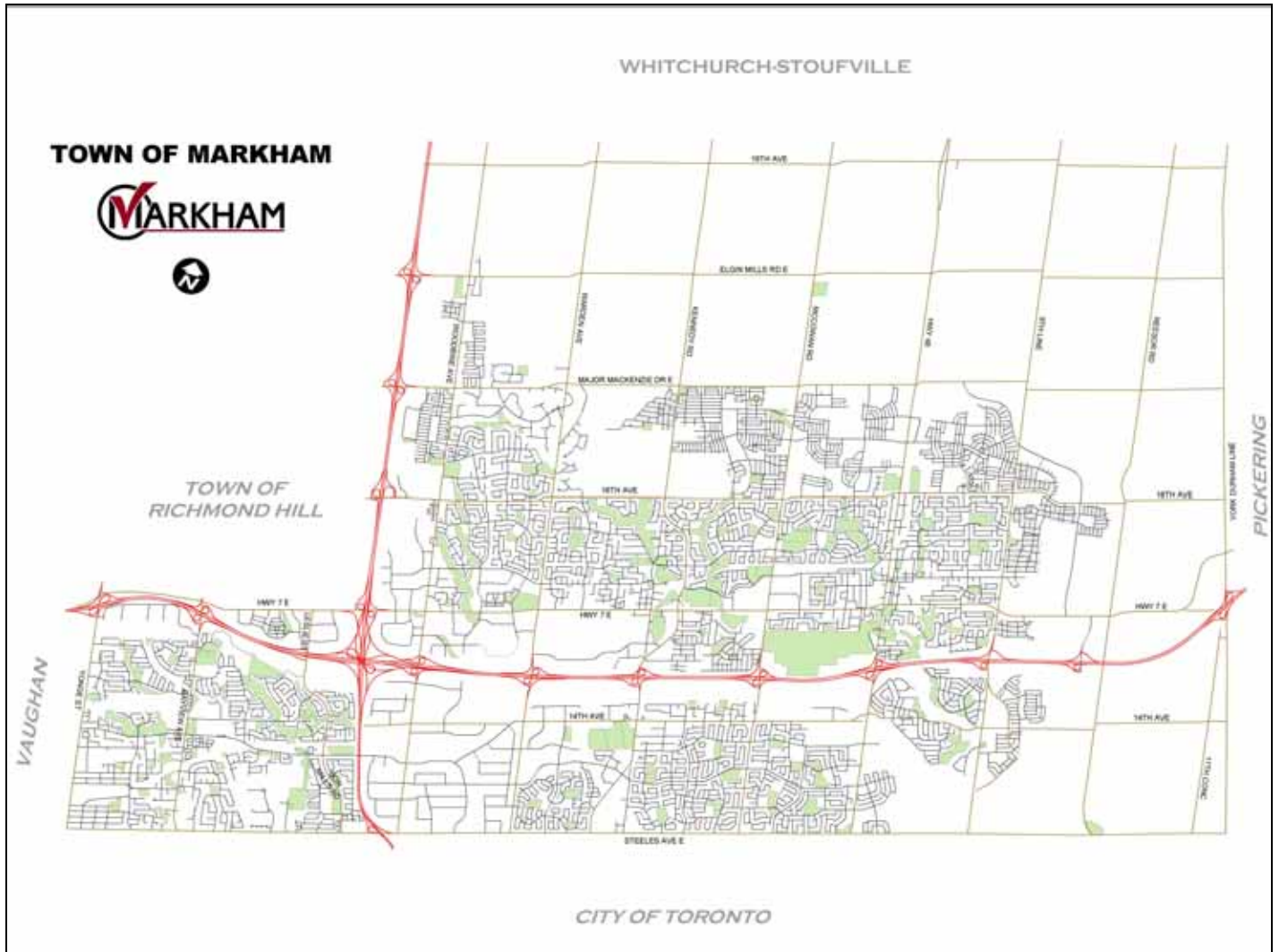
Markham and the North American Market



Markham and the Greater Toronto Area



2006 Street Map

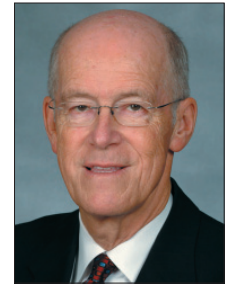




COAT OF ARMS

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 -
Base -	Computer Chips for a high-tech community 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.

Members of Council



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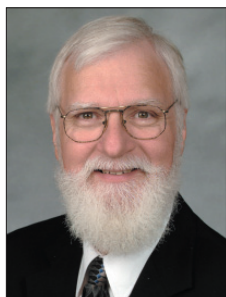
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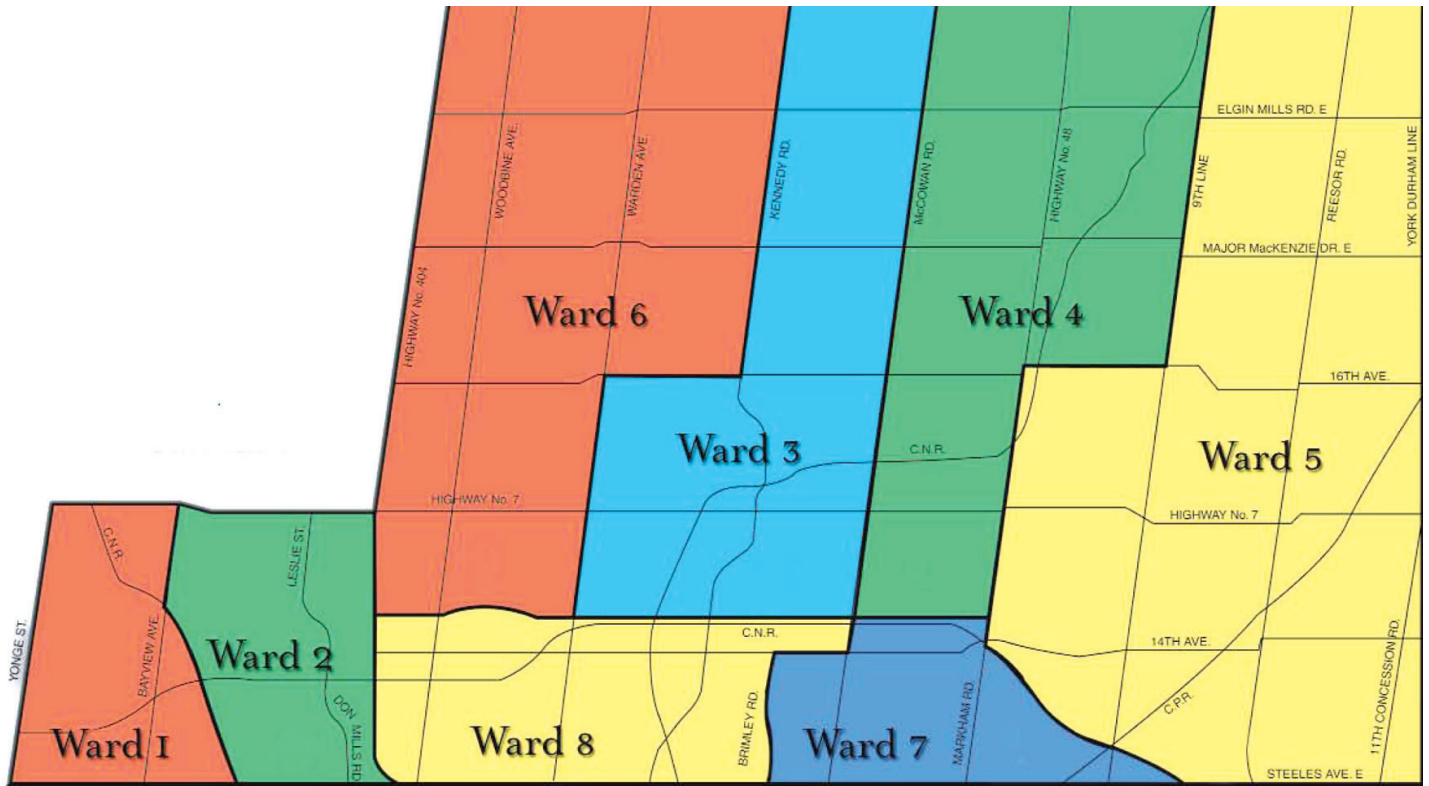


Ward 8 Councillor
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The Corporation of the Town of Markham

101 Town Centre Boulevard, Markham, Ontario, Canada L3R 9W3 Telephone: 905-477-7000 Website: www.markham.ca

The Town of Markham, located in the heart of the Greater Toronto Area, is a municipality of more than 265,000 residents that embraces technological innovation, celebrates diversity and is characterized by healthy and vibrant communities.



Ward Map



Ontario, Canada



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.

HISTORY OF MARKHAM (Cont'd)

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 woolen 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 approx 265,000 at the end of 2005. 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 2005



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 Email: edoinfo@markham.ca
www.business.markham.ca



ECONOMIC OVERVIEW

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

Markham is one of the fastest growing municipalities in Ontario with over 265,000 people. More than 400 companies are headquartered in Markham due to the well developed transportation and communication network, high quality facilities, a diverse and highly educated labour force and pro-business environment. With more than 900 high-technology and 100 life sciences companies, Markham is Canada's High-Technology Capital. The industries within the two sectors generate a total employment of 31,000 that makes up a quarter of Markham's total employment of 115,000. Some of the Town's world renowned corporations include ATI Technologies, IBM Canada, Motorola, Philips Electronics, Sun Microsystems, Wyeth, Pfizer, and American Express.

Markham's top 20 High Technology and Life Sciences Employers

Company	# of Employees
IBM Canada Ltd	7200
AMEX Canada	3400
ATI Technologies Inc	2200
CGI Information Systems	1700
Exco Technologies Limited	550
HP Canada	400
Toshiba of Canada Ltd	400
Motorola Canada Ltd	380
Johnson & Johnson Medical Products	350
Philips Electronics Ltd	350
Tyco Electronics Canada Ltd	285
Sun Microsystems	275
GE Multilin	250
Adeptron Technologies Corp	230
Wyeth Canada	220
Earth Tech	220
Novopharm Ltd	205
Avaya Canada Corp	200
Nav Tel	200
Pfizer	200



ECONOMIC PROFILE-Year End 2005

Markham's High-Tech and Life Sciences Clusters

High-Technology Cluster

Industry Categories	# of Companies
1. Computer Systems Design and Related Services	246
2. Computer and Communications Equipment and Supplies Wholesaler – Distributor	160
3. Management, Scientific and Technical Consulting Services	96
4. Other Professional, Scientific and Technical Services	58
5. Electronic and Precision Equipment Repair and Maintenance	55
6. Specialized Design Services - Graphic Design Services	43
7. Companies that did not show an NAIC code (identifiable category)	31
8. Medical and Diagnostic Laboratories	20
9. Computer and Peripheral Equipment Manufacturing	19
10. Scientific Research and Development Services	17
11. Telecommunications	17
12. Semiconductor and Other Electronic Component Manufacturing	16
13. Electrical Equipment Manufacturing	14
14. Other Electrical Equipment and Component Manufacturing	13
15. Internet Service Providers, Web Search Portals	12
16. Pharmaceutical and Medicine Manufacturing	11
17. Management of Companies and Enterprises	11
18. Medical Equipment and Supplies Manufacturing	10
19. Navigational, Measuring, Medical and Control Instruments Manufacturing	10
20. Geophysical Surveying and Mapping Services and Testing Laboratories	10
21. Communications Equipment Manufacturing	7
22. Software Publishers	6
23. Data Processing Services	6
24. Electric Power Generation, Transmission and Distribution	5
25. Audio and Video Equipment Manufacturing	5
26. Manufacturing and Reproducing Magnetic and Optical Media	1
Total Companies	899



ECONOMIC PROFILE-Year End 2005

Life Sciences Cluster

Industry Categories	# of Companies
1. Medical and Diagnostic Laboratories	20
2. Research and Development in the Physical, Engineering and Life Sciences	17
3. Pharmaceuticals and Pharmacy Supplies Wholesaler/Distributors	14
4. Computer Systems Design and Related Services (life sciences)	11
5. Pharmaceutical and Medicine Manufacturing	11
6. Navigational, Measuring, Medical and Control Instruments Manufacturing	10
7. Medical Equipment and Supplies Manufacturing	10
8. Management of Companies and Enterprises (related to life sciences)	8
Total Companies	101



Markham is also a proud partner and founder of the **YORKbiotech, a Regional Innovation Network** for biotechnology-related industries at the centre of the Greater Toronto Area. The mission of YORKbiotech is to act as a catalyst, harnessing the wealth of intellectual and technical resources to promote economic success and growth of the biotechnology and related industries as key component of regional economic development. For more information on YORKbiotech, please visit www.yorkbiotech.ca/.

If you are interested in getting involved with Markham and YORKbiotech, please contact Ted Northcott, Senior Business Development Officer at 905-477-7000 x 6590 or tnorthcott@markham.ca

Note: 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. Data was obtained from the 2004 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.



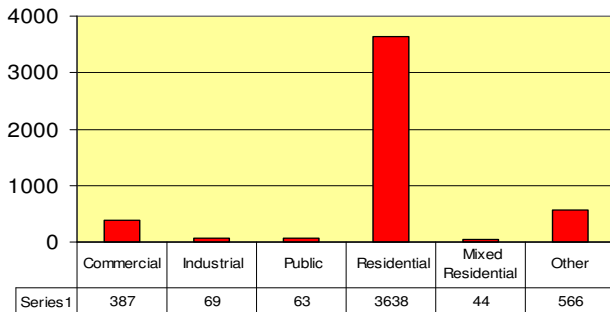
ECONOMIC PROFILE — Year End 2005

DEVELOPMENT ACTIVITY

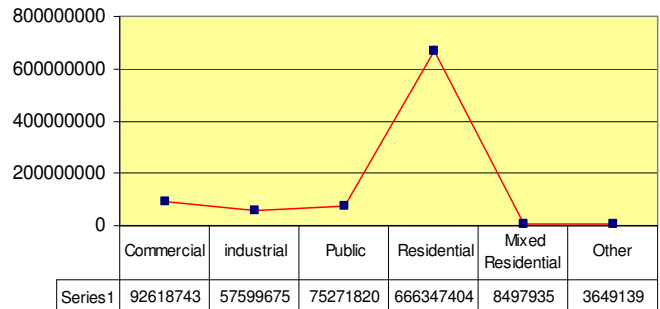
2005 Commercial & Industrial Tax Rates (%)

	Commercial	Industrial
Toronto	4.50	4.81
Mississauga	2.80	3.16
Vaughan	2.62	3.16
Markham	2.61	2.93

Number of Building Permits Issued



Value of Construction



INDUSTRIAL/COMMERCIAL DEVELOPMENT

Industrial & Business Parks, 2005 (year end)

Employment areas – business parks	16
Serviced & market ready	370 acres
Total vacant employment land	925 acres
Average Price per acre	\$400,000 - \$750,000

Industrial Inventory, 2005 (year end)

Total inventory (sq. ft.)	33,627,186
Vacancy rate	3.6%
Average net rent (sq. ft.)	\$6.35

GTA North Office Inventory, 2005 (year end)

Total inventory (sq. ft.)	8,892,413
Vacancy rate – class A	12.3%
Average net rent (sq. ft.)	\$9.55

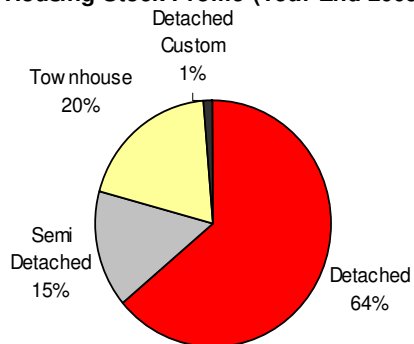


ECONOMIC PROFILE —Year End 2005

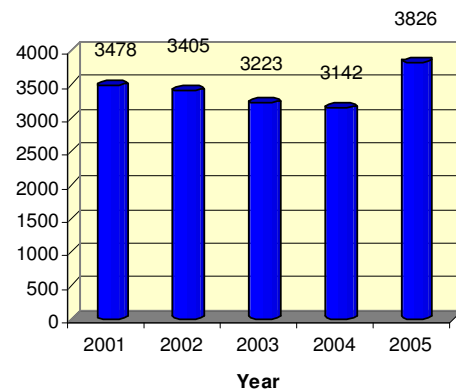
RESIDENTIAL DEVELOPMENT

Total number of housing units 73,056

Housing Stock Profile (Year End 2005)



New Dwelling Units



Housing Prices, Year End, 4th Quarter, 2005

Executive detached two storey	\$425,000
Standard two storey	\$385,000
Standard Condominium Apartment	\$260,000
Luxury condominium	\$330,000
Standard townhouse	\$280,000
Senior executive	\$485,000
Detached Bungalow	\$425,000

MUNICIPAL UTILITIES

Water & Sewer Infrastructure

Water & wastewater rate @ 1000 gallons	\$6.39
Sewer mains	684 km
Water mains	780 km

Electricity Costs and Charges, 2005 business rates

50kW or Less	
Distribution rate	\$0.0099 / kWh
Commodity kWh Charge (750 kWh)	\$0.047
Monthly customer charge	\$31.21

50kW or Less	
Distribution rate	\$1.2724 / kWh
Commodity kWh Charge (750 kWh)	\$0.047
Monthly customer charge	\$359.10



ECONOMIC PROFILE —Year End 2005

QUALITY OF LIFE

The awarding winning Town of Markham is the largest of nine communities in York Region with a population of approximately 265,000, and a land area of 206 square kilometres. The Town is a blend of four communities - Markham Village, Unionville, Milliken and Thornhill, and are 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.

Recreation and Culture

Total land area	206 Sq Km
Number of parks	173
Green space (hectares)	1,103.7
Number of trees	252,900
Number of sports fields	179
Trails / pathway system	21.54 Km
Number of golf courses	12
Performing arts theatre, museums, art gallery	3
Public libraries	6
Community centres & facilities	17
Number of fire stations	7

Public Health and Education

Number of hospitals	1
Number of hospital beds	210
Number of elementary schools	47
Number of high schools	6
Number of community colleges (within 1 hr drive)	7
Number of universities (within 1 hr drive)	6

Transportation Infrastructure & Service Providers

York Region Transit, TTC connecting routes, GO transit	
Railway Infrastructure – GO train and CN	
Side walks	551 km
Roads	789 km
Toronto Buttonville Municipal Airport	



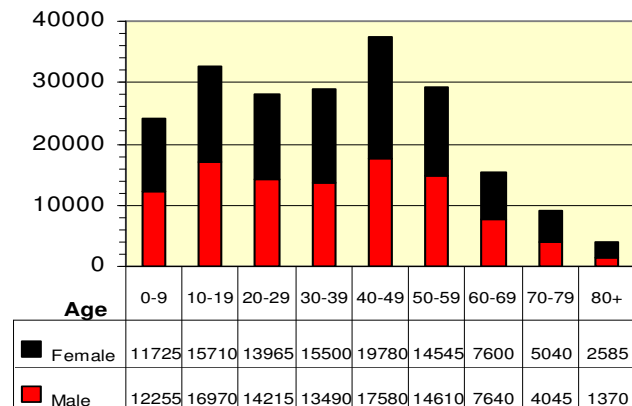
ECONOMIC PROFILE – Year End 2005

DEMOGRAPHIC PROFILE

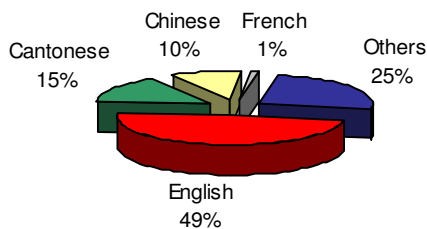
Population Projections

Year	Projection	Ave. Annual Growth
2005 (year end)	267,414	
2001	217,760	
2011	281,000	6320
2021	326,000	4500
2026	348,000	4400

Population Age Characteristics (2001 Census)



Population by Mother Tongue (2001 Census)



Educational Attainment (2001 Census)

Less than high school	13.9%
High school certificate	26.5%
Trades, college or Non university diploma	24.1%
University Degree	35.6%

Note: Census data is collected from Statistics Canada, which releases new data every five years. New data pertaining to Markham's demographic population and labour force will be released by Statistics Canada in May 2006.



ECONOMIC PROFILE – Year End 2005

LABOUR FORCE PROFILE

Income Levels of Persons Reporting Income (2001 Census)

Markham Average	\$39,260
Ontario Average	\$35,185
Canadian Average	\$31,757

Basic Indicators (2001 Census)

Number of person employed	114,850
Unemployed rate	5.40%
Employment participation rate	68.20%

Labour Force By Industry (2001 Census)	%
Manufacturing	14
Retail	12
Professional & Scientific	11
Finance & Insurance	9
Wholesale Trade	7
Health care	7
Construction	3
Real Estate	3
Transportation	2
Mining & Agriculture	.3

Wage Rates in Markham (2001 Census)	
Minimum Wage Rate	
Under 18 years of age	\$6.85
Over 18 years of age	\$7.10
Selected Occupation	
Data entry clerks	\$30,801
Parts assemblers/fabricators/testers	\$32,796
Shippers / receivers	\$33,138
Secretaries/administrative assistants	\$36,129
Customer service reps/info clerks	\$37,290
Industrial Electricians	\$47,107
Computer Programmers	\$52,578
Manufacturing engineer	\$67,765
Mechanical engineers	\$67,765
Sales / marketing / advertising managers	\$85,029

New Dwelling Units and Residential & Non-Residential Values

YEAR ENDING DECEMBER 31, 2005

Number of New Dwelling Units in Year 2005

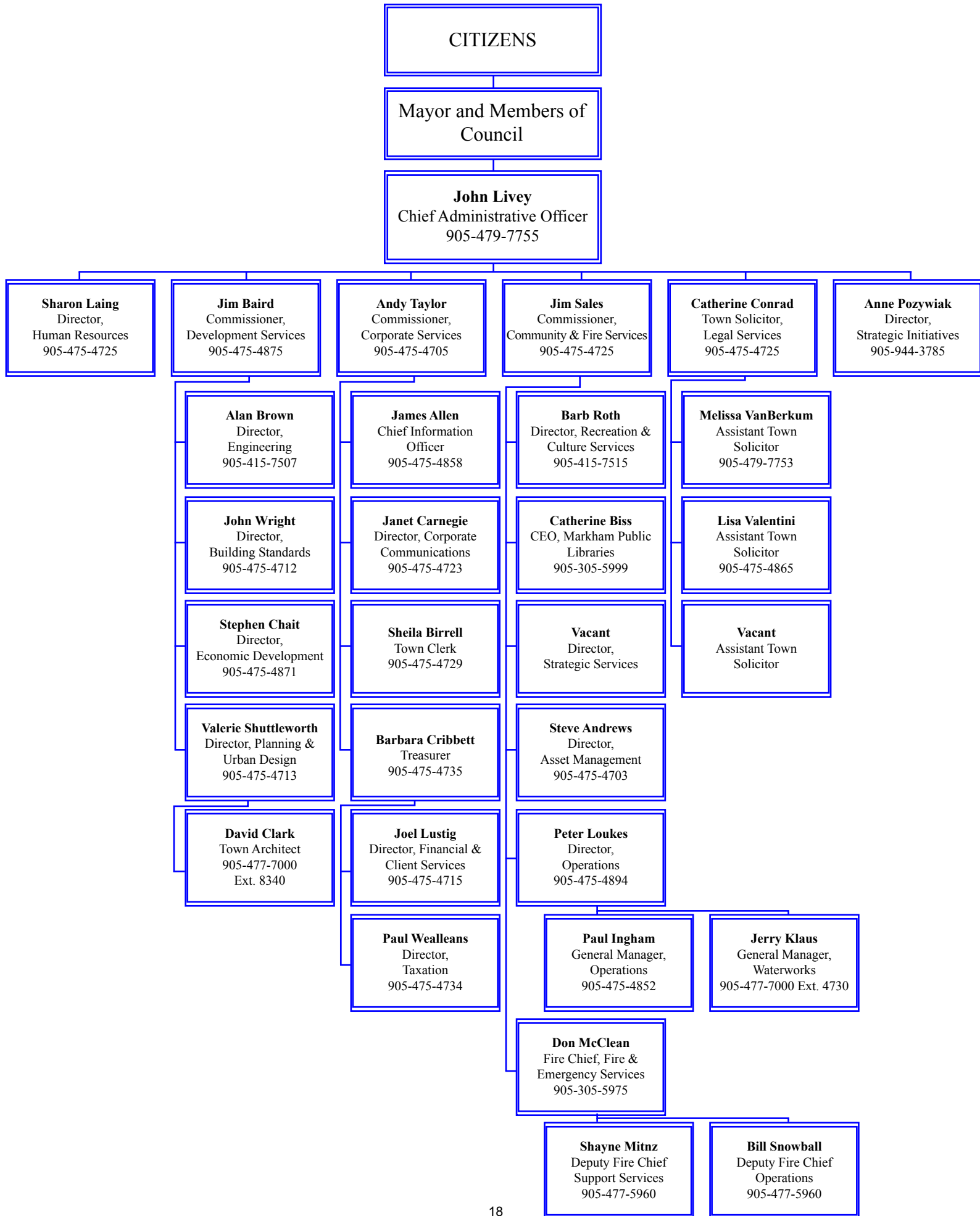
Single Dwellings	2,120
Double Dwellings	619
Row Dwellings	1,056
Mixed Residential	31
Apartments	0
Total	<u>3,826</u>

Construction Value in Year 2005

Residential	\$646,843,893
Mixed Residential	\$ 8,497,935
Industrial	\$ 57,444,675
Commercial	\$ 92,528,774
Institutional and Governmental	\$ 75,056,820
Total	<u>\$880,372,097</u>

TOWN OF MARKHAM

Organization Structure



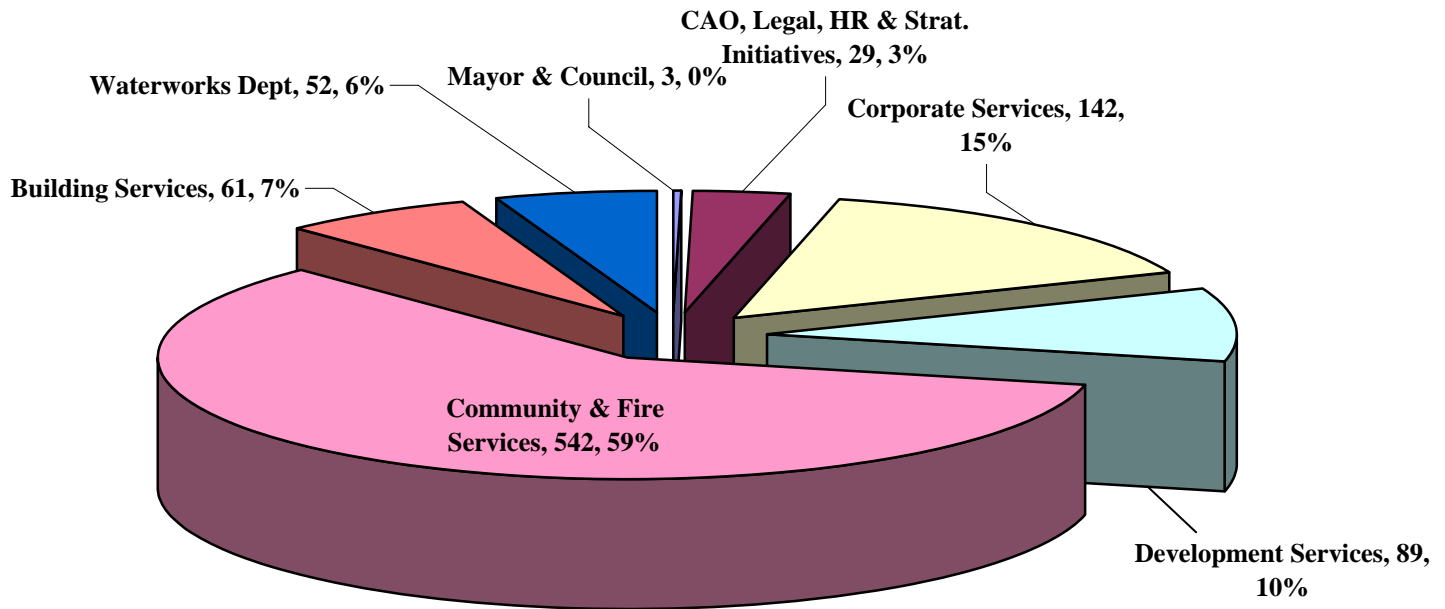


2006 BUDGET
Head Count - Approved Full Time Complement

Department / Commission	2004	2005	2006
Mayor & Council*	3	3	3
Human Resources	15	15	14
Strategic Initiatives	3	3	4
Legal Services	7	8	8
CAO's Office	3	3	3
Total CAO, Legal, HR & Strategic Initiatives	28	29	29
Corporate Communications	5	5	5
Legislative Services	44	48	48
ITS Department	29	31	33
Financial Services	39	44	46
Contact Centre	7	7	7
Commissioner's Office	3	3	3
Total Corporate Services	127	138	142
Planning & Design	37	37	37
Engineering	34	36	37
Economic Development	6	6	6
Commissioner's Office	9	9	9
Total Development Services	86	88	89
Museum	6	6	6
Theatre	9	9	9
Arts Centres	4	4	4
Fire Services	210	232	236
Recreation Services (incl. Rec. & Culture Admin.)	79	83	86
Roads	29	30	36
Parks	43	43	42
Fleet	7	7	8
Asset Management	9	9	8
Operations Admin.	9	9	14
Waste Management	4	4	4
Construction & Utilities (incl. Capital Works ROW)	9	11	12
Operations & Asset Management Admin.	4	4	4
Strategic Services	9	10	11
Commissioner's Office	2	2	2
Library	61	62	60
Total Community & Fire Services	494	525	542
Sub Total	738	783	805
Building Services	51	56	61
Waterworks	39	48	52
Total Corporation	828	887	918

* Excludes Mayor & Council Members

**2006 Budget
Full Time Headcount by Commission**



Summary of Changes to Approved Full Time Complement

2005 Budget

The total full time complement was adjusted from 884 to 887 during 2005. The increase was approved during the year to implement a new ‘Paid Parking’ program and to add an additional Fire Dispatch staff member.

2006 Budget

The 2006 approved full time complement of 918 represents a net addition of 31 new staff in the Budget. Details of these position are provided on the next page. The increase is tied to the Town’s overall growth & to it’s commitment to maintain service levels.

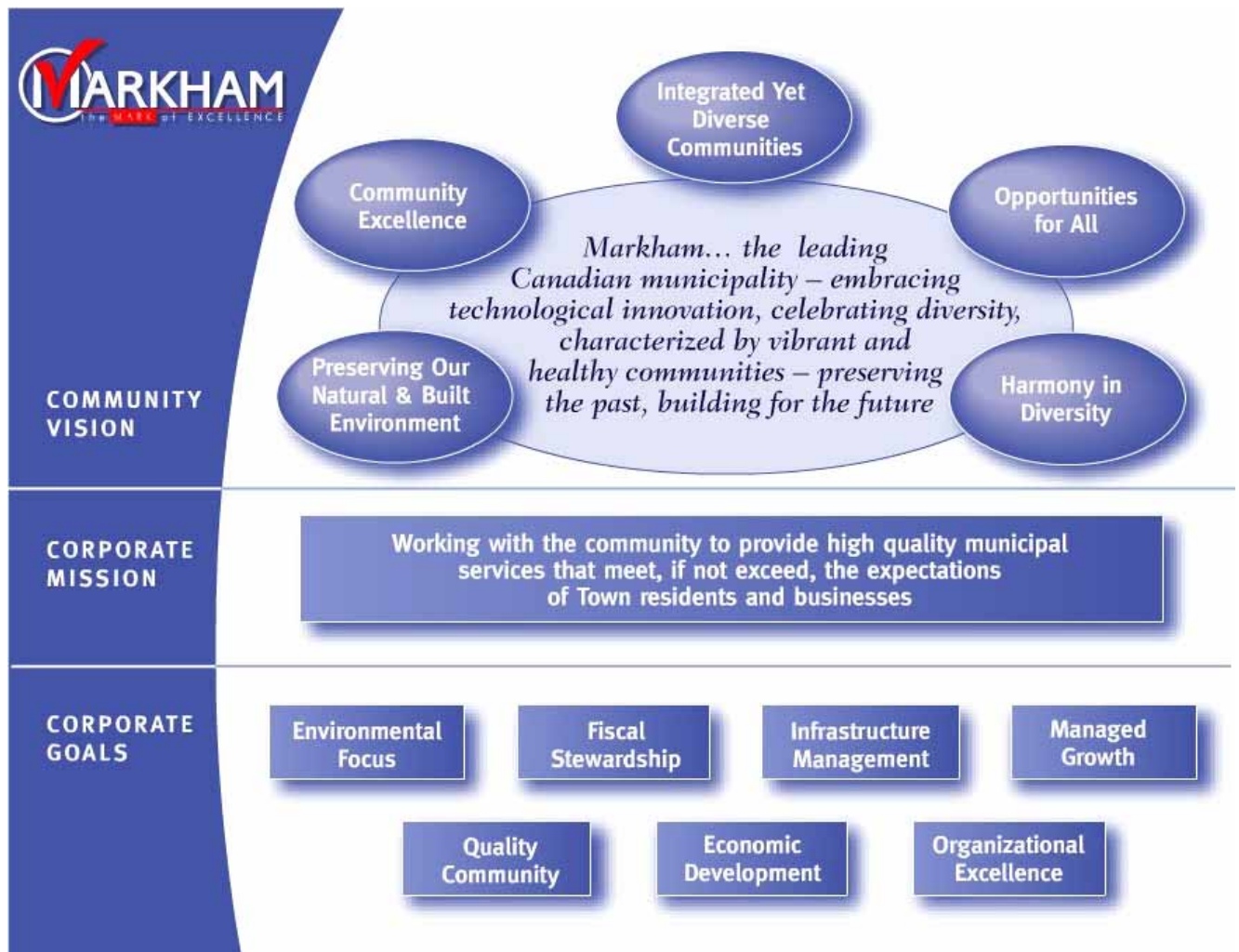
DETAILS OF 2006 STAFF ADDITIONS

CAO, Legal, HR & Strategic Initiatives: 1		
Strategic Initiatives	Administrative Assistant - Strategic Initiatives	1
Corporate Services: 2		
Financial Services	Cash Control Clerk	1
	Tax Analyst	1
Development Services: 1		
Engineering	Environmental Engineer	1
Community & Fire Services: 20		
Fire Services	Alarm Room Operator	2
	District Chiefs	4
	Fire Reduction	-2
Operations	Operations Re-organization	9
Recreation	Customer Service Representative - Angus Glen C.C.	1
	Pool Supervisor - Angus Glen C.C.	1
	Pool Supervisor - Thornhill C.C.	1
	Seniors' Recreation Supervisor - Thornhill C.C.	1
	Recreation Reduction	-1
Strategic Services	Manager, Environmental Leadership	1
Utilities & Capital Works	Admin/Financial Assistant	1
Building Services: 5		
Building Services	Building Inspection Supervisor	1
	Building Plan Examiners	4
Waterworks: 4		
	Working Supervisor	2
	Condition Assessment Engineer	1
	Quality Management System/Compliance & Efficiency Engineer	1
Total		31

Long-Term Strategic Plans and Initiatives

Internationally known and respected as one of Canada’s most successful and prosperous municipalities, the Town of Markham has contributed resources in the process of addressing the challenges of dynamic growth and making the strategic choices that are necessary to shape and guide its future. Using the criteria for excellence put forward by Canada’s National Quality Institute, the Town developed a framework for management principles and practices.

Development of a vision, mission and long-range strategic plan is one of the key elements of this excellence framework and resulted in the Engage 21st Century Markham project to develop the 20-year vision. It has called attention to the vision, desires and values of its many stakeholders, and has built on a tradition of local volunteerism and engagement that has strengthened the ability of community members and leaders to make important and difficult decisions: to choose a desired 20 year destiny for Markham and to charter a municipal mission that fosters and supports that destiny. The 21st Century Markham project has been included in the “Corporate Overview” tab; these pages were part of the brochure distributed to the residents of Markham at the beginning of the Council term.



Engage 21st Century Markham Project

Community Vision

The 20-year vision is a shared picture of what the community wants to become. It is a definition of future success that inspires a community and fosters commitment and support. The vision, when combined with the corporate mission goals, sets the context and framework for building the detailed corporate and commission business plans that will guide the allocation of the Town's resources in the future.

The vision reflects the Town's ambition to be seen as the Canadian leader in the delivery of outstanding municipal services. It reinforces the Town's image as a progressive and innovative high-tech capital, which is attractive and welcoming to Canadian business. As well, it builds on two key themes identified through the consultation process. One is the Town's desire to protect and enhance its unique diversity. The other is to preserve and enhance the Town's uniquely defined communities – geographic, ethnic and/or interest group based – that, acting together, create an integrated and successful community.

This vision statement expresses the Town's firm intention to keep the best of its past, whether it is the natural environment, heritage buildings, ethnic diversity, and/or the small-town atmosphere. And finally, it focuses on the future by ensuring that the Town builds a solid foundation of policies, programs, and systems to act as a base for future success. The vision statement and five key elements listed below capture the essence of what the Markham community wants to be.

Community Vision

“Markham – the leading Canadian Municipality – embracing technological innovation, celebrating diversity, characterized by vibrant and healthy communities, preserving the past, building for the future”

Key Elements of the Community Vision

Community Excellence

- ❖ We are recognized as an international leader in the management and delivery of high quality municipal services, which meet the expectations of the citizens within the context of the Greater Toronto Authority (GTA) and beyond.
- ❖ We are the high tech/knowledge-based capital of Canada.
- ❖ We manage growth proactively. Infrastructure is built in time to meet new demand. Cross-boundary concerns are addressed before they become an issue. Urban design is seen as critical to overall success.
- ❖ We have achieved a balance between urban and rural development.
- ❖ We have a safe, secure and healthy community.

Integrated yet Diverse Communities

- ❖ We have built on the separate yet integrated needs, expectations and requirements of the different communities - geographic, ethnic, and interest groups - within the Town.
- ❖ Our communities, even though independent and distinct, feel connected.

- ❖ There is active participation by all communities in the on-going decision-making of the Town.
- ❖ We have, and continue to preserve and enhance, a sense of community.

Opportunities for All

We support the provision of a wide range of community facilities, programs, employment opportunities and housing types to meet the needs and expectations of different age, income and ethnic groups.

Harmony in Diversity

- ❖ A recognition, understanding and respect of cultural differences are the cornerstone of the Town's plans, policies and service delivery.
- ❖ There is active representation and participation by ethnic groups in the planning and delivery of Town services.
- ❖ We are recognized as an international leader in multi-culturalism - we have harmony in diversity.

Preserving Our Natural & Built Environment

- ❖ We are a leader in preserving environmental and historic areas. We create plans and policies to support this leadership role.
- ❖ We aggressively expand the Town's ownership of, and provision for, green space and heritage buildings.

Corporate Mission

The Town's corporate mission statement must be in alignment with the preferred 20-year community vision. Every corporation has a mission that defines its purpose, its raison d'être. Over the past years, the Town's corporate mission has been "we exist to serve our clients". This mission statement fails to address the 20-year community vision and needs to be replaced with a mission statement that describes the role the Town's administration will play in realizing the community vision. The Town's corporate mission is,

"Working with the community to provide high quality municipal services that meet, if not exceeds, the expectations of Town residents and businesses".

Strategic Implication

The vision and mission statements suggest a number of strategic choices and decisions that will govern future decisions concerning the focus and priorities of the Town in decision-making and resource allocation. These include:

- ❖ The Town will continue to focus on and actively support its position as the high tech/knowledge based capital of Canada
- ❖ The Town will invest in the expectations and requirements of the different communities within the Town

- ❖ The Town will recognize, promote and support its ethnic diversity meaning that there will be ongoing investment in, and priority for, those programs and activities that support multi-culturalism.
- ❖ The Town will pursue programs, services, facilities, and employment and housing opportunities
- ❖ The Town will be a leader in e-government services
- ❖ The Town will be a leader in the efficient and effective management of growth
- ❖ The Town will be a leader in preservation of both its natural and built environment

Corporate Goals

Corporate goals focus the efforts of the Town in meeting the needs and expectations of the community given the overall community vision and corporate mission. Through public consultations and the work that has been completed by Town Council and staff, seven long range goals have been adopted as described below:

Environmental Focus

To protect, enhance and restore Markham's natural features and green spaces as part of a vital and healthy ecosystem.

Fiscal Stewardship

To ensure that resources are managed responsibly and taxpayers receive the best value for their money.

Infrastructure Management

To build, renew and strategically manage the Town's infrastructure to meet the demands and expectations of a growing community.

Managed Growth

Provide a framework for the timely delivery of well-planned new communities that are phased and coordinated with the provision of infrastructure.

Quality Community

To recognize, promote and strengthen a sense of community and multiculturalism while appealing to all ages and stages of life by providing high-quality services

Economic Development

To establish, promote and support Markham as the best location for diverse high-tech and related businesses.

Organizational Excellence

To achieve excellence in managing and delivering quality services through quality people.

Strategic Initiatives

Markham's Strategic Plan framework incorporates the community vision, corporate mission, and corporate goals.

Achieving a 20-year vision will require a concerted focus on strategic initiatives and projects. The Town of Markham has several significant strategic projects already underway which are consistent with the stated vision, mission, and goals.

These projects include: the development of Markham Centre (a downtown modeled on new urbanism principles) and the Markham Transportation Strategy (an aggressive and comprehensive plan of transit and road based initiatives) and Environment.

The vision, mission, goals and strategic initiatives will work together to create a strategic direction for the Town.

Markham Centre

Markham Centre is Markham's downtown core: an environmentally sustainable, transit-friendly, attractive home for about 25,000 new residents and 17,000 employees.

Located on more than 900 acres north of Highway 407, around Warden Avenue, the Centre will combine the excitement and energy of a city with the intimacy and comfort of a small town.

Markham Centre will have a distinctly urban character-higher density development with strong streetscapes-complemented by ample green spaces. Markham Centre, based on the principles of New Urbanism and Smart Growth represents a radical departure from suburban sprawl.

Markham Centre will be integrated into its natural heritage setting on the Rouge River and will be a central place for Markham residents and businesses for many generations to come. Our Centre will create a focus and gathering place for the municipality bringing together the many communities that make up the Town of Markham.

Markham Centre will set a new standard for Smart Growth that will:

- Celebrate Markham's community values
- Enhance Markham's quality of life
- Be sustainable for future generations
- Protect and enhance our natural environment
- Build on transit initiatives and existing infrastructure
- Enhance the economic vitality of our community

Markham Transportation Strategy

Transportation is one of the single most important strategic initiatives of the Town of Markham. In the fall of 2005, in cooperation with the Region of York, the Quick Start Transit system was launched. It is a significant improvement to existing bus service along major transit corridors including Highway 7, Yonge Street and Warden Avenue. Quick Start is funded by the regional, provincial and federal governments and will feature upgraded buses, improved service levels and automatic ticket and payment systems at key locations across Markham's major transit corridors. Markham continues to design its new communities with the transportation system in mind. By incorporating a grid network of streets and mixed land use, travel time between home, work and

shopping will be reduced. The Town is also working with community groups to make traveling on its roads more efficient and safe.

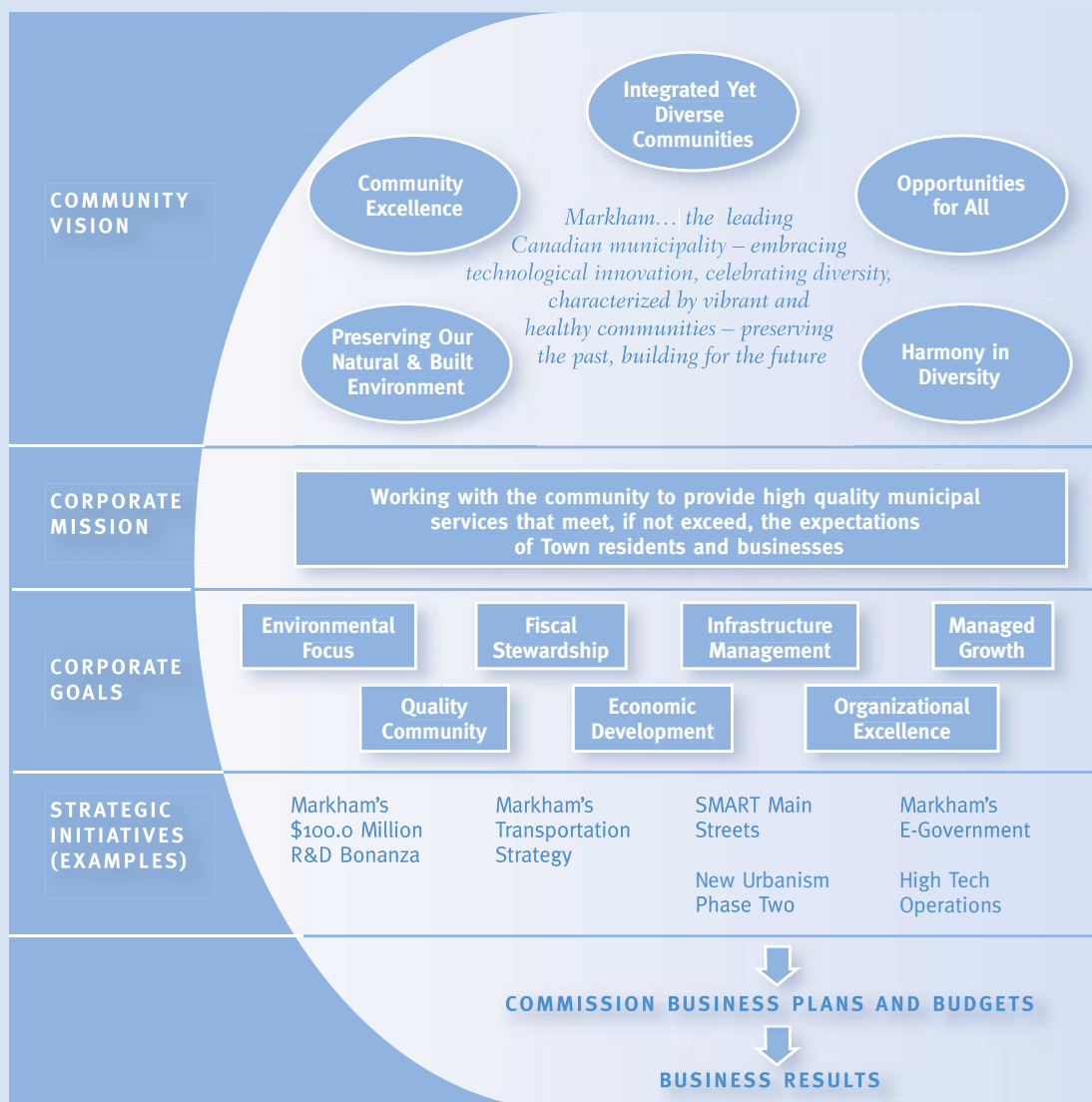
Environment

Markham will continue to maintain its leadership role in protecting and improving its natural environment. The Rouge Park Official Plan is the blueprint for the largest urban park in North America. The Town is also developing tree planting initiatives for businesses and reviewing its master plan for bicycle paths. Markham has ongoing initiatives to improve its natural areas, including ravines and valley lands, as well as beautifying its streetscapes. In order to improve the air quality, Markham is implementing a Green Fleet/Hybrid Pilot Project, establishing an anti-idling By-Law and performing emission audits on all Town of Markham buildings starting with the Civic Centre.

Overview

Its record of success and excellence distinguishes the Town of Markham. An award-winning community for everything from environmental initiatives, to planning to economic development, these successes have been accompanied by ongoing investment. Markham is the preferred place to live and work for an ever-increasing number of people and businesses. Rather than becoming complacent, Markham needs to continue to focus on being the best in all fields.

Using the criteria for excellence put forward by Canada's National Quality Institute, the Town has developed a framework for management principles and practices. Development of a vision, mission and long-range strategic plan is one of the key elements of this excellence framework and resulted in the Engage 21st Century Markham project to develop the 20-year vision.



Community Vision

MARKHAM... THE LEADING CANADIAN MUNICIPALITY – EMBRACING TECHNOLOGICAL INNOVATION, CELEBRATING DIVERSITY, CHARACTERIZED BY VIBRANT AND HEALTHY COMMUNITIES – PRESERVING THE PAST, BUILDING FOR THE FUTURE.

These key elements of the overall vision capture the essence of what Markham wants to be.



- ◆ Community Excellence
- ◆ Integrated Yet Diverse Communities
- ◆ Opportunities for All
- ◆ Harmony in Diversity
- ◆ Preserving Our Natural & Built Environment

Corporate Mission

The Town's corporate mission statement must be aligned with the 20-year community vision. The Town's corporate mission statement is proposed as:

“WORKING WITH THE COMMUNITY TO PROVIDE HIGH QUALITY MUNICIPAL SERVICES THAT MEET, IF NOT EXCEED, THE EXPECTATIONS OF TOWN RESIDENTS AND BUSINESSES.”



Corporate Goals

Corporate goals focus the efforts of the Town in meeting the needs and expectations of the community given its community vision and corporate mission. These are:

1. ENVIRONMENTAL FOCUS

Protect, enhance and restore Markham's natural features and green spaces as part of a vital and healthy ecosystem.

2. FISCAL STEWARDSHIP

Ensure that resources are managed responsibly and taxpayers receive the best value for their money.

3. INFRASTRUCTURE MANAGEMENT

Build, renew and strategically manage the Town's infrastructure – the hard and soft services such as streets, waterworks and recreation – to meet the demands and expectations of a growing community.

4. MANAGED GROWTH

Provide a framework for the timely delivery of well-planned new communities that are phased and coordinated with the provision of infrastructure.

5. QUALITY COMMUNITY

Recognize, promote and strengthen a sense of community and multiculturalism while appealing to all ages and stages of life by providing high-quality services.

6. ECONOMIC DEVELOPMENT

Establish, promote and support Markham as the best location for diverse high-tech and related businesses.

7. ORGANIZATIONAL EXCELLENCE

Achieve excellence in managing and delivering quality services through quality people.



Strategic Implications

- ◆ The Town will continue to focus on and actively support its position as the high tech/knowledge-based capital of Canada.
- ◆ The Town will invest in the expectations and requirements of the different communities within the Town.
- ◆ The Town will recognize, promote and support its ethnic diversity meaning that there will be ongoing investment in, and priority for, those programs and activities that support multi-culturalism.
- ◆ The Town will pursue those programs, services, facilities, and employment and housing opportunities.
- ◆ The Town will be a leader in e-government services.
- ◆ The Town will be a leader in the efficient and effective management of growth.
- ◆ The Town will continue to be a leader in preservation of both its natural and built environment.



FINANCIAL POLICIES

1. FINANCIAL PLANNING POLICY

A. Budget Process

Proposed Budget

A proposed budget shall be prepared by the Financial Planning and Budgets department with the participation of all of the Town's departments within the provisions of the Town's charter.

i) The Budget shall include four basic cost segments for review and evaluation. The segments being,

- Personnel Costs
- Operations and Maintenance costs
- Taxation Revenues
- Other Operating Revenues

ii) The Budget review process shall include the Town's Budget Committee participation in the development of each of the above segments of the proposed budget and public hearings to enable community participation and input.

iii) The Budget process shall be for a sufficient time span to adequately address policies and fiscal issues by the Budget Committee.

iv) The proposed Budget shall be presented by the Budget Committee to the Finance & Administrative Committee for consent and forwarding to the Council.

Adoption of Budget

Upon receiving the recommendations from the Finance and Administrative Committee, the Council will subsequently adopt by resolution such Budget, as the Town's annual Budget for the year beginning January 1.

B. Balanced Budget

The Operating Budget will be balanced with revenues equalling costs for the Budget period. Any shortfall in budgeted revenues versus budgeted expenditures for a budget period will be offset by tax levies equal to the shortfall thereby resulting in a balanced budget.

C. 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 identified to minimize the Town's exposure including drawing from Reserves, reallocating budgets and spending constraints.

D. 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.

E. 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.

F. 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 monthly to the Council by the Director of Financial and Client Services. Such reports will be in a format that will enable the Council to understand the budget and the financial status of the Town.

G. Operating Fund Balance

Actual Surplus or Deficit during a budget period will be transferred to a Corporate Rate Stabilization Reserve. The balance in this reserve shall be used to minimize the effect of any large variations in major sources of revenue or expenditure.

2. 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 developers contribution wherever possible. When such funds are not sufficient or if projects do not meet the criteria for developers 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 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 sources 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.

3. 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.

BUDGETING POLICIES

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

The Town of Markham prepares budgets for the Operating, Capital, 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.

B. Fixed Assets

The historical cost and accumulated depreciation of fixed assets are not recorded nor required for municipal purposes. The Town of Markham records fixed assets as an expenditure in the year of acquisition and budgets accordingly.

C. Operating Fund

Funds all Town of Markham operations except for water and sanitary sewer operations. Tax revenue is the main source of funding.

D. Waterworks Fund

Funds all water and sanitary sewer operations. Water billings are the main source of funding. This fund is consolidated with the operating fund for operating statements.

E. Capital Fund

Provides funding for all capital projects in the Town of Markham. Development charges, transfers from operating fund and transfers from reserves are the main sources of funding.

F. 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.

G. 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 2005, the Town of Markham had 7 trust funds with a total balance of \$1,674,445.

H. Buttonville Airport Fund

The fund accumulates operating grants paid by the Region of York for the operating of the Buttonville airport and transfers them to Toronto Airways Limited (TAL), the operator of the airport. The Toronto Buttonville Municipal Airport (Markham) Inc. (TOWNCO) leases the airport land from TAL and 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.

I. Reserve and Reserve Funds

As at December 31, 2005, there were 9 Reserves and 20 Reserve Funds. Out of the total of 29 funds, 21 were discretionary i.e. set aside by Council and 8 obligatory i.e. mandated by legislation). The balance in the funds as of December 31, 2005 was \$131,849,142.

INVESTMENT POLICY

OBJECTIVES

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

1. Legality of Investments
2. Preservation of Principal
3. Maintenance of Liquidity
4. 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. 265/02 – Eligible Investments. In accordance with this Act, for the purposes of clause 167 (2), a list of eligible securities that a municipality may invest in can be found in Attachment 2:

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 provincial bond holdings must rate at least “A”, while all other bond holdings (municipalities, government agencies, etc.) must rate at least “AA” or the equivalent from the Dominion Bond Rating Service (DBRS), 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 30% of the total investment portfolio at all times, and may comprise 100 per cent of the portfolio.

The following limitations apply:

- Government of Canada - no limit
- Province of Ontario - no limit
- Other provinces - maximum 20 per cent

Municipal Government Securities

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

Financial Institutions

Investments in eligible financial institutions shall not exceed 65% 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 25 per cent
- other Canadian chartered banks and Schedule ‘B’ banks - in aggregate 25 per cent with individual maximum of 15 per cent

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 ten 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 'A' 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 and the Treasurer will have signing authority on all investments that require wire transfers. The Investment Analyst 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:

1. TD Canada Trust
2. CIBC World Market Inc./Wood Gundy
3. Scotia McLeod Inc.
4. RBC Dominion Securities Inc.
5. Royal Bank of Canada
6. Bank of Montreal
7. HSBC Bank Canada
8. Manulife Bank
9. 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.

RESERVE POLICIES

2005 RESERVE STUDY

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

- A. determining the adequacy of the Town's Reserves to meet known future expenditures (Infrastructure/Capital Asset Rehabilitation/Replacements)
- B. determining the adequate level for the Town's rate stabilization/contingency reserve based upon comparisons and benchmarking with other Municipalities and "best practices"
- C. 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.

A. 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 (refer to page 148) 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 44 for Future Operating Surplus).

B. 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.

C. OTHER RESERVE STUDY RECOMMENDATIONS AND POLICIES

- **10% Non-DC Growth Reserve Fund** – intended to fund a mandatory 10% non-development charge portion of growth-related Library and Recreation projects. See “Development Charge (DC) Projects – 10% Non-DC Reserve Funding” section in the Capital Budget Guidelines section (Page 49) 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.
- **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, \$500,000 of interest income from a long-term loan to a related company, PowerStream, will be the source of funding for this reserve.
- **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, \$500,000 of interest income from a long-term loan to a related company, PowerStream, will be the source of funding for this reserve.

D. FUTURE OPERATING SURPLUSES

Prior to the 2005 Reserve study, year-end Operating Budget surpluses were directed to the Corporate Rate Stabilization reserve. As summarized in section A of this reserve policy, the 2005 Reserve study established a target balance for the Corporate Rate Stabilization reserve, 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.

DEBT POLICY

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 fund revenues, not including Municipal electrical utilities revenues.
- Markham’s annual repayment limit is approximately \$44 million.

2006 CAPITAL BUDGET GUIDELINES

KEY DATES

- September 9, 2005:** Business Unit Plans (BUPs) are due from all departments
- September 22 & 23, 2005** Review of BUPs by CAO & Commissioners where each department delivers a brief presentation on items included in the BUPs
- September 28, 2005** Approval of BUPs by CAO & Commissioners

2006 CAPITAL FUNDING REQUEST FORM

Capital Funding Request forms accompany each capital project request. Departments are required to complete the following areas on the 2006 Capital Funding Request Form:

- Project type:
 - 'New' for One Time projects,
 - 'Reoccurring' for Repairs / Replacements, or,
 - 'Enhanced' for Council requests

- If applicable, identify if the project:
 - Was "Deferred from Prior Year", or
 - If it has been "Accelerated (i.e., was originally in 2007 or 2008 but has been moved up to 2006).

- Indicate how Service Level will be affected by the project; that is, whether service level will be 'Maintained', 'Increase' or 'Decrease' after implementation. If the response is either 'Increase' or 'Decrease', a detailed explanation is required.

GENERAL INFORMATION

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 (tax rate) funded capital projects will be considered in accordance with their Priority Ranking. Projects should be ranked as *High, Medium, or Low* priority. A project should be considered a *High* Priority if it addresses one or more of the following issues:

- Health & Safety
- Legislation
- Project cannot be deferred another year
- Transportation Issues and Opportunities
- Environmental Focus

2006 Business Plans

The 2006 Business Plans will be incorporated into the 2006 Capital and Operating Budget process.

Pre-Budget Approval

Departments are required to identify projects that may require pre-budget approval on the 2006 Capital Funding Request form.

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 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 on the 2006 Capital Funding Request form in the detail section.

Projects Managed by Other Departments

Information Technology Services (ITS):

Departments are required to complete a *2006 ITS Project Request* form & business case for all discretionary IT requirements. Such projects include new corporate applications – financial system, asset tracking system. Non-discretionary requirements (e.g., PC upgrades/replacements, etc.,) are managed by ITS separately.

Capital Assets/Fleet:

All Business Cases & *2006 Capital Funding Request* forms for NEW fleet should be forwarded to Fleet Operations for review and verification of cost/standards. Fleet Operations will consolidate all requests, following their review, and submit one Capital Funding Request form to Finance for NEW fleet vehicles required in 2006.

Fleet Operations will conduct conditional assessments on replacement vehicles identified in the Life Cycle Reserve Study as requiring replacement in 2006. Replacement vehicles required in 2006 will be consolidated into one Capital Funding Request form by Fleet Operations.

Council Priority Projects

Council Members are encouraged to identify projects to be included in the 2006 Budget submission by September 30.

Taxes (Provincial & Federal):

All capital projects must be budgeted at the project cost excluding taxes. All applicable taxes (8% Provincial Sales Tax, PST) must be identified separately. Note: Consulting fees are exempt from PST.

For example, a project with a quote/estimate of \$200,000 should be budgeted at \$216,000 with PST (\$16,000) identified separately.

Development Charge (DC) Projects – 10% Non-DC Reserve Funding

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-DC charge are:

- 1) Water supply services, including distribution and treatment services.
- 2) Waste water services, including sewers and treatment services.
- 3) Storm water drainage and control services.
- 4) Services related to a highway (as defined in subsection 1 of the Municipal Act).
- 5) Electrical power services.
- 6) Police services.
- 7) Fire protection services.
- 8) Other services as prescribed.

Projects that do not fall under one of the above exemptions must be noted as requiring 10% Operating (tax rate) funding or an alternative non-DC source such as other reserves. For example, a new park with a project cost of \$100,000, inclusive of taxes, would have tax rate 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 2006 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 improvement that benefit specific residents in an area are recoverable from the residents benefiting 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. Information regarding the quotes is noted in Section 1 of the Capital Funding Request Form.

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 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 of the project.

Over Spending

Capital contract overruns that exceed budget must have alternative funding sources 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 as follows:

<i>Contract Overrun Value</i>	<i>Approval Required</i>
\$10,000 and < 10% of contract value	Director
\$25,000 and < 10% of contract value	Commissioner
\$50,000 and less	Treasurer
\$100,000 and less	CAO
Greater than \$100,000	Council

2006 OPERATING BUDGET GUIDELINES

This document is divided into three sections:

- A. General Narrative and Assumptions
- B. Budget Preparation Guidelines
- C. Budget Administrative Guidelines

A. General Narrative and Assumptions

The 2006 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;* and
- *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:

General Inflation will be at 2.2 % during 2006.

Gross Assessment Growth will be approximately 4.0%

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

The focus of the 2006 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. Further the Budget continues to set aside dollars that will be required to offset the staffing costs related to opening of future facilities like Fire Stations, Community Centres and Libraries.

Through the 2006 Budget Process, the Town continues its strategic thinking at all levels of the organization and critically evaluates the status quo.

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

In preparing the proposed budget, the recommendations from the Core Services Implementation team identifying areas of revenue generation other than tax revenues are included.

B. Budget Preparation Guidelines

The 2006 Budget is a 'Budget by Exception'. This means that all accounts are budgeted at 2005 base levels except for additional funding related to:

- Salary and benefits increases (CUPE and MPFFA wage settlement, OMERS pension rate increase, grid movement),
- Contract escalations and inflationary pressures,
- Increased costs related to more households, kilometres of roads and new parks,
- Operating costs associated with aging infrastructure,
- Provincial legislation (Bill 124 related to Building Permits, Bill 175, and Bill 195 related to water and wastewater costs),
- Higher insurance costs,
- New ramp ups for anticipated expenditures relating to future Fire stations and community centres,
- Increase in the tax-funded portion of the Capital Budget.

Excluding the predetermined increases mentioned above, departments have to fill out a 'Change to Base Budget' form, which includes completing a Business Case, for any additional funding requirements above the base budget 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 'Change to Base Budget' form (including completed business cases) should be approved at the Commissioner level before they were submitted to Financial Planning.

No new debt

The Town made no provision for the issuance of debt in this budget. The Town's share of any work to be done under The Local Improvement Act will not constitute debt as defined here.

Establish the Base Level

The Base Level for the 2006 Budget would be the 2005 cost of providing all the services approved in the 2005 budget, except for one-time projects.

The 2006 Base Level Budget is set by taking the inputs approved in the 2005 budget and costing them, adjusting for the annualized costs, growth and inflation, in that order.

1. **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 2006 Budget are personnel and other costs related to municipal service contracts that had price escalation midway in 2005. These costs are identified and included in the 2006 Base Budget.

2. **Growth** - Allow for growth that will occur in the Town in 2006. For example, if new roads were constructed in 2005, their upkeep would be part of the 2006 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. The 2006 'Change to Base Budget' Forms are completed to justify the extra funding required.
3. **Inflation** - As mentioned above, General Inflation of 2.2% is anticipated in 2006. All departments are expected to absorb this inflation within their 2006 approved budgets. However, exceptions are made for extraordinary commodity price increases and contractually related increases.

Service Level Changes

In each department, a critical analysis was 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 include all existing services at 2005 levels in their 2006 Base Budget submission. Any requests for funding to increase service levels need a 'Change to Base Budget' Form 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 'Change to Base Budget' form. Only the portion of the cost from the date of implementation to the end of the year is included in the Budget. However, departments 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 2006 Base Budget that reflects movement through the salary grids; the negotiated CUPE and MPFFA wage settlement, as well as COLA impact. The 2006 Base Budget from each Department includes only the 2005 full time approved complement. Financial Planning will complete the 2006 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.

Fringe Benefits

2006 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

2005 actual benefit costs and the impact of such items as higher pension plan costs announced by OMERS for 2006.

Part Time Salaries

The 2006 Budget Guidelines require that all permanent part-time staff be budgeted for by person/position. 2006 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 2005 levels.

Overtime Dollars and Hours

Overtime dollars and hours will be budgeted at 2005 levels.

Rate increases

Increases have been provided for as follows:

U.S Exchange Rate

U.S. Exchange Rate - 1.15

Investment Income

The forecasted 2006 interest rate of 3.85% is used for budgeting. The Financial Planning Department incorporates this rate in the development of the investment income budget.

Sales Taxes

Due to the full rebate available to municipalities, the 7 % Goods and Sales tax (GST) does not apply to purchases made. However, the Provincial Sales Tax (PST) of 8% will continue to apply and should be included in all budget accounts where applicable.

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 negotiated a fixed rate for Natural Gas in 2005 and it has been reflected in the 2006 Budget. The hydro supply rates were revised in the fall of 2005 and the increase has been accounted for in the 2006 Budget. Historical gas and electricity volumes are provided to departments for verification and change where applicable.

User Fees and Service Charges

Apart from Engineering, Planning Processing and Landscape Administration fees that were affected by Bill 124 coming into effect on 1 July 2005, the 2006 Budget does not include user fee or service charge increases/decreases from approved 2005 levels, unless a 'Change to Base Budget' form has been approved at the Commissioner level.

Debt Charges

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

Provincial Subsidies

No increases/decreases to Provincial Subsidies have been made other than those included in the 2006 Base Level budget.

Identification of Major Service Contracts

The identification of major service contracts up for renewal in 2006 is completed by Financial Planning and factored into the Budget.

C. 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 2006 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.

On a monthly basis, the CAO & Commissioners' Committee (CCC) 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.

Monthly Budget Monitoring

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

Monthly financial statements are delivered by Financial Reporting to each Commission by the 6th 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 monthly Reporting Package to the Finance and Administrative 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.

2006 Business Planning Process and Integration with Other Processes

Business Planning	Budgeting	ITS Project Planning
Milestone Dates	Description of Activity	
15-Jun-2005	Strategy Managers present draft BUP form to senior management in each Commission	Finance presents draft budget forms to senior management in each Commission
04-Jul-2005	Strategic Initiatives officially launches process	Client Advisors contact Directors in each Commission
18-Jul-2005		Client Advisors to assemble the materials from Stage 1 of the ITS Support Form
25-Jul-2005		Client Advisors give lists to Directors to take back to their Commissioner
08-Aug-2005		Client Advisors start work on Stage 2 of the ITS Support Form
06-Sep-2005		Client Advisors provide materials for Directors to take to the DHF for consolidation
09-Sep-2005	Business units submit their final BUP form	Business units submit their final Budget forms
09-Sep-2005 to 18-Sep-2005		DHF reviews/prioritizes items
19-Sep-2005	DHF submit prioritized list to Strategy Managers	Finance receives list from Strategy Managers
22-Sep-2005	CCC reviews BUPs - Day 1, Canada Room	
23-Sep-2005	CCC reviews BUPs - Day 2, Canada Room	
26-Sep-2005		Budget SubCommittee Meeting #1
28-Sep-2005	CCC wraps up business planning discussion and moves into budgeting	CCC business plan decisions flow into the budgeting process
11-Oct-2005		Budget SubCommittee Meeting #2
24-Oct-2005		Budget SubCommittee Meeting #3
Oct/Nov 2005	Strategy Managers review the process for future improvements	
15-Nov-2005		Budget SubCommittee Meeting #4
		

CCC: CAO and Commissioner Committee

DHF: Department Head Forum

2006 BUDGET CALENDAR

Key Dates

2005

September 6: *Information Technology Capital Budget Request* forms are due to Information Technology Services (ITS) department

Business Cases & Capital Request forms for NEW fleet are due to Operations – Fleet, for review, before final submission to Finance

September 9: Department Head Forum reviews / prioritizes items

September 15: *2005 Capital Funding Request* forms are due to Finance

September 22: Business Unit Profile / Business Plans presentation to the CAO & Commissioner's Committee (CCC)

September 23: Business Unit Profile / Business Plans presentation to the CAO & Commissioner's Committee (CCC)

September 30: Receipt of Councillor requests for Capital Projects

October 7: Capital Budget binders distributed to Councillors for review

October 11: Budget Sub-Committee - Preliminary 2006 Base Operating Budget & Capital Budget

November 15: Budget Sub-Committee - Review 2006 Capital Budget projects

December 6: Budget Sub-Committee - Review 2006 Capital & Operating Budgets

January 9: Budget Sub-Committee - Presented the Proposed 2006 Capital & Operating Budgets

2006

February 6: Budget Breakfast – Budget Presentation to public

February 14: Budget Approval by Council

2006 BUDGET OVERVIEW

BUDGET FRAMEWORK

Council meets every three years to set the Town's goals and priorities. While the long term corporate goals have remained unchanged, Council's strategic priorities for the term 2004 -2006 address the following initiatives; Addressing Gridlock and Rapid Transit, Creating a better quality of community, Improving environmental protection and management, Implementation of Markham Centre Downtown, Safe Streets and Improving standards of service and service delivery. These Strategic Priorities are discussed in further detail in the "Corporate Overview" section and the specific capital projects as they relate 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 Plan. The Business Plan forms the basis for the Budget process. The Budget provides a framework to put the Business Plan into action.

BUDGET PROCESS

In June 2005, staff began working on the business plans for 2006 for the respective Business Units. A presentation highlighting 2005 accomplishments, core services growth requirements and new initiatives in 2006 as they aligned to Council's priorities, was made by the respective department heads to the senior management consisting of the Chief Administrative Officer (CAO) and Commissioners. The presentations from senior management were incorporated and the final business plan was presented at the first Budget Sub-Committee meeting in October 2005, when eight members of Council that make up the Budget Committee began their deliberations. These members included Budget Chief Dan Horchik, Deputy Mayor Frank Scarpitti, Regional Councillors Jack Heath, Jim Jones, and Councillors, Alex Chiu, Stan Daurio, Erin Shapero, and Khalid Usman. This Committee, along with other Council members who attended the Budget Committee meetings helped to shape the budget and report progress to the Finance and Administrative Committee.

A total of four Budget Sub-Committee meetings were held during the period October 2005 to January 2006 to discuss the 2006 Budget. On February 6, 2006 the Mayor, Councillors, Town Staff and members of the community participated in the Town's Sixth Annual Budget Breakfast. The Budget Breakfast was an opportunity for residents, business and community leaders to obtain an overview of the Town's budget process and the status of the 2006 Budget. All attendees were invited to ask questions and to provide feedback at the Budget Breakfast. The feedback was positive and on February 14, 2006, Council approved the Operating, Capital and Waterworks Budgets.

The session was broadcast live over the Internet with a live audio feed of the presentation by Budget Chief Dan Horchik, and Andy Taylor, Commissioner of Corporate Services. The Budget was completed in accordance with the Town of Markham financial policies.

Amendments to Approved Budget

No further amendments to the budget are expected. However, any amendments after adoption would require a majority vote by Council as outlined in the financial policies section of the Budget document.

BUDGET SUMMARY

The total approved 2006 Budget is \$269.0M comprising of \$152.0M (excluding prior years surplus transfers to Reserves) towards operating, \$70.0M towards Capital and \$47.0M for Waterworks.

Operating Budget

The Town of Markham continues to face inflationary pressures in many aspects of its operations. Wage settlements, general inflation, winter maintenance contracts, operating costs associated with aging infrastructure including higher repair and maintenance costs, increased costs related to the Town adding to its inventory of parks, community centres and roads, other contract renewals, and the continuation of high fuel/natural gas costs have resulted in increased operating expenditures. Further, the Budget Sub-Committee has approved the continuation of the Town's practice of setting aside operating funds for salary costs related to future facility openings such as Fire Stations and Community Centres. The total impact of these pressures on expenditures is \$14.6M.

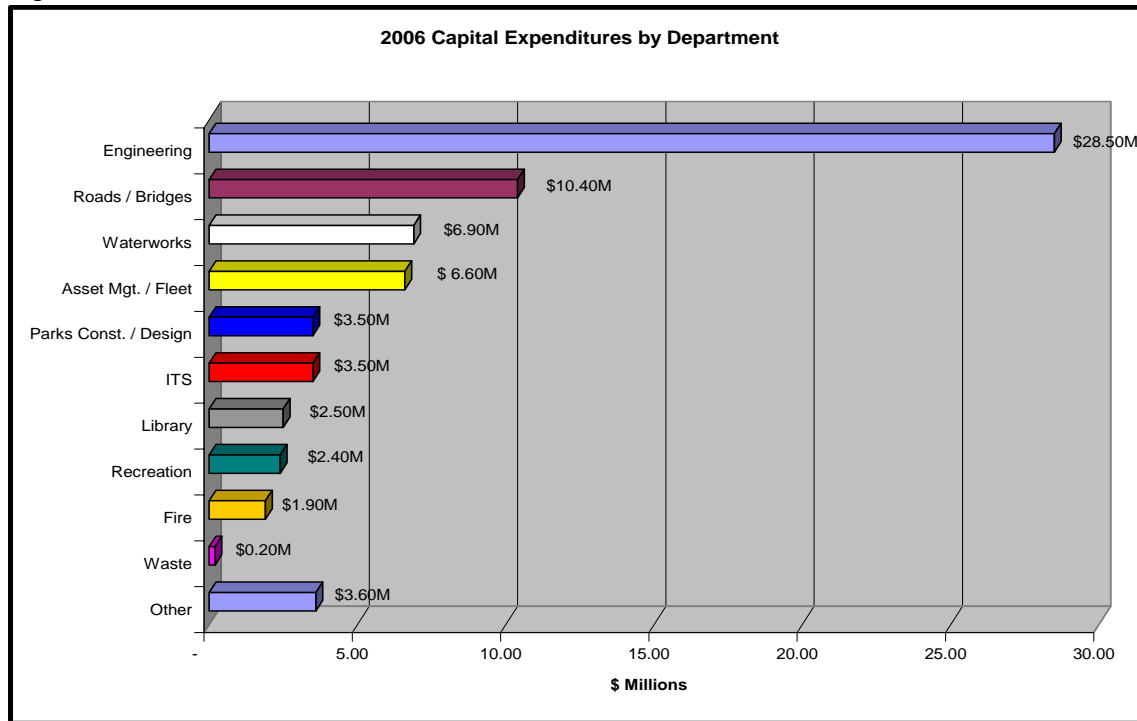
To mitigate the impact of increased expenditures, the Town reviewed its revenue sources and increased revenues in areas of Assessment Growth, Investment Income and Annualization of fee increases as well as other operating revenues totalling \$10.5M.

The Town has been able to maintain existing service levels with minimal increases in user fees, and a minimum increase to Council grants. However, as a result of the above noted budgetary pressures mitigated partially through increased revenues, a reduced operating shortfall of \$4.1M (\$14.6M - \$10.5M) or a tax levy increase of 4.88% was presented by the Budget Committee to Council.

The 4.88% increase in the net tax levy applies only to the municipal portion of the tax bill. For an average household valued at \$403,000, this equates to an extra \$36.04 per year.

Capital Budget

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



With the completion of the Town of Markham Reserve Study in 2005 the Town's capital requirements for major repair and replacement of aging infrastructure, such as replacement of park amenities and vehicles were

The Town's commitment to increase investment in Capital projects by \$0.5M, funded from assessment growth, is maintained.

The 2006 Capital budget also contains \$3.5M of Federal Gas Tax grant funded capital projects in the following areas:

- Water Distribution & Wastewater Systems – watermain construction and replacement;
- Public Transit – bike lanes/pathways and new/replacement of sidewalks;
- Solid Waste/Waste Diversion – Sabistan \ Settlers Park Landfill Site Management;
- Community Energy Systems – a provision for Markham District Energy projects and additional funding for a Green Roof at the Civic Centre; and
- Local Roads, Bridges – Bridge repairs and additional funding for a bridge replacement.

Other significant Capital projects include construction of the Fourteenth Avenue Watermain from Markham Road to Boxwood Avenue, Mid-block Crossings at Highway 404, Phase 2 of Rodick Road Reconstruction, Cornell Neighbourhood Park Waterplay Facility, final phase of funding for the Markham Village Library renovations and expansion, continued roll-out of Mission Green, the Town's waste diversion program, to multi-residential buildings and to the Town's two Business Improvement Areas, and the completion of the Doncaster Watermain replacement project.

Waterworks Budget

Council approved the 2006 Waterworks Budget of \$47.0M (excluding prior year's surplus transfer to reserves). This marks an increase of \$2.8 million over the 2005 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.

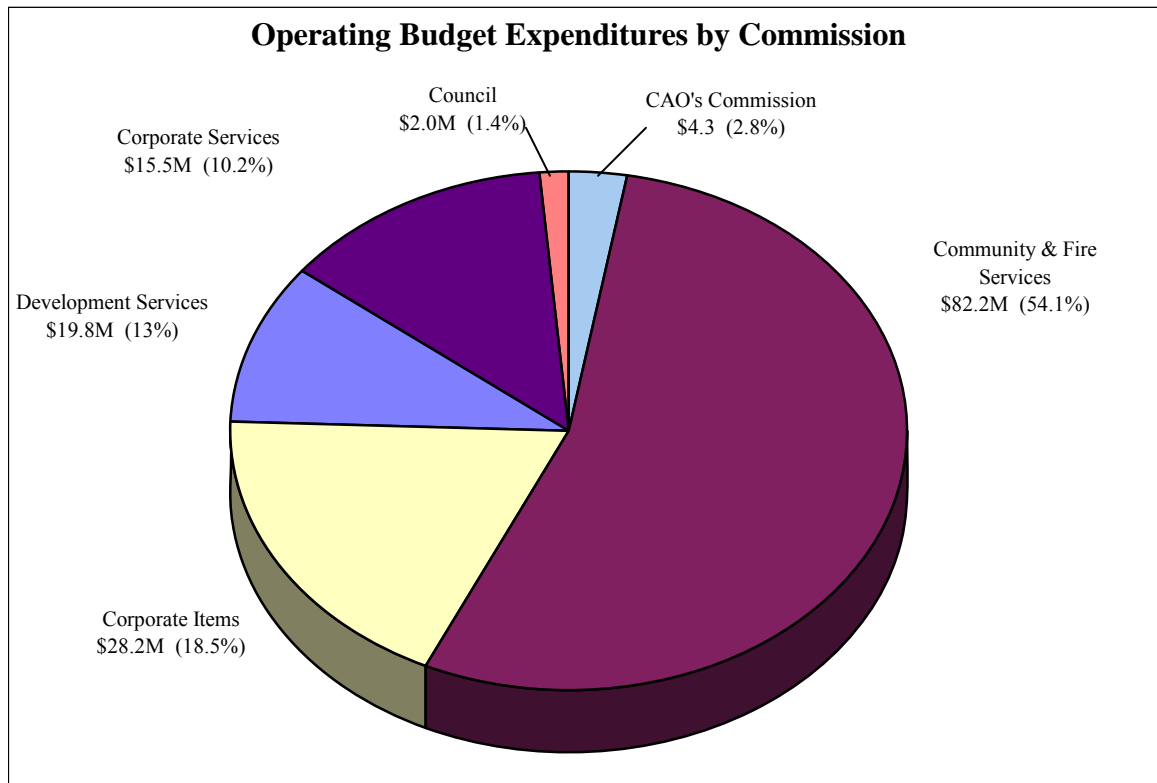
Prior year surplus will be transferred to the Corporate Rate Stabilization Reserve after the audit of year end accounts is completed.

2006 OPERATING BUDGET

Expenditures

The 2006 Operating Budget for Town services totals \$152,034,677. This marks an increase of \$14.6 million over the 2005 Operating Budget. Exhibit 1 shows the composition of the Operating Budget expenditures by Commission.

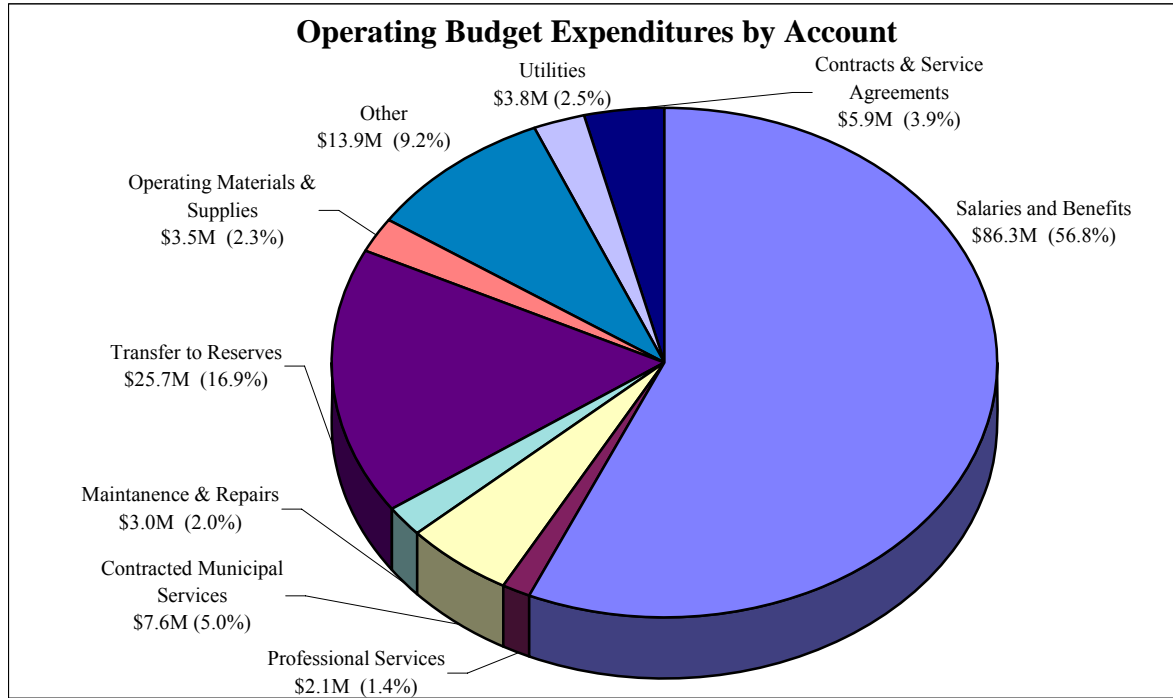
Exhibit 1



The Community & Fire Services Commission accounts for 54.1% 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 2006 Capital Budget program) represents 18.5% of the Budget.

The 2006 Operating Budget expenditures can be alternatively broken down by account. Exhibit 2 indicates that 56.8% 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 16.9% of the total Budget. The 'Other' category, which accounts for 9.2% of the Operating Budget, includes items such as communications, training, insurance, rentals/leases, licences, permits fees, promotion & advertising.

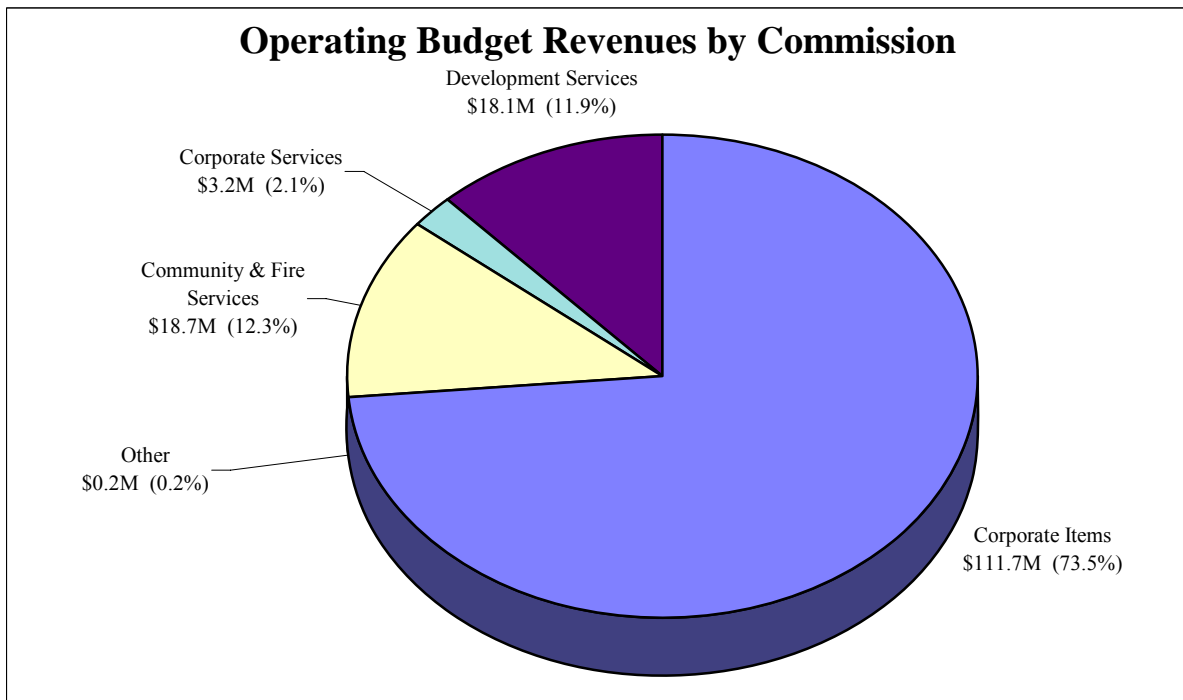
Exhibit 2



Revenues

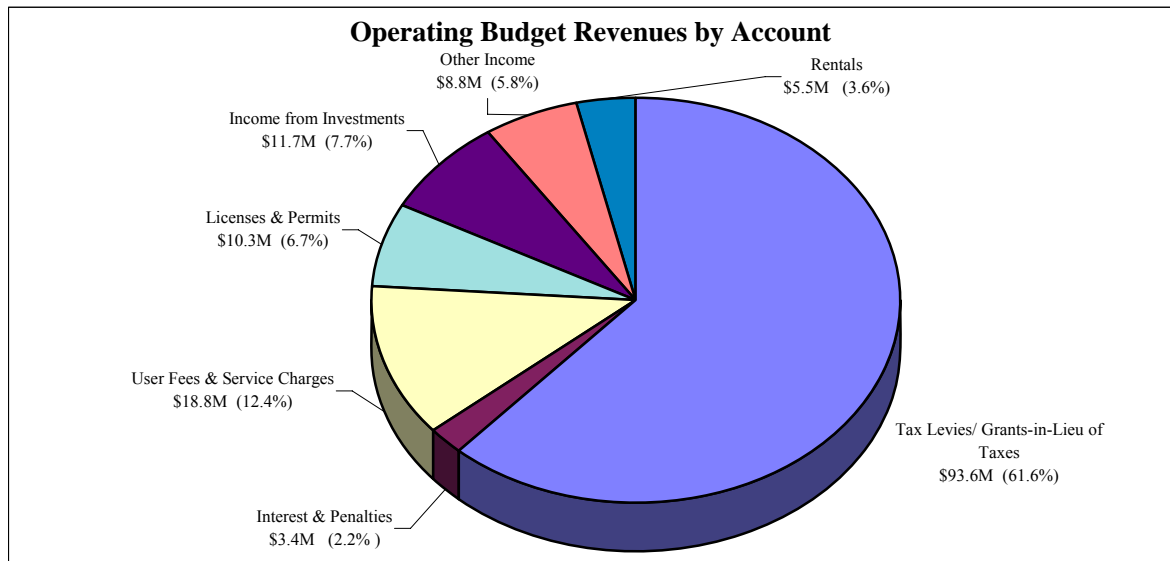
The \$152,034,677 Operating Budget is funded mainly through revenues associated with the following Commissions: Corporate Items (73.5%), Community Services (12.3%), and Development Services (11.9%). Corporate Items consist largely of Taxation Revenues, Investment Income, and Interest & Penalties. Please refer to Exhibit 3.

Exhibit 3



61.6% of the Operating Budget is funded through Taxation Revenues. Please refer to Exhibit 4.

Exhibit 4

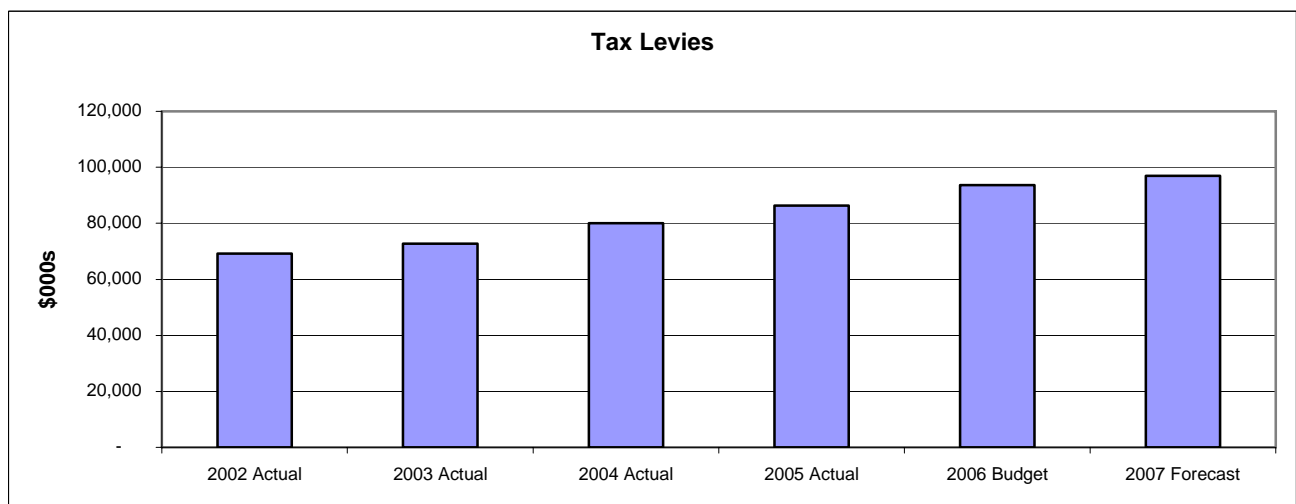


Major Revenue Sources

Tax Levies

Budgeted Tax Levies is at \$93.6 million, an increase of \$8.6 million or 10.1% from 2005. Council authorized a \$4.1 million (4.88%) increase in the net tax levy in order to eliminate the budget shortfall caused by the aforementioned pressures. Council was able to keep the increase to a minimum, partly through the use of \$3.3 million of projected residential, commercial, and industrial assessment growth. Assessment growth is expected to be 4.0% in 2006 and 3.5% in 2007. Please refer to Exhibit 5.

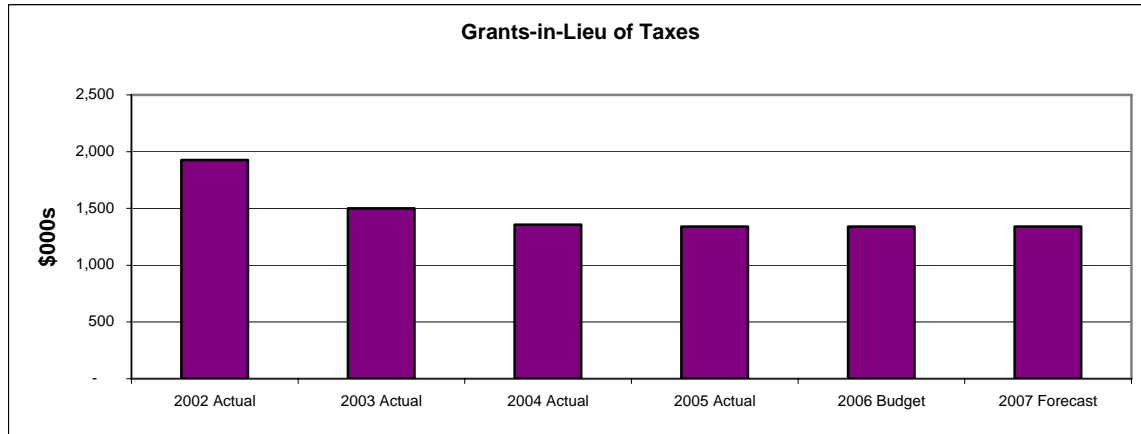
Exhibit 5



Grants-in-Lieu of Taxes

The 2006 Budget of \$1.3 million is at the 2005 level. It is expected that the \$1.3 million budget will be kept constant through 2007. Please refer to Exhibit 6.

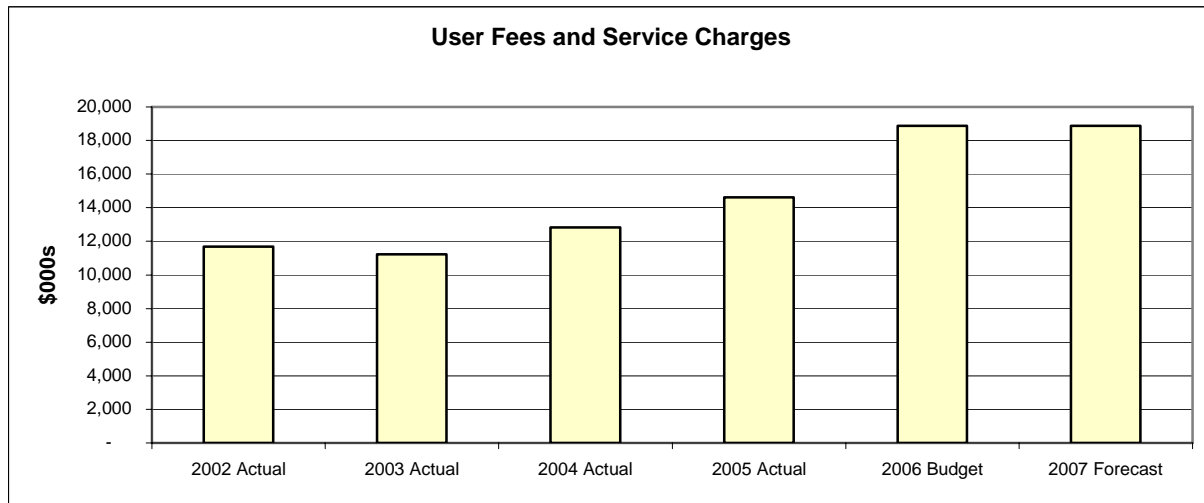
Exhibit 6



User Fees and Service Charges

User fees & service charges have increased by \$5.3 million mainly due to the impact of Bill 124 on Development Services fees (Engineering, Planning & Design fees - \$4.9 million increase). Development services fees and Recreation fees together represent 82% of the Town's 2006 budget for User Fees and Service Charges. The budget of \$18.8 million is expected to remain relatively stable for the year 2007. Please refer to Exhibit 7.

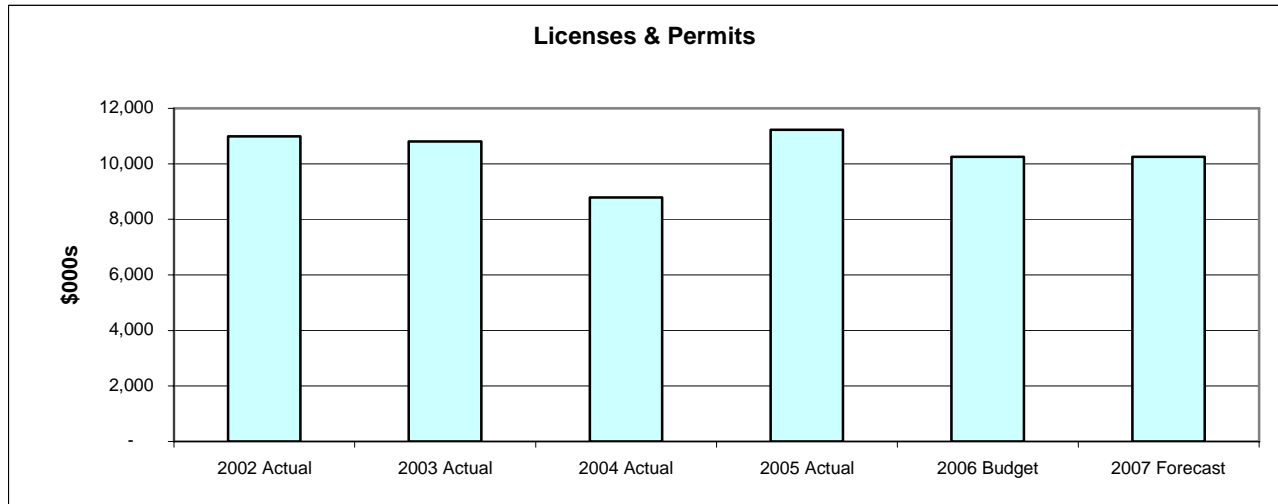
Exhibit 7



Licenses & Permits

The Town's License and Permit revenue consists mainly of revenues from issuance of Building Permits. The implementation of Bill 124 in July 2005 changed the current fee structure for Building permits, which accounts for 91.0% (\$9.3 million) of the 2006 Licenses and Permits budget. The 2006 budget of \$10.3 million has increased by \$0.4M from its 2005 level.

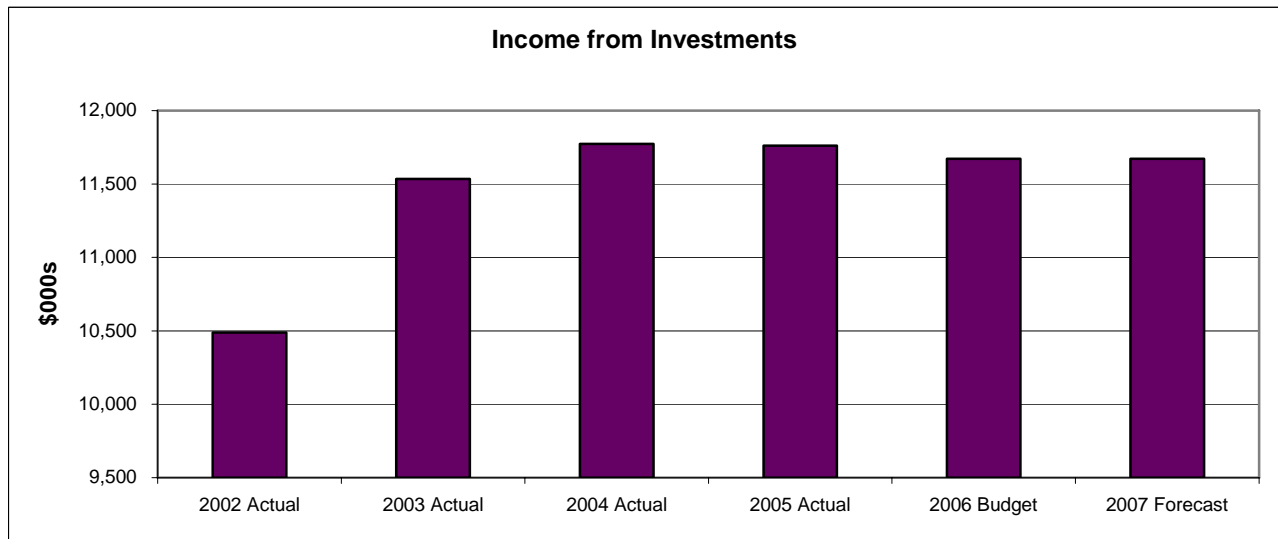
Exhibit 8



Income from Investments

Income from Investments is at \$11.6 million, an increase of \$439,000 over 2005 Budget. This increase is mainly due to expected higher portfolio balances. Based the former and on anticipated future cash flows, the forecast for future years is constant at 2007 Budget levels. Please refer to exhibit 9.

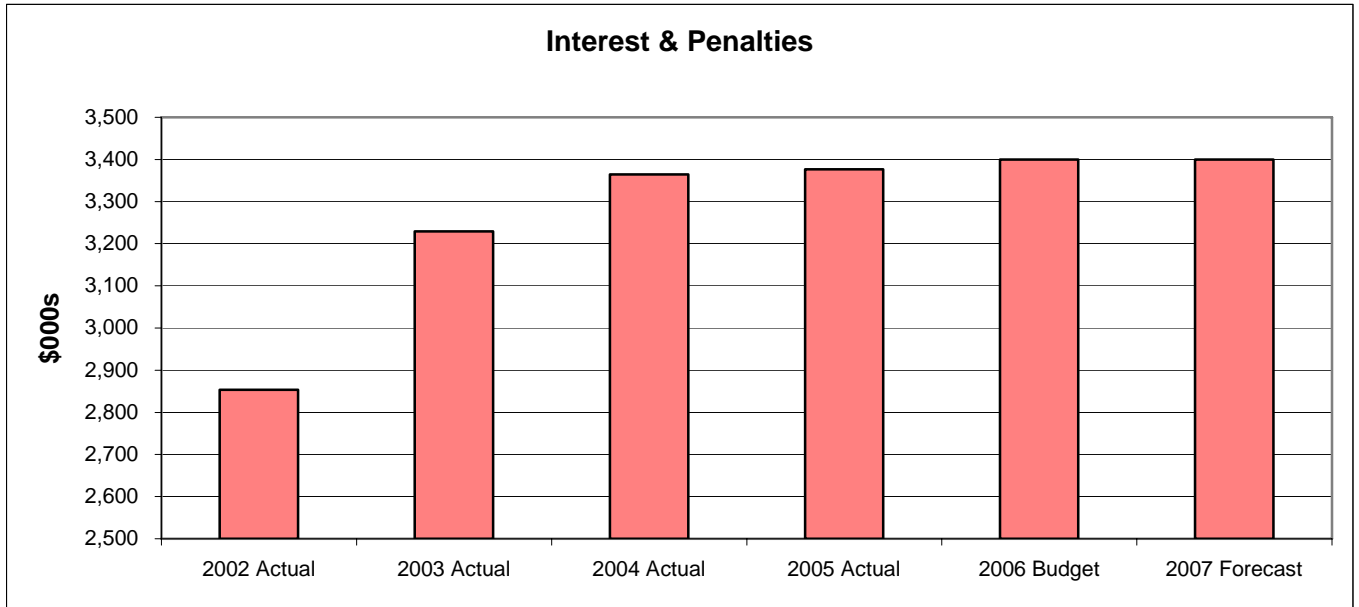
Exhibit 9



Interest and Penalties

Interest and penalties for late payment of property tax bills remains at the 2005 budgeted level of \$3.4 million, and is expected to remain constant through 2007. Please refer to Exhibit 10.

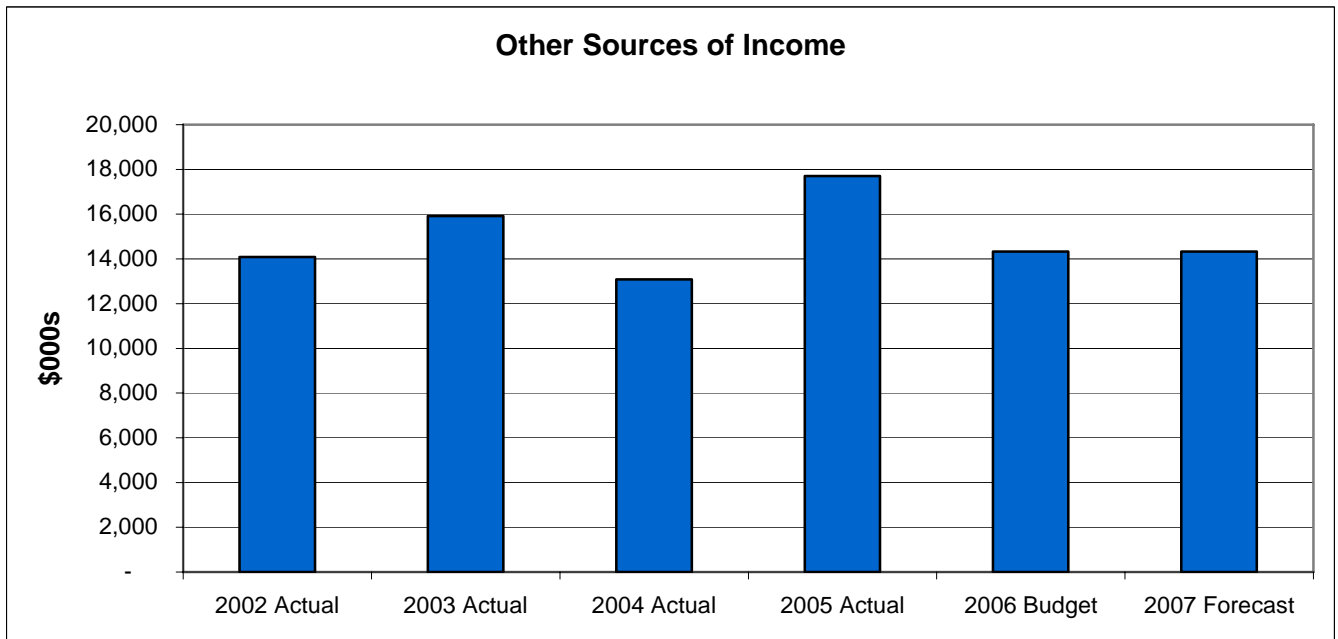
Exhibit 10



Other Income

Other Income budget of \$14.3 million has increased by \$1.2M over 2005 Budget due to increase in revenues from Fines (\$164,000), additional grants from Waste Diversion Ontario (WDO) on the Town's portion of redirecting garbage to recycling (\$85,000), rental revenue from recreational facilities (\$387,000), with the balance being achieved through various recoveries. Please refer to Exhibit 11.

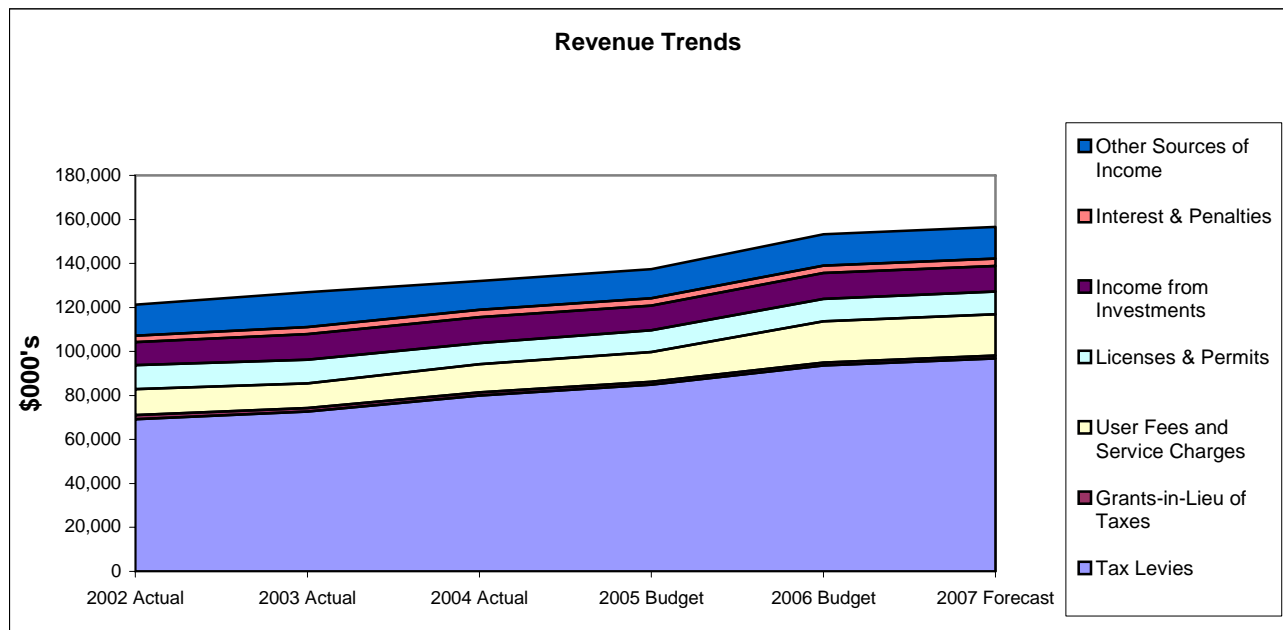
Exhibit 11



Revenue Summary

On a consolidated basis, Town revenues are expected to grow steadily between 2006 and 2007. The main reasons for the increase are related to assessment growth, additional investment income, Core Services revenue strategies, and other operational revenues. Please refer to Exhibit 12.

Exhibit 12



Highlights of the 2006 Operating Budget include:

New Assessment Growth of 4.0%

- \$3.3 million in additional tax revenues.

Maintain Existing Service levels

- Fire, Parks, Recreation, Roads and Waste Collection 2005 service levels are maintained and improved to accommodate growth.

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 has implemented its reserve study
- Continued to ramp up Operating budget for future salary expenditures related to new Community Centres, Libraries and Fire Stations.

- Continued policy of not using one-time funding to balance the operating budget.

Continuation of Council Grants

- Grants budget of \$223,500 in 2006.

Other

- Increased investment income by \$439,000.
- Continuation of Communities in Bloom Program
- Innovation Synergy Centre and Small Business Enterprise Centre
- National Institute for Convergent Technologies
- Green Roof Civic Centre Project
- Fleet Replacement Program including “Green Fleet”
- Mission Green at Town Facilities and Events
- Road Resurfacing and Bridge and Culvert Rehabilitation and Improvements
- Illumination Improvements & New Sidewalks
- Phase I Bicycle Lane Implementation

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Total Corporation (Excluding Waterworks)

<u>Description</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>	
			<u>\$ Incr./(Decr.)</u>	<u>% Change</u>
<u>Revenue</u>				
TAX LEVIES	\$84,964,025	\$92,349,304	\$7,385,279	8.7%
GRANTS-IN-LIEU OF TAXES	1,268,845	1,268,845	-	0.0%
GRANTS AND SUBSIDIES	863,081	840,831	(22,250)	-2.6%
LICENCES & PERMITS	9,854,116	10,252,755	398,639	4.0%
INTEREST & PENALTIES	3,375,000	3,375,000	-	0.0%
INCOME FROM INVESTMENTS	11,232,494	11,671,836	439,342	3.9%
FINES	1,182,500	1,347,000	164,500	13.9%
USER FEES & SERVICE CHARGES	13,535,243	18,787,161	5,251,918	38.8%
RENTALS	5,082,318	5,469,370	387,052	7.6%
SALES	533,578	523,050	(10,528)	-2.0%
RECOVERIES & CONTRIBUTIONS	730,139	754,639	24,500	3.4%
OTHER INCOME	4,732,984	5,394,884	661,900	14.0%
Total Revenues	\$137,354,323	\$152,034,677	\$14,680,354	10.7%
<u>Expenses</u>				
SALARIES AND BENEFITS	\$78,654,914	\$86,341,740	\$7,686,826	9.8%
PRINTING & OFFICE SUPPLIES	681,028	720,002	38,974	5.7%
PURCHASES FOR RESALE	218,244	216,962	(1,282)	-0.6%
OPERATING MATERIALS & SUPPLIES	3,381,522	3,541,197	159,675	4.7%
VEHICLE SUPPLIES	971,116	979,699	8,583	0.9%
SMALL EQUIPMENT SUPPLIES	14,591	14,291	(300)	-2.1%
BOTANICAL SUPPLIES	330,606	358,606	28,000	8.5%
CONSTRUCTION MATERIALS	943,650	1,039,658	96,008	10.2%
UTILITIES	3,192,157	3,774,202	582,045	18.2%
COMMUNICATIONS	1,327,503	1,333,743	6,240	0.5%
TRAVEL EXPENSES	345,271	397,735	52,464	15.2%
TRAINING	675,296	729,009	53,713	8.0%
CONTRACTS & SERVICE AGREEMENTS	5,153,343	5,912,114	758,771	14.7%
MAINT. & REPAIR-TIME/MATERIAL	2,707,909	3,035,184	327,275	12.1%
RENTAL/LEASE	1,209,236	993,422	(215,814)	-17.8%
INSURANCE	1,199,113	1,424,613	225,500	18.8%
PROFESSIONAL SERVICES	2,149,369	2,146,051	(3,318)	-0.2%
LICENCES, PERMITS, FEES	573,090	626,080	52,990	9.2%
CREDIT CARD SERVICE CHARGES	143,595	143,595	-	0.0%
PROMOTION & ADVERTISING	1,432,489	1,513,970	81,481	5.7%
CONTRACTED MUNICIPAL SERVICES	7,117,890	7,643,775	525,885	7.4%
OTHER PURCHASED SERVICES	487,137	813,304	326,167	67.0%
OFFICE FURNISHINGS & EQUIPMENT	20,410	17,276	(3,134)	-15.4%
WRITE-OFFS	500,600	500,600	-	0.0%
OTHER EXPENDITURES	1,770,876	2,089,724	318,848	18.0%
TRANSFERS TO RESERVES	22,153,368	25,728,123	3,574,755	16.1%
Total Expenditures	\$137,354,323	\$152,034,677	\$14,680,354	10.7%
Net Expenditure (Revenue)	-	-	-	

(Excludes prior year surplus)

**2006 OPERATING BUDGET SUMMARY
NET CHARGE AGAINST TAX RATE**

Department/Commission	2005 Actual	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.		2006 Bud. vs. 2005 Act.	
	\$	\$	Approved	Incr.(Decr.)	%Change	Incr.(Decr.)	% Change
Administrative Costs	1,342,710	1,421,913	1,459,377	37,464	2.6%	116,667	8.7%
Mayor & Councillors	526,289	561,479	573,340	11,861	2.1%	47,051	8.9%
Total Council	1,868,999	1,983,392	2,032,717	49,325	2.5%	163,718	8.8%
CAO's Office	434,110	440,078	464,149	24,071	5.5%	30,039	6.9%
Human Resources	2,034,232	2,017,498	2,317,087	299,589	14.8%	282,855	13.9%
Legal Dept.	803,174	795,259	822,829	27,570	3.5%	19,655	2.4%
Strategic Initiatives	387,450	411,543	457,869	46,326	11.3%	70,419	18.2%
Total CAO	3,658,966	3,664,378	4,061,934	397,556	10.8%	402,968	11.0%
Commissioner's Office	412,764	408,141	448,589	40,448	9.9%	35,825	8.7%
Contact Centre	745,329	716,853	792,035	75,182	10.5%	46,706	6.3%
Corporate Communications	792,815	770,384	815,733	45,349	5.9%	22,918	2.9%
Financial Services	2,923,938	2,967,902	3,345,402	377,500	12.7%	421,464	14.4%
ITS Department	3,982,640	4,534,991	5,018,799	483,808	10.7%	1,036,159	26.0%
Legislative Services	1,471,539	1,637,198	1,903,709	266,511	16.3%	432,170	29.4%
Total Corporate Services	10,329,025	11,035,469	12,324,267	1,288,798	11.7%	1,995,242	19.3%
Building Services	-2,902,494	-4,950,380	0	4,950,380	-100.0%	2,902,494	-100.0%
Commissioner's Office	809,886	767,042	850,020	82,978	10.8%	40,134	5.0%
Economic Development	798,354	871,733	846,681	-25,052	-2.9%	48,327	6.1%
Engineering	2,011,387	1,708,010	0	-1,708,010	-100.0%	-2,011,387	-100.0%
Planning & Design	92,351	1,797,042	0	-1,797,042	-100.0%	-92,351	-100.0%
Total Development Services	809,484	193,447	1,696,701	1,503,254	777.1%	887,217	109.6%
Asset Management	1,478,841	1,418,598	1,346,420	-72,178	-5.1%	-132,421	-9.0%
Commissioner's Office	332,915	-718,140	-168,277	549,863	-76.6%	-501,192	-150.5%
Construction & Utilities	2,065,708	2,215,014	2,669,086	454,072	20.5%	603,378	29.2%
Culture	1,259,189	1,193,030	1,289,962	96,932	8.1%	30,773	2.4%
Fire Services	20,564,736	19,521,380	21,359,357	1,837,977	9.4%	794,621	3.9%
Markham Public Libraries	8,641,441	8,617,258	8,733,049	115,791	1.3%	91,608	1.1%
Operations	14,067,064	14,405,067	15,875,631	1,470,564	10.2%	1,808,567	12.9%
Operations & Asset Mgt -Admin	537,609	519,040	527,324	8,284	1.6%	-10,285	-1.9%
Recreation & Culture Administration	664,175	733,231	631,117	-102,114	-13.9%	-33,058	-5.0%
Recreation Services	3,084,128	3,190,480	3,834,565	644,085	20.2%	750,437	24.3%
Strategic Services	1,129,542	1,033,658	868,453	-165,205	-16.0%	-261,089	-23.1%
Waste	6,218,209	6,118,496	6,485,628	367,132	6.0%	267,419	4.3%
Total Community And Fire Services	60,043,557	58,247,112	63,452,315	5,205,203	8.9%	3,408,758	5.7%
Corporate Items	-77,663,590	-75,123,798	-83,567,934	-8,444,136	11.2%	-5,904,344	7.6%
Total Corporation (Excl. Waterworks)	-953,559	0	0	0	0.0%	953,559	-100.0%
Waterworks	-2,083,443	0	0	0	0.0%	2,083,443	-100.0%
Total Corporation	-3,037,002	0	0	0	0.0%	3,037,002	-100.0%

**2006 OPERATING BUDGET SUMMARY
EXPENDITURES**

Department/Commission	2005 Actual	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.	2006 Bud. vs. 2005 Act.	2006 Bud. vs. 2005 Act.	
	\$	\$	Approved	Incr.(Decr.) \$			%Change
Administrative Costs	1,342,710	1,421,913	1,459,377	37,464	2.6%	116,667	8.7%
Mayor & Councillors	557,761	561,479	573,340	11,861	2.1%	15,579	2.8%
Total Council	1,900,471	1,983,392	2,032,717	49,325	2.5%	132,246	7.0%
CAO's Office	434,110	440,078	464,149	24,071	5.5%	30,039	6.9%
Human Resources	2,033,521	2,022,942	2,322,531	299,589	14.8%	289,010	14.2%
Legal Dept.	952,899	1,025,259	1,052,829	27,570	2.7%	99,930	10.5%
Strategic Initiatives	387,450	411,543	457,869	46,326	11.3%	70,419	18.2%
Total CAO	3,807,980	3,899,822	4,297,378	397,556	10.2%	489,398	12.9%
Commissioner's Office	412,764	408,141	448,589	40,448	9.9%	35,825	8.7%
Contact Centre	752,434	724,853	820,035	95,182	13.1%	67,601	9.0%
Corporate Communications	792,815	771,884	815,733	43,849	5.7%	22,918	2.9%
Financial Services	3,479,391	3,636,407	4,038,907	402,500	11.1%	559,516	16.1%
ITS Department	3,985,597	4,544,991	5,022,799	477,808	10.5%	1,037,202	26.0%
Legislative Services	4,002,376	3,897,698	4,484,134	586,436	15.0%	481,758	12.0%
Total Corporate Services	13,425,377	13,983,974	15,630,197	1,646,223	11.8%	2,204,820	16.4%
Building Services	7,503,884	4,072,736	9,440,255	5,367,519	131.8%	1,936,371	25.8%
Commissioner's Office	809,886	792,042	850,020	57,978	7.3%	40,134	5.0%
Economic Development	1,200,250	953,567	953,515	-52	0.0%	-246,735	-20.6%
Engineering	3,630,574	3,555,842	4,063,213	507,371	14.3%	432,639	11.9%
Planning & Design	3,512,020	3,571,937	4,495,887	923,950	25.9%	983,867	28.0%
Total Development Services	16,656,614	12,946,124	19,802,890	6,856,766	53.0%	3,146,276	18.9%
Asset Management	1,723,077	1,659,448	1,612,901	-46,547	-2.8%	-110,176	-6.4%
Commissioner's Office	332,915	-46,140	93,723	139,863	-303.1%	-239,192	-71.8%
Construction & Utilities	2,187,910	2,317,014	2,771,086	454,072	19.6%	583,176	26.7%
Culture	3,480,532	3,351,681	3,327,493	-24,188	-0.7%	-153,039	-4.4%
Fire Services	20,997,632	20,144,380	21,894,357	1,749,977	8.7%	896,725	4.3%
Markham Public Libraries	9,085,331	9,122,465	9,544,656	422,191	4.6%	459,325	5.1%
Operations	16,653,459	15,264,843	16,880,407	1,615,564	10.6%	226,948	1.4%
Operations & Asset Mgt -Admin	537,609	519,040	527,324	8,284	1.6%	-10,285	-1.9%
Recreation & Culture Administration	739,641	800,231	789,117	-11,114	-1.4%	49,476	6.7%
Recreation Services	14,450,829	14,847,054	16,222,523	1,375,469	9.3%	1,771,694	12.3%
Strategic Services	1,481,496	1,185,824	1,441,619	255,795	21.6%	-39,877	-2.7%
Waste	7,052,546	6,664,605	7,056,737	392,132	5.9%	4,191	0.1%
Total Community And Fire Services	78,722,977	75,830,445	82,161,943	6,331,498	8.3%	3,438,966	4.4%
Corporate Items	39,004,272	38,638,252	28,109,552	-10,528,700	-27.2%	-10,894,720	-27.9%
Total Corporation (Excluding Waterworks)	153,517,691	147,282,009	152,034,677	4,752,668	3.2%	-1,483,014	-1.0%
Waterworks	46,031,790	47,668,822	48,562,033	893,211	1.9%	2,530,243	5.5%
Total Corporation	199,549,481	194,950,831	200,596,710	5,645,879	2.9%	1,047,229	0.5%

**2006 OPERATING BUDGET SUMMARY
REVENUES**

<u>Department/Commission</u>	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. vs. 2005 Act.</u>	
	\$	\$	Approved	Incr(Decr.)	%Change	Incr.(Decr.)	% Change
			\$	\$		\$	
Mayor & Councillors	31,472	0	0	0	0.0%	-31,472	-100.0%
Total Council	31,472	0	0	0	0.0%	-31,472	-100.0%
Human Resources	-711	5,444	5,444	0	0.0%	6,155	-865.7%
Legal Dept.	149,725	230,000	230,000	0	0.0%	80,275	53.6%
Total CAO	149,014	235,444	235,444	0	0.0%	86,430	58.0%
Contact Centre	7,105	8,000	28,000	20,000	250.0%	20,895	294.1%
Corporate Communications	0	1,500	0	-1,500	-100.0%	0	0.0%
Financial Services	555,453	668,505	693,505	25,000	3.7%	138,052	24.9%
ITS Department	2,957	10,000	4,000	-6,000	-60.0%	1,043	35.3%
Legislative Services	2,530,837	2,260,500	2,580,425	319,925	14.2%	49,588	2.0%
Total Corporate Services	3,096,352	2,948,505	3,305,930	357,425	12.1%	209,578	6.8%
Building Services	10,406,378	9,023,116	9,440,255	417,139	4.6%	-966,123	-9.3%
Commissioner's Office	0	25,000	0	-25,000	-100.0%	0	0.0%
Economic Development	401,896	81,834	106,834	25,000	30.5%	-295,062	-73.4%
Engineering	1,619,187	1,847,832	4,063,213	2,215,381	119.9%	2,444,026	150.9%
Planning & Design	3,419,669	1,774,895	4,495,887	2,720,992	153.3%	1,076,218	31.5%
Total Development Services	15,847,130	12,752,677	18,106,189	5,353,512	42.0%	2,259,059	14.3%
Asset Management	244,236	240,850	266,481	25,631	10.6%	22,245	9.1%
Commissioner's Office	0	672,000	262,000	-410,000	-61.0%	262,000	0.0%
Construction & Utilities	122,202	102,000	102,000	0	0.0%	-20,202	-16.5%
Culture	2,221,343	2,158,651	2,037,531	-121,120	-5.6%	-183,812	-8.3%
Fire Services	432,896	623,000	535,000	-88,000	-14.1%	102,104	23.6%
Markham Public Libraries	443,890	505,207	811,607	306,400	60.6%	367,717	82.8%
Operations	2,586,395	859,776	1,004,776	145,000	16.9%	-1,581,619	-61.2%
Recreation & Culture Administration	75,466	67,000	158,000	91,000	135.8%	82,534	109.4%
Recreation Services	11,366,701	11,656,574	12,387,958	731,384	6.3%	1,021,257	9.0%
Strategic Services	351,954	152,166	573,166	421,000	276.7%	221,212	62.9%
Waste	834,337	546,109	571,109	25,000	4.6%	-263,228	-31.5%
Total Community And Fire Services	18,679,420	17,583,333	18,709,628	1,126,295	6.4%	30,208	0.2%
Corporate Items	116,667,862	113,762,050	111,677,486	-2,084,564	-1.8%	-4,990,376	-4.3%
Total Corporation (Excluding Waterworks)	154,471,250	147,282,009	152,034,677	4,752,668	3.2%	-2,436,573	-1.6%
Waterworks	48,115,233	47,668,822	48,562,033	893,211	1.9%	446,800	0.9%
Total Corporation	202,586,483	194,950,831	200,596,710	5,645,879	2.9%	-1,989,773	-1.0%

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

COMPARISON BY COMMISSION					COMPARISON BY ACCOUNT				
	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>Change</u>			<u>2005 Budget</u>	<u>2006 Budget</u>	<u>Change</u>	
			<u>Incr./</u>	<u>(Decr.)</u>				<u>Incr./</u>	<u>(Decr.)</u>
			\$	%				\$	%
<u>REVENUES *</u>					<u>REVENUES *</u>				
Mayor & Council	-	-	-	-	Taxation Revenues	86,233	93,618	7,385	8.6
CAO's Office	235	235	-	-	Grant & Subsidy Revenues	863	841	-22	(2.5)
Corporate Services	2,949	3,306	357	12.1	General Revenues	25,644	26,811	1,167	4.6
Development Services	12,753	18,106	5,353	42.0	User Fees and Service Charges	19,151	24,783	5,632	29.4
Community And Fire Services	17,583	18,710	1,127	6.4	Other Income	15,157	5,451	-9,706	(64.0)
Corporate Items	113,762	111,678	(\$2,084)	(\$2)	Inter-Departmental	234	531	297	126.9
Total Revenues	<u>147,282</u>	<u>152,035</u>	<u>4,753</u>	<u>3.2</u>	Total Revenues	<u>147,282</u>	<u>152,035</u>	<u>4,753</u>	<u>3.2</u>
<u>EXPENDITURES *</u>					<u>EXPENDITURES *</u>				
Mayor & Council	1,983	2,033	50	2.5	Personnel Services	78,655	86,342	7,687	9.8
CAO's Office	3,900	4,297	397	10.2	Materials & Supplies	6,541	6,953	412	6.3
Corporate Services	13,984	15,630	1,646	11.8	Purchased Services	27,713	30,413	2,700	9.7
Development Services	12,946	19,803	6,857	53.0	Capital Asset Acquisition	20	17	-3	(15.0)
Community And Fire Services	75,831	82,162	6,331	8.3	Financial Expenses	501	501	-	-
Corporate Items	38,638	28,110	-10,528	(27.2)	Other Expenditures	1,771	2,081	310	17.5
					Transfers to Own Funds	32,081	25,728	-6,353	(19.8)
Total Expenditures	<u>147,282</u>	<u>152,035</u>	<u>4,753</u>	<u>3.2</u>	Total Expenditures	<u>147,282</u>	<u>152,035</u>	<u>4,753</u>	<u>3.2</u>

* Excludes prior years surplus

2006 CAPITAL BUDGET

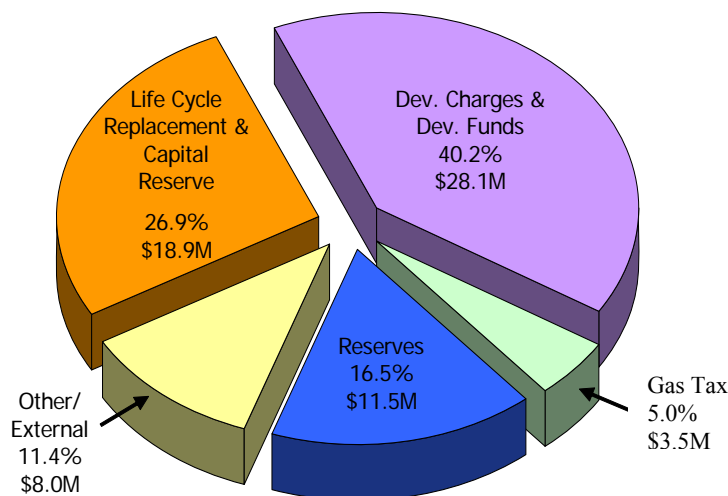
Definition of Capital

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

- It must have an expected useful life longer than one year
- The total costs must meet or exceed \$5,000
- Align with the Town's Corporate Goals

The 2006 Capital Budget totals \$70,031,115 and is funded through a variety of sources. \$18,900,000 (26.9%) 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 \$2,200,000 increase in Life Cycle Replacement and Capital Reserve funding over 2005 levels. Contributions from Developers (DCA, Developers Funds) and Reserves also account for large portion of the Capital Budget funding. Please refer to Exhibit 13.

Exhibit 13



Highlights of the 2006 Capital Budget as they align to Council's priorities include:

INFRASTRUCTURE & TRANSPORTATION

Travel Demand Management & Urban Transportation Showcase

- \$100,000 funding for the above program to promote alternatives to single occupant vehicles and implement programs to promote transit, carpooling, cycling and walking.

Midblock Crossings at Highway 404

- \$1,800,000. The need to construct new mid-block crossings of Highway 404 has been identified in previous transportation studies including the MTPS as necessary to improve east-west capacity of the Town's road system. The project will be cost shared with Region of York (1/3), Richmond Hill (1/3) and Town of Markham (1/3).

Fourteenth Avenue Watermain

- \$5,000,000. Construction of a 600mm watermain on Fourteenth Avenue - from McCowan to Markham Road and a 400mm watermain from Markham Rd to Boxwood Ave to improve water distribution system operations in the area south of Highway 407, east of Markham Road

QUALITY COMMUNITY AND SAFE STREETS

Markham Village Library Expansion – Additional Funding

- \$2,364,500. Current funding shortfall in construction, contingency, & internal costs. Expansion and renovation of existing Markham Village Library to create 30,790 sq. ft. of Library and 7,570 of Administration and Technical Services space.

Land for Cathedral and Cornell Fire Stations

- \$1,482,000. These sites will allow the Town to improve not only the initial response but will also assist in achieving the target of assembling a fire attack crew within 9 minutes of receipt of an alarm.

Cornell Neighbourhood Park Waterplay Facility

- \$171,000. This is to add a water play facility to a neighborhood park being built in Upper Cornell.

ENVIRONMENT

Markham Centre Stormwater Management Pond

- \$6,440,000. The stormwater management works are required to service development lands located north and south of Highway 7 between Warden Avenue & Sciberras Road which are not currently serviced by storm sewers.

Sabistan Landfill Site Management

- \$700,000. This program will rectify the leachate problem created by the old Settlers Park Landfill, convert the existing landfill from anaerobic to aerobic using the aerobic landfill technology, speed up the landfill decomposition process, eliminate the methane emission problem, and enhance the environment and saving in the operation and maintenance costs.

Green Roof – Civic Centre

- \$125,000. Green Roof on the Civic Centre second floor roof. Project costs will encompass the hiring of a consultant, and the installation of a green roof, including minor non structural modifications to the existing roofing system if required. The proposed Green Roof will have environmental benefits (such as storm water retention, air quality enhancement, etc), and serve as a demonstration to Town employees and visitors.

WATER & SEWER PROGRAM

Cathodic Protection of Iron Watermains

- \$300,000. This project will protect iron watermains from external corrosion, to minimize watermain breaks, and extend the pipe's useful life expectancy. Various locations throughout the Town.

Cement Relining of Iron Watermains

- \$1,342,500. Cement lining of unlined ductile iron watermain pipes to remove corrosion and restore water quality at various locations throughout Town. The project includes hydrant upgrade, valve replacement and curbs box repairs.

Sewer System Upgrade Program

- \$1,332,500. Structural and service condition repairs of sanitary sewer collection system, including manhole and service lateral replacement and repairs.

ECONOMIC DEVELOPMENT

Innovation Synergy Centre in Markham (ISCM)

- \$300,000. Continuing operation of the ISCM requires annual capital contribution by the Town to be used as matching funds. The ISCM is now a core element of the Town's economic development program. A new 3-year lease (with option to renew) for increased space at 1380 Rodick Road was authorized by the Town, and ratified by the ISCM Board. In collaboration with its founding partners (the National Research Council (NRC), York University, Royal Bank Canada) and with 15 other allied public and private sector partners (including the Province and federal ministries).

2006 Capital Budget - Summary by Commission

	2005 Budget	2006 Budget
	\$	\$
CAO, Legal, HR, & Strategic Initiatives		
Human Resources	-	135,000
Strategic Initiatives	130,000	163,000
	130,000	298,000
Corporate Services		
ITS	3,873,189	3,536,379
Financial Services	644,375	1,246,200
Corporate Communications	59,400	95,000
	4,576,964	4,877,579
Development Services		
Economic Development	605,000	440,000
Planning	640,000	575,000
Design	5,800,425	2,188,000
Engineering	20,705,899	28,481,100
Commissioner's Office	75,000	-
	27,826,324	31,684,100
Community & Fire Services		
Museum	115,500	470,000
Theatre	237,800	187,500
Arts Centre	13,400	19,500
Fire	574,300	1,901,100
Recreation Services	1,130,600	1,682,900
Facilities Construction	19,097,300	-
Roads	6,161,700	8,047,981
Parks Construction & Maintenance	1,331,000	1,271,000
Asset Management	1,629,100	2,551,000
Capital Works, ROW	1,400,000	3,215,000
Fleet Operations	1,697,300	4,058,755
Waste Management	1,659,200	167,000
Contracts & Utilities	205,000	255,000
Strategic Services	152,000	20,000
Library	1,246,000	2,464,500
Waterworks	6,701,200	6,860,200
	43,351,400	33,171,436
Total Capital Budget	75,884,688	70,031,115

**TOWN OF MARKHAM
2006 CAPITAL BUDGET**

Project Description	Total	Tax	Life Cycle	Development Charges	Other	Description of Other Funding
CAO, Legal, HR. & Strategic Initiatives						
<i>Human Resources</i>						
Emergency Preparedness Workplace Planning/Pandemic Flu **	20,000	20,000				
Mandatory Retirement & OMERS Devolution **	10,000	10,000				
NQI - PEP Healthy Workplace Program	10,000	10,000				
Pay Equity Risk Assessment **	10,000	10,000				
Studies Related to Attraction & Retention Strategy	50,000	50,000				
Diversity Strategy **	35,000	35,000				
Total Human Resources	135,000	135,000	-	-	-	
<i>Strategic Initiatives</i>						
Staff Satisfaction Survey	20,000	20,000				
Teamwork Day	20,000	20,000				
Business Planning Programming Upgrades	8,000	8,000				
NQI Membership and Quality Assessment	40,000	40,000				
Townwide Accommodation Planning	75,000	75,000				
Total Strategic Initiatives	163,000	163,000	-	-	-	
TOTAL CAO, Legal, HR & Strategic Initiatives	298,000	298,000	-	-	-	
Corporate Services						
<i>ITS</i>						
2006 Core Projects	477,000				477,000	Waterworks/ Carryforward/ Dev Fees
Core Base Architecture	1,694,800		1,222,959		471,841	Waterworks/ Dev Fees/ Op Savings
IT Strategic Plan Implementation - Portal	75,000				75,000	Carryforward
Emergency Operations Centre Redesign	10,000				10,000	Carryforward
Cashiering System	250,000	25,961			224,039	Carryforward
Emergency Notification System	50,000	50,000				
Collection Management Software Phase II	96,000	96,000				
Fleet Focus	17,000	17,000				
Field Equipment - By-Law Enforcement	85,000	85,000				
Wait List Call-back Phase II	29,800	29,800				
Automated Archiving System	50,000	50,000				
Amanda Implementation - Fire Services	20,000	20,000				
Markham Village Library Collection - RFID Tagging	57,000	57,000				
Handheld/Portable Computer Capability For FPO's	41,000	41,000				
Contract IT Staff - Implementation (Non Development Services)	105,200	105,200				
Extend OSG Services	5,000				5,000	Development Fee
Integrated Voice Response (IVR)	150,000				150,000	Development Fee
Contract IT Staff - Implementation (Development Services)	48,579				48,579	Development Fee
Sewer & Water Collection Sys. Hydraulic Modelling App.	50,000				50,000	Waterworks Reserve
Hansen Advanced Inventory Module	50,000				50,000	Waterworks Reserve
Online Training Work Stations	10,000				10,000	Waterworks Reserve
Amanda Property Condition Inventory	15,000				15,000	Development Fee
Digital Submission Process	60,000				60,000	Development Fee
File Management - Engineering Drawings	40,000				40,000	Development Fee
Data Management - Traffic	20,000				20,000	Development Fee
Web-Based Planning Applications	15,000				15,000	Development Fee
Heritage Markham Inventory - Web Ready	15,000				15,000	Development Fee
Total ITS	3,536,379	576,961	1,222,959	-	1,736,459	
<i>Financial Services</i>						
2006 Development Charges & Project Management - Growth Projects	556,200			486,015	70,185	Carryforward
Development Charge Background Studies	150,000	15,000		135,000		
SFG Upgrade	40,000	40,000				
Markham District Energy	500,000				500,000	Gas Tax
Total Financial Services	1,246,200	55,000	-	621,015	570,185	
<i>Corporate Communications</i>						
Town Branding	30,000	30,000				
Staff Bulletin Boards	5,000	5,000				
Markham Calendar	60,000	30,000			30,000	Carryforward
Total Corporate Communications	95,000	65,000	-	-	30,000	
TOTAL Corporate Communications	4,877,579	696,961	1,222,959	621,015	2,336,644	

** Non-Routine Capital Expenditure

**TOWN OF MARKHAM
2006 CAPITAL BUDGET**

Project Description	Total	Tax	Life Cycle	Development Charges	Other	Description of Other Funding
Development Services						
<i>Economic Development</i>						
International Economic Alliances & Twinning Program	25,000	25,000				
Innovation Synergy Centre in Markham (ISCM)	300,000	300,000				
Knowledge Community	35,000	35,000				
Toronto Region Research Alliance	50,000	50,000				
York Biotech	30,000	30,000				
Total Economic Development	440,000	440,000	-	-	-	
<i>Planning</i>						
Consultant Studies	20,000	2,000		18,000		
Environmental Planning Program	10,000	1,000		9,000		
Heritage Façade Improvement/Replacement Program	10,000	10,000				
Markham Centre Greenlands Implementation Plan	60,000	6,000		54,000		
Markham Centre Sign By-law Amendment and Guidelines	60,000	6,000		54,000		
Finalize Streetscape, Materials, Street Signage, Furniture - Markham Ctr	50,000	5,000		45,000		
Markham Centre Financial Strategy - TIF Regulations Support	35,000	3,500		31,500		
OMB Growth Related Hearings	10,000	1,000		9,000		
Updating the Town's Municipal Guidelines for Accessibility	50,000	50,000				
Markham Design Excellence Awards	20,000	20,000				
Markham Centre Central Park Phase 1-Detailed Design	200,000	20,000		180,000		
Zoning Program	50,000	50,000				
Total Planning	575,000	174,500	-	400,500	-	
<i>Design</i>						
Wisner Community Park Additional Features	1,630,200	163,020		1,467,180		
Markham Museum Landscape Master Plan	36,300	36,300				
Cornell Neighbourhood Park 1 and 2 (Mattamy)	90,500	9,050		81,450		
Park Openings	50,000	5,000		45,000		
Unionville Playground and Gardens, Fred Varley Parkette	50,000			22,500	27,500	\$25K Fundraising, \$2.5K Project 6395
Cornell Neighbourhood Park (Metrus) Waterplay Facility	171,000	17,100		153,900		
Berczy Community Park North Water Play and Tennis Courts - Design	60,000	6,000		54,000		
Markham Village Library Landscaping	100,000	10,000		90,000		
Total Design	2,188,000	246,470	-	1,914,030	27,500	
<i>Engineering</i>						
Engineering Studies	30,000				30,000	Developers
Services Connection - Various Locations	50,000				50,000	Developers
Town -Wide Studies	120,000			120,000		
Box Grove, Right of Ways Acquisition	5,355,500			4,697,500	658,000	Box Grove Group
Servicing Allocation- Retrofit and Monitoring of Hwy 48 Flow Control Tunnel	300,000				300,000	Pre DCA
Down Stream Improvements Works Program	1,000,000			530,000	470,000	Pre DCA
Enterprise Drive Streetscape - Warden Avenue to Sciberras Road	200,000	50,000		150,000		
Warden Avenue Streetscape - CNR to Apple Creek Blvd.	65,000	16,250		48,750		
Highway 7 Streetscape - Rodick Road to Sciberras, Design	70,000	17,500		52,500		
Bike Lanes-Cycling / Pedestrian Advisory Committee	587,000			87,453	499,547	Gas Tax
Travel Demand Management and Urban Showcase	100,000			100,000		
Traffic Control Signals	275,000	178,750		96,250		
Kennedy Rd/Birchview Lane-Traffic Signals	300,000	150,000			150,000	Region of York
Feasibilities Study for 407 Interchanges at 9th Line and Markham By-pass	50,000			50,000		
Village Parkway Realignment - Highway 7 to Landmark Crt.	79,500				79,500	Dev Front Ending
Highway 7 / Frontenac / Cochrane - Intersection Improvements, Phase II	157,700				157,700	\$122.7K Pre DCA/\$35K ROY
Hagerman Diamond - Existing Municipal Services Relocation	275,000	275,000				
Rodick Road Reconstruction, Phase II - Miller Avenue to 14th Avenue	893,000			577,573	315,427	Pre DCA
Helen Avenue Reconstruction, East of Kennedy Road	314,400	165,000		149,400		
PD 1-7 / Markham Centre Stormwater Management Pond # 2	6,440,000			6,440,000		
Fourteenth Avenue Watermain - McCowan to Boxwood Avenue	5,000,000			5,000,000		
Clegg Road Extension and Cedarland Drive Reconstruction	898,100				898,100	Developer
Mid-Block Crossing at Highway 404 between Highway 7 and 16th Avenue	1,500,000			1,500,000		
Centurion Drive Reconstruction - Class E.A. Study	32,000			32,000		
Mid-Block Crossing at Hwy 404 between Major Mackenzie and Elgin Mills	142,000			142,000		
Mid-Block Crossing at Highway 404 between Elgin Mills and 19th Avenue	142,000			142,000		
404 Ramp Extension @ Highway 7	101,000			101,000		
Highway 404 Ramp Extension @ Major Mackenzie Drive	325,000			325,000		

**TOWN OF MARKHAM
2006 CAPITAL BUDGET**

Project Description	Total	Tax	Life Cycle	Development		Description of Other Funding
				Charges	Other	
Highway 404 Ramp Extension @ Elgin Mills Road	325,000			325,000		
Miller Avenue Reconstruction - Woodbine Avenue to Rodick Road	230,000			230,000		
Woodbine By-pass Construction - Phase I & Phase II	300,000				300,000	Developers
Illumination Requests	1,191,400			1,191,400		
Sidewalk Requests	1,406,500			718,500	688,000	\$449K Pre DCA/ \$239K Gas Tax
Birchmount Extension - Design	226,000			226,000		
Total Engineering	28,481,100	852,500	-	23,032,326	4,596,274	
TOTAL Development Services	31,684,100	1,713,470	-	25,346,856	4,623,774	
Community & Fire Services						
Museum						
Markham Museum Reception Centre - Additional Landscaping	50,000		50,000			
Markham Museum Annual Artifact Restoration Projects	15,000	15,000				
Markham Museum Site & Building Restoration	25,000		25,000			
Markham Museum Ward Building Replacement Design **	325,000		300,000		25,000	Museum Endowment Fund
Markham Museum Interpretive Signage and Exhibits	25,000	25,000				
Museum History Book	30,000				30,000	Publishing Fund
Total Museum	470,000	40,000	375,000	-	55,000	
Theatre						
Markham Theatre Audio Monitor System Upgrade	165,900	82,950			82,950	Fundraising / Corp. Support
Markham Theatre Orchestra Pit Safety Net	21,600		21,600			
Total Theatre	187,500	82,950	21,600	-	82,950	
Arts Centres						
Art Gallery - Infrared Scan - Repairs	19,500	-	19,500	-	-	
Total Arts Centres	19,500	-	19,500	-	-	
Fire						
Firefighting Equipment	100,000		70,000		30,000	Ontario Fire Services Grant
MIG Welder	5,900	5,900				
Phase II of Bunker Gear Replacement Program	270,000				270,000	Ontario Fire Services Grant
Fire Prevention - Public Education Smoke House	43,200				43,200	Corporate sponsorship/ fundraising
Land for Cathedral Fire Station **	741,000			741,000		
Land for Cornell Fire Station **	741,000			741,000		
Total Fire	1,901,100	5,900	70,000	1,482,000	343,200	
Recreation Services						
Thornhill CC Front Doors Replacement	48,000		48,000			
Thornhill CC Heat Recovery Units	60,000		60,000			
Thornlea Pool Repairs & Replacements	123,200		78,848		44,352	YRDSB
Warden House Carpet Replacement	6,500		6,500			
Warden House Electrical Upgrades	11,600		11,600			
Armada Security Cameras	7,000	7,000				
Armada Millwork - Counter Tops, Cabinets and Benches	17,500		17,500			
Climbing Wall at Camp Chimo	11,200	11,200				
Shelter at Camp Chimo	18,300	18,300				
Centennial Door and Hardware Replacement	34,000		34,000			
Centennial Pool Deck Replacement	75,000		75,000			
Centennial Snow Pit Coil / Heat Exchanger Replacement	62,500		62,500			
Centennial Wading Pool Filtration Replacement	57,100		57,100			
Clatworthy Arena - Install Relief Valves	5,500		5,500			
Clatworthy Arena Scoreclock	7,000		7,000			
Crosby CC Outside Metal Doors	5,800		5,800			
Crosby CC Cleaning Equipment	6,900		6,900			
Crosby CC Sign Replacement	5,000		5,000			
Annual Aquatics Equipment Replacement	48,100		48,100			
Automatic External Defibrillator Purchase and Operation	34,600	34,600				
Markham Fitness Centres Annual Equipment Replacement	71,600		71,600			
Recreation & Culture Organizational Review	75,000	75,000				
Annual Program Equipment Replacement	33,100		33,100			
Recreation Department - Gas Detection & Ventilation Systems - All Arenas	57,200		57,200			
Annual Town-Wide Table & Chair Replacement Program	42,900		42,900			

** Non-Routine Capital Expenditure

**TOWN OF MARKHAM
2006 CAPITAL BUDGET**

Project Description	Total	Tax	Life Cycle	Development Charges	Other	Description of Other Funding
Markham Village Exterior Painting	13,700		13,700			
Markham Village Flooring Replacement	62,900		62,900			
Install Cameras & Security File at Milliken Mills Library	28,100	28,100				
Milliken Mills - Replace Internal Doors	31,000		31,000			
Milliken Mills Arena - Install Relief Valves	5,500		5,500			
Consultant Study on Pool Family Change room	10,000	10,000				
Milliken Mills Library - Replace AC Unit #2	25,000		25,000			
Milliken Mills CC - Vinyl Flooring Replacement	52,000		52,000			
Milliken Mills Skyjack Replacement	20,000		20,000			
Morgan Pool Heater Replacement	13,000		13,000			
Mount Joy CC - Rubber Floor Replacement	50,000		50,000			
Rouge River Auditorium Blinds	15,000		15,000			
Rouge River - Re-key and Replace Front and Back Doors	14,000		14,000			
Markham Seniors Centre - Auditorium Floor Replacement	41,600		41,600			
Markham Seniors Centre Ceiling Tile Replacement	16,500		16,500			
Thornhill CC- Compressor Room Electrical Panels Replacement	60,000		60,000			
Thornhill CC Elevator Cylinder Replacement	70,000		70,000			
Angus Glen Parking Lot	230,000	23,000		207,000		
Total Recreation Services	1,682,900	207,200	1,224,348	207,000	44,352	
Roads						
Asphalt Resurfacing - Annual Program	4,139,481		4,139,481			
August 19, 2005 Rain Storm Damage **	1,783,500				1,783,500	Corp. Rate Stabilization
Boulevard Repairs - Annual Program	50,000		50,000			
Boyd Court Rear Drainage	30,000		30,000			
Emergency Repairs	100,000		100,000			
Entrance Feature Rehabilitation	15,000		15,000			
LED Traffic Signal Displays Retrofit & Replacement Program	95,000		95,000			
Localized Repairs - Curb & Sidewalks	500,000		250,000		250,000	Gas Tax
Localized Repairs - Parking Lots	100,000		100,000			
Markham Beautification - Annual Program	100,000		100,000			
New & Upgraded Guiderail Installation	40,000		40,000			
Operations Yard - 555 Miller Avenue	40,000		40,000			
Retaining Walls - Annual Program	30,000		30,000			
Route & Seal - Annual Program	55,000		55,000			
Salt Management - Phase 2 of 5	50,000	30,000			20,000	Carryforward
Secondary Road Works - Annual Program	700,000				700,000	Road Resurfacing Reserve
Sodding - Annual Program	20,000	20,000				
Gravel Roads Surface Treatment - Annual Program	200,000	30,000			170,000	Developer's L/C
Total Roads	8,047,981	80,000	5,044,481	-	2,923,500	
Parks Construction & Maintenance						
Bayview Lane Basketball Court Resurfacing	20,000		20,000			
Bleacher Replacement - Bishops Cross Diamond 1	116,000		116,000			
Court Resurfacing/Reconstruction - Annual Program	50,000		50,000			
Dog Off Leash Area Fencing	40,000	1,000			39,000	Carryforward
Electrical & Cabling - Annual Program	80,000		80,000			
Kennedy / Steeles Corner Beautification	150,000	50,000			100,000	FCCM & Market Vill./Remington
New Tree Planting - Parks	20,000	20,000				
Paving-Pathways/Facilities - Annual Program	100,000		100,000			
Playstructure and Safety Resurfacing - Annual Program	200,000		200,000			
Sportsfield Maintenance & Reconstruction-Annual Program	110,000		110,000			
Subdivision Assumption & Replacement Boulevard/Park Trees	150,000		150,000			
Top Up of Adopt a Park Program/Colour Your Corner - Annual Program	20,000	5,000			15,000	Carryforward
Town Park/Furniture Amenities-Annual Program	120,000		120,000			
TRCA 50/50 Community Projects - Annual Program	40,000	20,000			20,000	TRCA 50%
Volunteer Ice Rink - Annual Program	25,000	25,000				
Water Fountain Relining	30,000		30,000			
Total Parks Construction & Maintenance	1,271,000	121,000	976,000	-	174,000	
Asset Management						
Markham Museum, Phase II Fire and Security System Replacement	30,000		30,000			
Markham Theatre Security Alarm System	41,100		41,100			
Varley Art Gallery - Carpet/Flooring & Door Millwork Replacement	22,600		22,600			

** Non-Routine Capital Expenditure

**TOWN OF MARKHAM
2006 CAPITAL BUDGET**

Project Description	Total	Tax	Life Cycle	Development Charges	Other	Description of Other Funding
Civic Centre Facility Improvements (Maintenance) - Annual Program	250,000		250,000			
Interlocking Brick Replacement	150,000		150,000			
Fire Facilities Improvements	350,000		350,000			
Library Facilities Improvements- Annual Program	85,100		85,100			
Operations Facilities Improvements	101,000		101,000			
Roofing Maintenance and Structural Adequacy- Annual Program	67,600		67,600			
Roofing Projects- Annual Program	85,800		85,800			
Satellite Community Centres Improvements- Annual Program	208,500		208,500			
Accessibility Annual Program - Phase 1 of 3	63,800		63,800			
Other Facilities Improvements- Annual Program	157,100		157,100			
Building Condition Audits - Annual Program	71,500				71,500	Carryforward
Chair Replacement Program - Phase 2 of 3	169,900		169,900			
Corporate Accommodation - Annual Program	500,000	58,500	250,000		191,500	Carryforward
Fitness Equipment - Fire Services	18,000		18,000			
Fire Station Furniture	21,600		21,600			
Station Upgrades - Fire Services	32,400		32,400			
Green Roof	125,000				125,000	Gas Tax
Total Asset Management	2,551,000	58,500	2,104,500	-	388,000	
Capital Works, ROW						
Main Street Markham Streetscape & Traffic Management Phase 1	200,000	200,000				
Settlers Park Landfill Site Management **	700,000				700,000	Gas Tax
Bridges and Culvert Improvement Program	2,315,000		40,000		2,275,000	
Total Capital Works, ROW	3,215,000	200,000	40,000	-	2,975,000	\$1.34M Carryforward, \$932K Gas Tax
Fleet Operations						
1 Fire Pumper & Equipment	550,000		550,000			
New Fleet - Engineering Capital Works *	26,000	26,000				
New Fleet - Engineering Inspection *	34,000	34,000				
New Fleet - Fire Department District Chief Vehicle *	80,000			80,000		
New Fleet - Parks *	25,000	25,000				
New Fleet - Waterworks Flusher Truck Replacement	435,000				435,000	\$185K Waterworks/\$250K Carryforward
New Fleet - Waterworks Vans *	65,000				65,000	Waterworks Reserve
Operations - Non Fleet	125,000		125,000			
Corporate Fleet Refurbishing Program - Annual Program	30,000	30,000				
Corporate Fleet Replacement Program - Annual Program	1,973,300		1,680,300		293,000	\$293K Carryforward
New Fleet - 2005 Operations Staff *	67,000	67,000				
New Fleet - 2006 Operations Staff *	31,000	31,000				
Waterworks - Fleet Replacement	97,500				97,500	Waterworks Reserve
Purchase of Fire Aerial in 2000	519,955		519,955			
Total Fleet Operations	4,058,755	213,000	2,875,255	80,000	890,500	
Waste Management						
3-Stream Phase 3 of 3	92,000				92,000	Carryforward
Mission Green @ Work	50,000				50,000	Carryforward
Mission Green Expansion for Events	25,000				25,000	MESF
Total Waste Management	167,000	-	-	-	167,000	
Contracts and Utilities						
Annual Horizontal & Vertical Survey Control Monument replacement	25,000		25,000			
Illumination Requests and Upgrading-Annual Program	80,000		10,000		70,000	Carryforward
Light Pollution Report Implementation/Phase 1	50,000	50,000				
Powerstream-Streetlight Replacement for Capital Projects/Annual	50,000		20,000		30,000	Carryforward
Streetlight Pole Replacement	50,000		46,000		4,000	Carryforward
Total Contracts and Utilities	255,000	50,000	101,000	-	104,000	
Strategic Services						
CN Bridge Painting (1 bridge) - CIB program **	20,000				20,000	Grant
Total Strategic Services	20,000	-	-	-	20,000	

* Project has Capital Induced Operating Costs, refer to page 90

** Non-Routine Capital Expenditure

**TOWN OF MARKHAM
2006 CAPITAL BUDGET**

Project Description	Total	Tax	Life Cycle	Development Charges	Other	Description of Other Funding
Library						
Replace Furniture and Equipment - All Libraries	60,000		60,000			
Replace Shelving - All Libraries	40,000		40,000			
Markham Village Library Expansion & Renovation - Additional Funding	2,364,500	915,120		422,442	1,026,938	\$725K Ramp Up/\$207 Op/\$48K Grant/\$47K Non DC
Total Library	2,464,500	915,120	100,000	422,442	1,026,938	
Waterworks						
Cathodic Protection of Iron Water mains Program	300,000				300,000	Waterworks Reserve
Water System Upgrades Program - C.B./Flushing & Sampling Stations	802,000				802,000	\$680K Carryforward/ 122K Water
Cement Relining of Iron Water mains Program	1,342,500				1,342,500	Waterworks Reserve
Water Meter Replacement / Upgrade Program	540,000				540,000	Waterworks Reserve
System Management Areas - Setup and Operation (Data & Analyses)	250,000				250,000	Waterworks Reserve
Water Distribution System Condition Rating *	50,000				50,000	Waterworks Reserve
Field Physical Condition Data Collection (Water/Wastewater Systems) *	25,000				25,000	Waterworks Reserve
Hydraulic Models (Water and Sewer)	75,000				75,000	Waterworks Reserve
Supervisory Control and Data Acquisition (SCADA)	100,000				100,000	Waterworks Reserve
Data Acquisition, Repository, and Tracking Strategy	50,000				50,000	Waterworks Reserve
Water Quality Records Management Software	16,000				16,000	Waterworks Reserve
Sewer Works Projects	200,000				200,000	Waterworks Reserve
Sewer System Upgrade Program	1,332,500				1,332,500	Waterworks Reserve
Sanitary Trunk Sewer Monitoring and Inspection Program	64,200				64,200	Waterworks Reserve
Portable Zoom Camera	35,000				35,000	Waterworks Reserve
Sanitary Sewer Condition Rating *	25,000				25,000	Waterworks Reserve
Backflow Prevention *	50,000				50,000	Waterworks Reserve
Sanitary Sewer By-Law Enforcement *	25,000				25,000	Waterworks Reserve
Watermain Construction & Replacement Program	1,463,000				1,463,000	\$1.2M Water Res/\$250K Gas Tax
2007 Watermain Construction and Replacement Program Design	100,000				100,000	Waterworks Reserve
Automated Sampling Equipment	15,000				15,000	Waterworks Reserve
Total Waterworks	6,860,200	-	-	-	6,860,200	
TOTAL Community & Fire Services	33,171,436	1,973,670	12,951,684	2,191,442	16,054,640	
TOTAL TOWN WIDE	70,031,115	4,682,101	14,174,643	28,159,313	23,015,058	

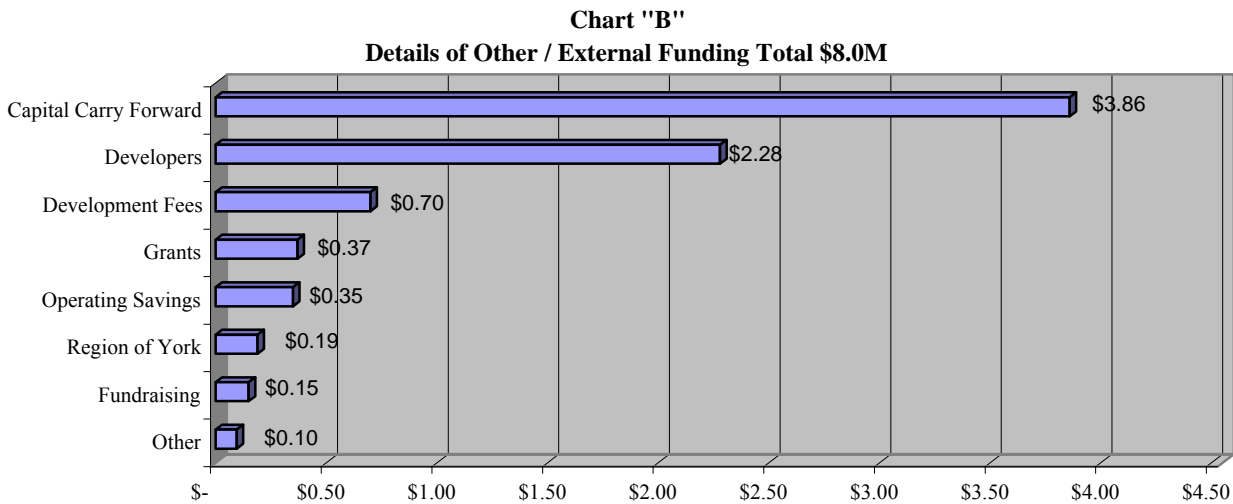
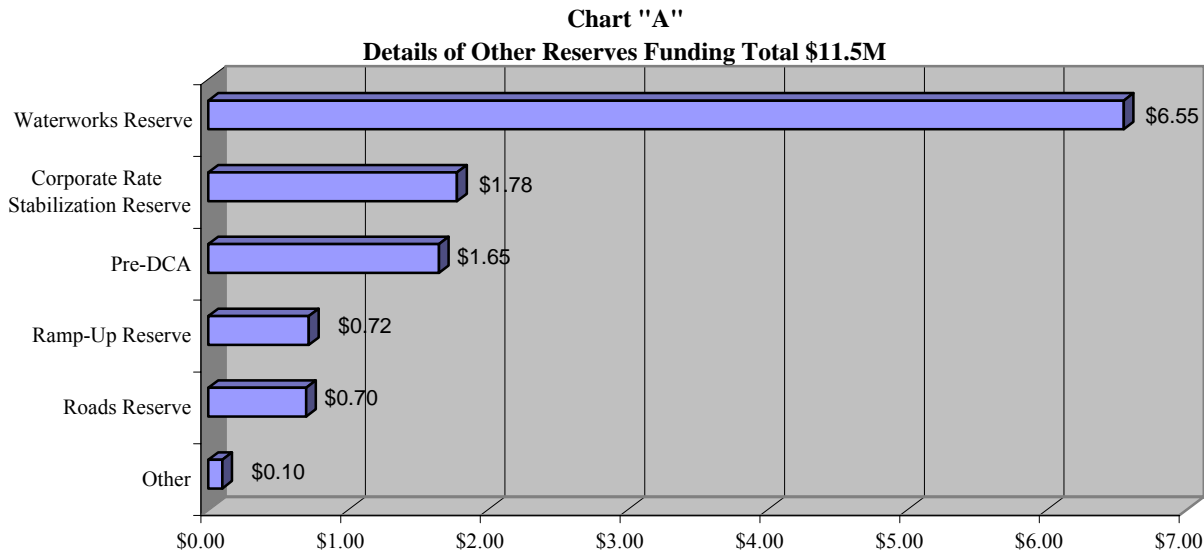
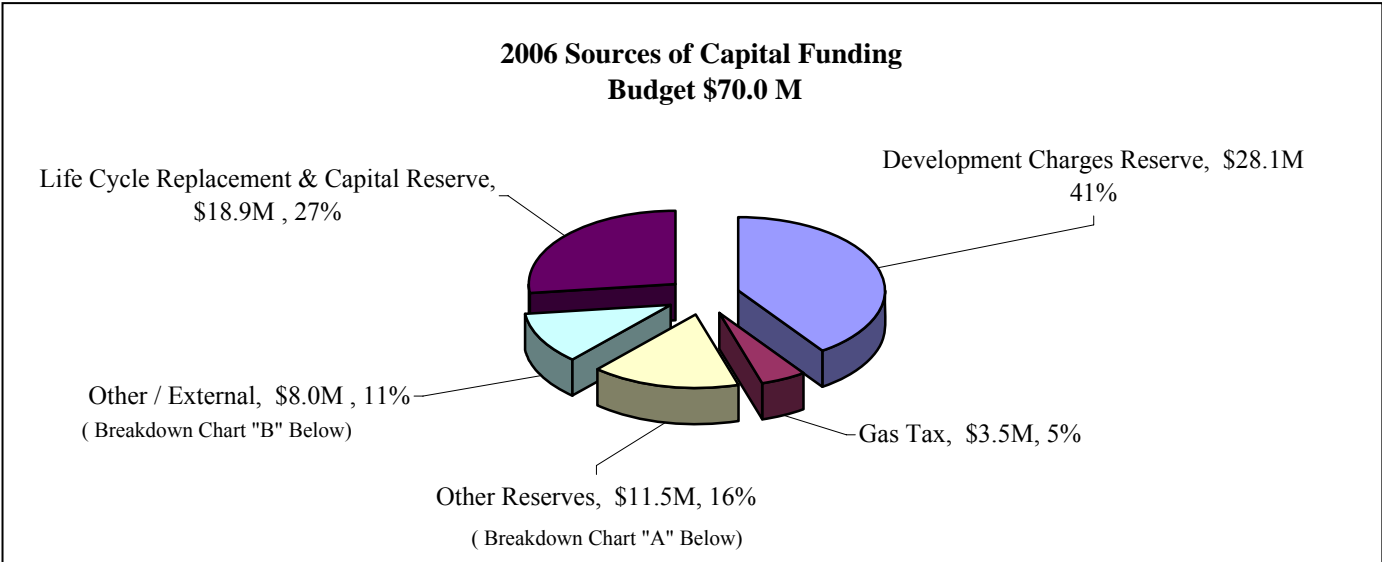
* Project has Capital Induced Operating Costs, refer to page 90

2006 Capital Budget Sources of Funding

Note: Graphical illustration on next page

LIFE CYCLE REPLACEMENT & CAPITAL RESERVE	18,856,744
DEVELOPMENT CHARGES (DCA)	28,159,313
FEDERAL GAS TAX GRANT	3,495,547
OTHER SOURCES	
Waterworks Reserve	6,555,199
Closed Capital From Previous Years (Carry Forward)	3,861,612
Developers	2,285,600
Corporate Rate Stabilization Reserve	1,783,500
Pre - DCA	1,657,127
Ramp-Up Reserve	725,000
Development Fees (Building, Planning, Engineering)	706,533
Roads Reserve	700,000
Other Grants	368,000
Operating Savings	347,000
Region of York	185,000
Fundraising	151,150
10% Non-DC Growth Reserve	46,938
York Region District School Board	44,352
Museum Publishing Fund	30,000
Markham Environmental Sustainability Fund	25,000
Museum Endowment Reserve Fund	25,000
Toronto & Region Conservation Authority	20,000
Capital Contingency	2,500
TOTAL OTHER SOURCES	19,519,511
TOTAL 2006 CAPITAL & OTHER PROGRAMS BUDGET	70,031,115

2006 Capital Budget Sources of Funding



CAPITAL INDUCED OPERATING COSTS

Department / Capital Project Description	2006 Operating Budget Impact \$	Annualized Operating Impact \$	Operating Account
<u>Fleet Operations</u>			
New Fleet - Engineering Capital Works	1,250	2,500	Maintenance Costs
New Fleet - Engineering Inspection	1,250	2,500	Maintenance Costs
New Fleet - Fire Department District Chief Vehicle	2,500	5,000	Maintenance Costs
New Fleet - Parks	1,250	2,500	Maintenance Costs
New Fleet - Waterworks Vans	2,500	5,000	Maintenance Costs
New Fleet - 2005 Operations Staff	5,000	5,000	Maintenance Costs
New Fleet - 2006 Operations Staff	2,500	2,500	Maintenance Costs
	16,250	25,000	
<u>Waterworks</u>			
Water Distribution System Condition Rating	} 89,238	89,238	Personnel Costs - one additional person to handle all 3 projects
Field Physical Condition Data Collection			
Sanitary Sewer Condition Rating			
Backflow Prevention	} 89,238	89,238	Personnel Costs - one additional person to handle 2 projects
Sanitary Sewer By-Law Enforcement			
	178,477	178,477	
Total Capital Induced Operating Costs	194,727	203,477	

Long Term Capital Budget Forecast

Growth Related Projects

Capital Infrastructure related to growth in the Town are 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 to serve and support 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 2004.

Based on the 2004 DC Study information, the following is a capital forecast from 2007 to 2013:

2007 to 2013 Capital Budget Forecast

(in thousands of constant dollars - gross cost)

Category	2007	2008	2009	2010	2011	2012	2013	TOTAL
(A) General Government	418.2	518.2	418.2	418.2	418.2	518.2	418.2	\$3,127.4
(B) Library	0.0	2,610.2	0.0	0.0	0.0	0.0	7,457.6	\$10,067.8
(C) Fire Services	946.0	0.0	0.0	118.8	1,100.0	0.0	0.0	\$2,164.8
(D) Indoor Recreation	3,705.0	0.0	0.0	0.0	0.0	0.0	32,214.2	\$35,919.2
(E) Park Development & Facilities	6,252.4	5,125.7	6,268.6	4,822.4	5,252.4	4,968.2	2,702.7	\$35,392.4
(F) Public Works	233.0	72.0	5,787.6	30.0	80.0	45.0	5,634.4	\$11,882.0
TOTAL	\$11,554.6	\$8,326.1	\$12,474.4	\$5,389.4	\$6,850.6	\$5,531.4	\$48,427.1	\$98,553.6

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

Long Term Capital Budget Forecast

Non-Growth Related Capital Projects

In 2005, Council approved a reserve study that examined, among other topics, the projected repair and replacement expenditures related to the Town's aging capital infrastructure (e.g. bridges, roads, vehicles). The study identified the age of the assets, the expected life cycle of the asset and projected replacement costs in order to quantify the Town's future expenditures, by year. A reserve fund, the Life Cycle Replacement and Capital Reserve, was established to provide a source of funding for the future repair, preventative maintenance and replacement of infrastructure. More details on this reserve is 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.

2007 to 2013 Capital Budget Forecast

(in thousands of constant dollars - gross cost)

CATEGORY	2007	2008	2009	2010	2011	2012	2013	TOTAL
Bridges	765.0	2,184.8	1,443.2	1,623.6	1,634.0	1,351.4	1,723.0	\$10,725.2
Facilities	9,610.1	8,367.9	5,848.1	8,410.9	3,596.1	4,584.2	4,458.5	\$44,875.7
Fire Bunker Gear						512.4		\$512.4
ITS	2,041.0	2,205.0	2,198.5	1,733.6	1,599.6	1,158.5	1,245.9	\$12,182.2
Parks	1,491.2	2,330.5	742.8	707.9	1,096.4	1,173.5	913.2	\$8,455.5
Roads	5,682.0	5,795.6	5,911.6	6,300.4	6,426.4	6,554.9	7,260.4	\$43,931.3
Storm Sewers	29.4	238.0	242.8	247.7	220.8	225.2	229.7	\$1,433.7
Street Lights	130.6	185.2	79.1	80.7	82.3	83.9	85.6	\$727.3
Traffic Lights	147.5	71.5	59.7	60.5	186.3	29.7	132.9	\$688.1
Vehicles	2,317.2	1,756.4	1,842.6	2,680.2	2,550.5	1,584.1	6,087.2	\$18,818.2
TOTAL	\$22,214.1	\$23,135.0	\$18,368.4	\$21,845.5	\$17,392.4	\$17,257.8	\$22,136.4	\$142,349.5

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name ITS – Core Base Architecture & Projects Requiring Business Cases

Estimated Total Cost of Project

\$1,096,800

Commission Corporate Services

Department Information Technology Services

Project Description

Location

Town Centre Blvd., including all Markham Public Libraries and Satellite Facilities

Work to be Performed

New and replacement of Computers, Printers, Telecommunication Equipment, Technical Infrastructure, Data & Licensing, other Peripherals and Software for Town of Markham departments and Markham Public Libraries. The above amount also includes other core projects such as: GIS Orthoimagery Update, Wireless Network Implementation, TXM2000 Development, and Paperless Agenda.

Reason for Work

To ensure the Town of Markham’s technological equipment is up-to-date, which is one of the major factors for improving productivity.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Wismer Community Park Additional Park Elements

Estimated Total Cost of Project

\$1,630,200

Commission Development Services

Department Design

Project Description

Location

Wismer Community Park is a 45 acre park located at the north west corner of Bur Oak Avenue and Mingay Avenue

Work to be Performed

Design, construction, and contract administration of Wismer Park

Reason for Work

Community and urban parks improve the recreation facilities that the Town of Markham is committed to provide to its community.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Box Grove, Right of Ways, Land Purchase

Estimated Total Cost of Project

\$5,355,500

Commission Development Services

Department Engineering

Project Description

Location

Various Locations in the South East Quadrant

Work to be Performed

Land purchase for various proposed right of ways

Reason for Work

To construct a two lane rural collector road from 9th Line by-pass to Highway 407 ramp

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Down Stream Improvements

Estimated Total Cost of Project

\$1,000,000

Commission Development Services

Department Engineering

Project Description

Location

Pomona Mills Creek, Glenwood Pond and Berndenet Creek

Work to be Performed

Rehabilitate eroded watercourses to improve water quality.

Reason for Work

Improve watercourse erosion, sedimentation and fish habitat in the Pomona Mills Creek. Reduce the risk of flooding and sediment removal in the Glenwood Pond, implement the recommendations for the Berndenet Creek Stream Rehabilitation Study, undertake various pilot projects to demonstrate new technologies to improve water balance, retrofit existing dry ponds to quality ponds and provide erosion protect to various streams in the Town.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Markham Centre Stormwater Management Pond

Estimated Total Cost of Project

\$6,440,000

Commission Development Services

Department Engineering

Project Description

Location

East of the Birchmount Extension, between Highway 7 and the Rouge River

Work to be Performed

Construction of Markham Centre Stormwater Management Pond # 2

Reason for Work

The stormwater management works are required to service development lands located north and south of Highway 7 between Warden Avenue & Sciberras Road which are not currently serviced by storm sewers. The project is required to proceed in 2006 with construction in advance of the Region's reconstruction of Highway 7 in 2007.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Fourteenth Avenue Watermain

Estimated Total Cost of Project

\$5,000,000

Commission Development Services

Department Engineering

Project Description

-Routine Expenditure

Location

Fourteenth Avenue

Work to be Performed

Construction of a 600mm watermain on Fourteenth Avenue - from McCowan to Markham Road and a 400mm watermain from Markham Rd to Boxwood Ave

Reason for Work

The new watermain will improve water distribution system operations in the area south of Highway 407, east of Markham Road.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Mid Block Crossing, Hwy 404 between Hwy 7 and 16th Ave.

Estimated Total Cost of Project

\$1,500,000

Commission Development Services

Department Engineering

Project Description

Location

Fourteenth Avenue

Work to be Performed

Detailed Design and Property acquisition for a new Mid-block Crossing of Highway 404 between Highway 7 and 16th Avenue

Reason for Work

Identified in current transportation studies, including the MTPS, to improve the east-west capacity in the Highway 7 corridor.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Illumination Requests

Estimated Total Cost of Project

\$1,191,400

Commission Development Services

Department Engineering

Project Description

Location

Townwide

Work to be Performed

Installation of additional street lights

Reason for Work

Improve the Illumination of various locations throughout the Town

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Sidewalk Requests

Estimated Total Cost of Project

\$1,406,500

Commission Development Services

Department Engineering

Project Description

Location

Townwide

Work to be Performed

Construct sidewalks new and existing roads

Reason for Work

This project is to ensure safety to pedestrians and will also help in maintaining smooth traffic flow.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Asphalt Resurfacing Program

Estimated Total Cost of Project

\$4,139,481

Commission Community & Fire Services

Department Roads

Project Description

Location

Town Wide

Work to be Performed

Asphalt resurfacing of approximately 27 km of two-lane road throughout the Town, along with sidewalk, Catchbasin and manhole repair.

Reason for Work

This is an annual maintenance program designed to take care of the Town's roads and transportation networks. Asphalt patching over minor defects on roads will prevent further immediate deterioration of the road surfaces where deficiencies exist. Asphalt resurfacing is done to renew the road surface and restore skid resistance to weathered and traffic worn pavements. Same is the reason for other repair work.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Rain Storm Damage

Estimated Total Cost of Project

\$1,783,500

Commission Community & Fire Services

Department Roads

Project Description

Location

Town Wide, concentration in Thornhill

Work to be Performed

Replacement of storm sewers, clean-up & removal of damaged trees and damage to stream banks

Reason for Work

Various repairs due to August 19, 2005 Rain Storm

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Bridges and Culvert Improvement Program

Estimated Total Cost of Project

\$2,315,000

Commission Community & Fire Services

Department Capital Works, ROW

Project Description

Location

19th Ave. bridge west of Hwy 48, 19th Ave. bridge east of Hwy 48

Work to be Performed

Annual program for the rehabilitation and replacement of bridges and culverts. In 2006, work required includes the replacement of the 19th Ave bridge west of Hwy 48 and the 19th Ave. bridge east of Hwy 48; the annual bridges inspection program; and the additional cost for replacement of the Reesor Road bridge

Reason for Work

This is an annual program for rehabilitation and replacement of bridges and culverts.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Corporate Fleet Replacement Program

Estimated Total Cost of Project

\$1,973,300

Commission Community & Fire Services

Department Fleet Operations

Project Description

Location

Town of Markham – Corporate Fleet

Work to be Performed

Annual Fleet Replacement Program based on the Council adopted Corporate Fleet Policy guidelines.

Reason for Work

The annual Fleet replacement program is based on Optimal Replacement Intervals (ORI), which identifies the most cost effective time period for replacement. All vehicles and equipments contained in this program have reached or surpassed the ORI.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Markham Village Expansion & Renovation – Additional funding

Estimated Total Cost of Project

\$2,364,500

Commission Community & Fire Services

Department Library

Project Description

Location

Markham Village – Main Street Markham and Highway 7

Work to be Performed

Expansion and renovation of the existing Markham Village Library, to create an additional 30,790 sq. ft. of Library and 7,570 sq. ft. of Administration and Technical Services space.

Reason for Work

Additional funding required for the expansion & renovation, to ensure adequate resources to meet the demands of the growing area.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Cement Relining of Iron Watermain Program

Estimated Total Cost of Project

\$1,342,500

Commission Community & Fire Services

Department Waterworks

Project Description

Location

Various locations throughout the Town

Work to be Performed

Cement lining of unlined ductile iron Watermain pipes to remove corrosion and restore water quality at various locations throughout Town. Project includes; hydrant upgrade, valve replacement and curb box repairs.

Reason for Work

To satisfy water quality assurance needs on an annual basis and to maintain the water service level. The project meets water quality assurance standards regulated by the province.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Sewer System Upgrade Program

Estimated Total Cost of Project

\$1,322,500

Commission Community & Fire Services

Department Waterworks

Project Description

Location

Various locations throughout the Town

Work to be Performed

Structural and service condition repairs of sanitary sewer collection system, including manhole and service lateral replacement and repairs.

Reason for Work

Maintain proper operating standards within the Sewer system.

Impact on Future Operating Budgets

No Impact

**CAPITAL PROJECT REQUEST
FOR PROJECTS OVER \$1 MILLION**



Project Name Watermain Construction & Replacement Program

Estimated Total Cost of Project

\$1,463,000

Commission Community & Fire Services

Department Waterworks

Project Description

Location

All locations throughout the Town

Work to be Performed

Annual replacement of aging Watermain.

Reason for Work

This project is intended to improve water supply, fire fighting water access/resources and maintain un-interrupted water flow and pressure.

Impact on Future Operating Budgets

No Impact

WATERWORKS BUDGET

All operations relating to water and sanitary sewer are funded through the Waterworks fund which is separate from the Operating Fund. User fees from water billings are the main source of funding for the Waterworks Budget.

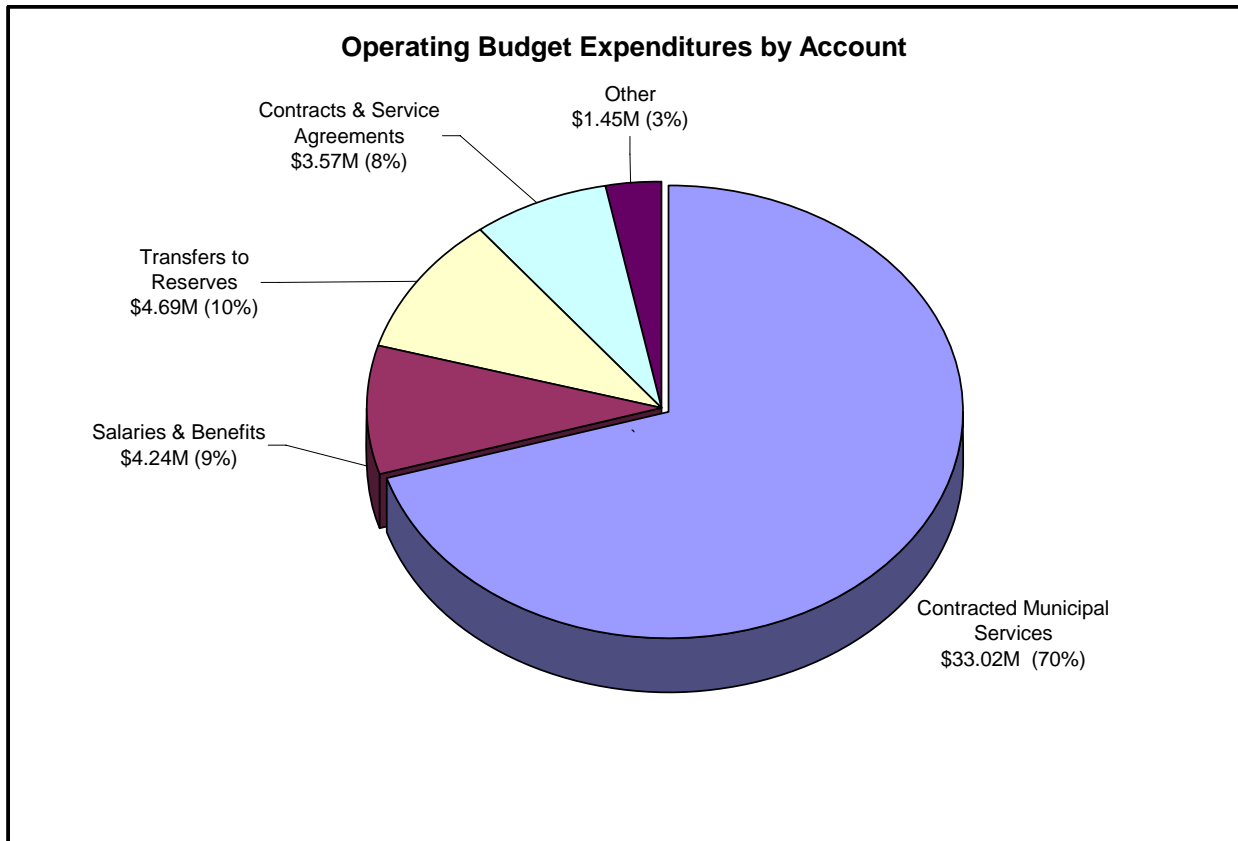
2006 OPERATING BUDGET

Expenditures

The 2006 Operating Budget for Waterworks totals \$46,976,127 (excl. prior year's surplus). This marks an increase of \$2.8 million over the 2005 Operating Budget.

Exhibit 1 indicates that the major portion of budgeted expenditures contracted Municipal Services, is related to the purchase of water from the Region of York. The 'Other' category, which accounts for 3.0% of the Operating Budget, includes items such as communications, training, insurance, vehicle supplies, rentals/leases, construction materials, and maintenance & repair costs.

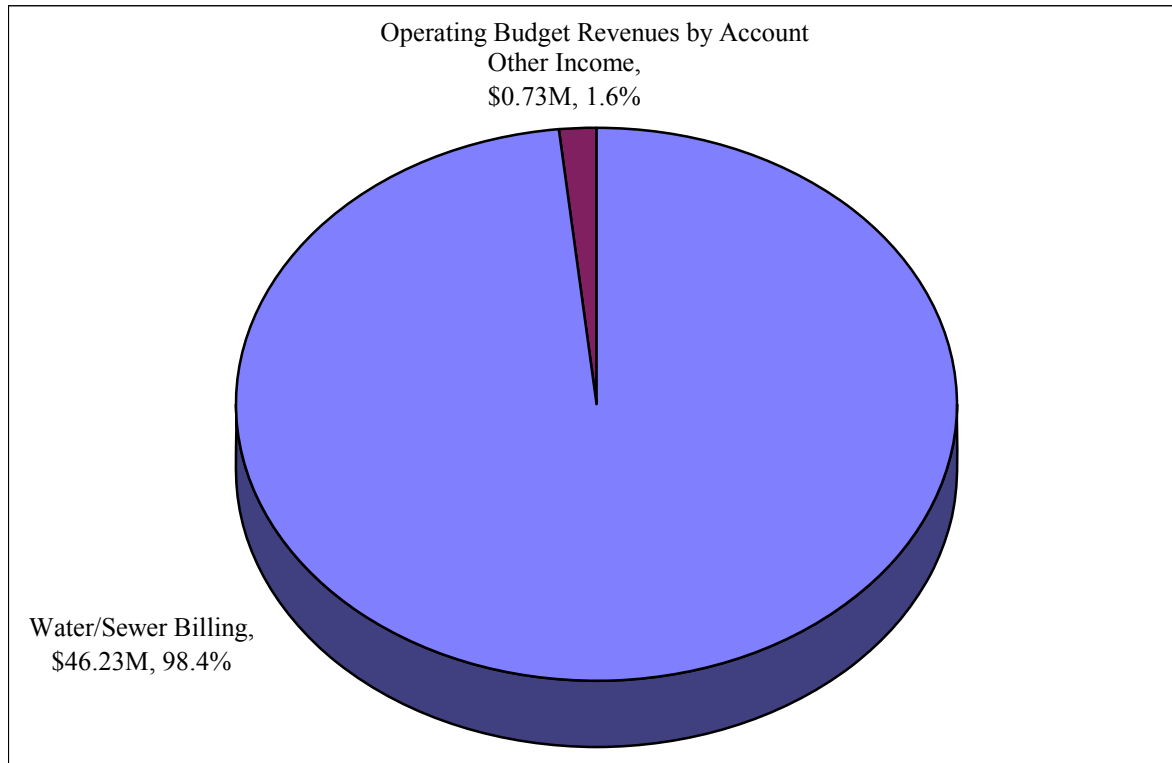
Exhibit 1



Revenues

The Operating Budget is funded mainly through revenues associated with billings related to the sale of water. Please refer to Exhibit 2. The Town's water rates has increased by 8.56% from the previous year's levels with a corresponding increase of 6.10% in the cost of water/wastewater rates purchased from the Region of York. The net increase in rates contributes to offsetting operating costs and increase contribution towards to reserves to be utilized to fund infrastructure replacement requirements.

Exhibit 2



Bill 175 - The Sustainable Water & Sewage Systems Act

Bill 175 deals with water/wastewater service delivery & asset replacement. The introduction of the Bill is expected to take place in 2006, setting out the requirements for future water rate increases, including disclosure of the capital needs, and the plan to recover the capital costs through rates.

A full review of the Town's Waterworks reserve is expected to take place in 2006, in accordance with the legislation.

CAPITAL BUDGET

The 2006 Waterworks Capital Budget totals \$6,860,200 which is fully funded from the Waterworks reserve. The capital projects include annual maintenance programs for watermains, water meter replacements, sanitary sewer monitoring and inspection and upgrades to water and sewer systems.

2006 WATERWORKS OPERATING BUDGET

<u>Description</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>	
			<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>				
WATER/SEWER BILLING	\$43,393,018	\$46,239,542	\$2,846,524	6.6%
TAXES - OTHER CHARGES	91,199	-	(91,199)	-100.0%
USER FEES & SERVICE CHARGES	607,585	607,585	-	0.0%
SALES	126,000	126,000	-	0.0%
RECOVERIES & CONTRIBUTIONS	3,000	3,000	-	0.0%
OTHER INCOME	-	-	-	0.0%
TRANSFER FROM SURPLUS	-	-	-	0.0%
Total Revenues	\$44,220,802	\$46,976,127	\$2,755,325	6.2%
<u>Expenses</u>				
SALARIES AND BENEFITS	\$3,394,145	\$4,243,998	\$849,853	25.0%
PRINTING & OFFICE SUPPLIES	28,446	40,946	12,500	43.9%
OPERATING MATERIALS & SUPPLIES	93,465	98,500	5,035	5.4%
CONSTRUCTION MATERIALS	708,045	622,885	(85,160)	-12.0%
UTILITIES	29,374	29,961	587	2.0%
COMMUNICATIONS	23,874	38,174	14,300	59.9%
TRAVEL EXPENSES	32,956	32,956	-	0.0%
TRAINING	37,125	40,000	2,875	7.7%
CONTRACTS & SERVICE AGREEMENTS	2,649,043	3,567,376	918,333	34.7%
MAINT. & REPAIR-TIME/MATERIAL	208,864	226,528	17,664	8.5%
RENTAL/LEASE	4,854	4,854	-	0.0%
PROFESSIONAL SERVICES	170,679	171,174	495	0.3%
LICENCES, PERMITS, FEES	2,913	2,913	-	0.0%
PROMOTION & ADVERTISING	5,000	8,000	3,000	60.0%
CONTRACTED MUNICIPAL SERVICES	32,201,949	33,018,085	816,136	2.5%
OTHER PURCHASED SERVICES	110,723	135,521	24,798	22.4%
WRITE-OFFS	-	-	-	0.0%
TRANSFERS TO RESERVES	4,519,347	4,694,256	174,909	3.9%
Total Expenditures	\$44,220,802	\$46,976,127	\$2,755,325	6.2%
Net Expenditure (Revenue)	-	-	-	

(Excludes prior year surplus)

Town of Markham – 2006 Budget Budget Breakfast Presentation

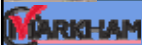
Dan Horchik, Budget Chief
Andy Taylor, Commissioner of Corporate Services
February 6, 2006

Centennial C.C.

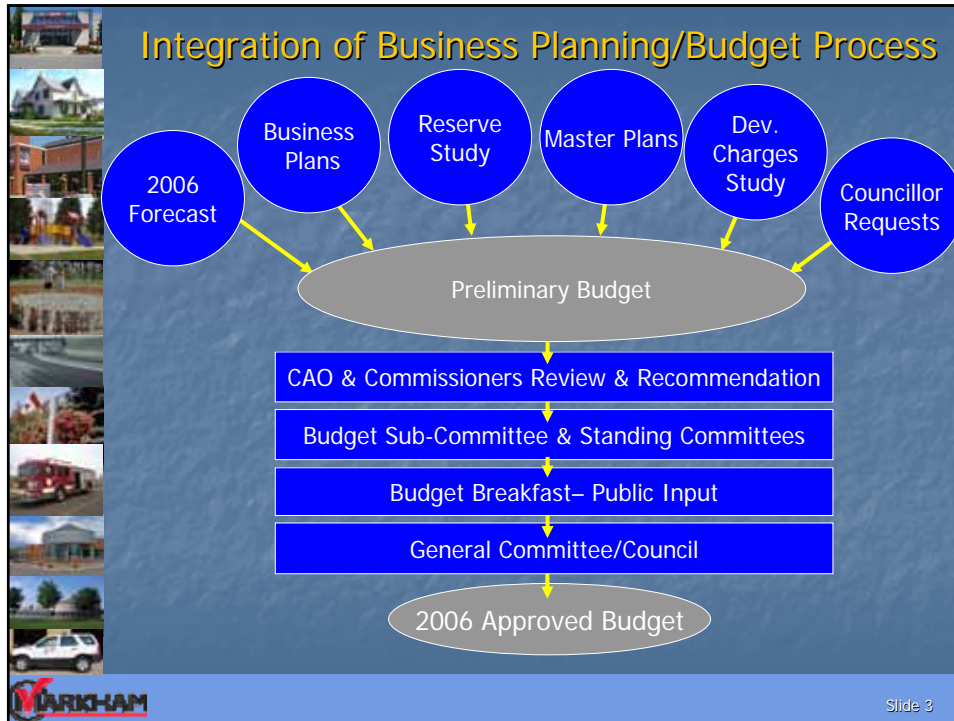


Agenda

- 8:00 – 8:10 Welcome - Mayor & Budget Chief
- 8:10 – 8:50 Budget Presentation
- 8:50 – 9:30 Questions & Answers

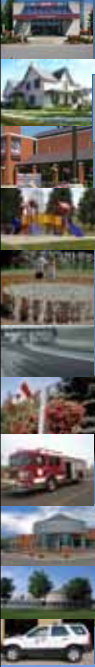


Slide 2



Economic Environmental Scan - Budget Pressures

Wage Settlements




- **Negotiated Wage Settlements**
- **Cost of Living Increases**
- **Grid Movement, Annualization**
- **Ontario Municipal Employees Retirement System (OMERS) pension rate increase**

MARKHAM Slide 5

Economic Environmental Scan - Budget Pressures

Wage Settlements Municipal Service Contracts




- **Waste Collection & Winter Maintenance contracts linked to CPI**
- **Phase-in of Winter Maintenance budget**
- **Price escalations on Multi-year Contracts and contract renewals**

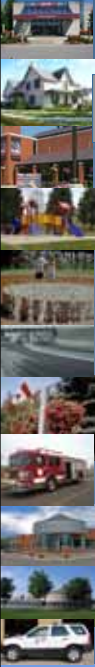
MARKHAM Slide 6

Economic Environmental Scan - Budget Pressures

Wage Settlements	Municipal Service Contracts	Infrastructure
------------------	-----------------------------	----------------




- Capital costs associated with replacing aging infrastructure such as existing roads, vehicles, facilities, parks, bridges
- Operating costs associated with aging infrastructure include higher repair/ maintenance costs




MARKHAM Slide 7

Economic Environmental Scan - Budget Pressures

Wage Settlements	Municipal Service Contracts	Infrastructure
Growth		



- Increased costs related to more:
 - Households – Waste Collection
 - Kilometres of road – Sweeping, Winter Maintenance
 - New parks – Park Maintenance
- Ramp-up for costs related to new facilities – Fire Station & Community Centre
- Staffing resources related to growth



MARKHAM Slide 8

Economic Environmental Scan - Budget Pressures

Wage Settlements	Municipal Service Contracts	Infrastructure
Growth	Provincial Legislation	

- **Bill 124** – First full year impact legislation related to Building Permit revenue
- **Bill 175** – Work related to costing water/ waste water service delivery & asset replacement
- **Bill 195** – Increased inspection costs due to Safe Water Drinking Act

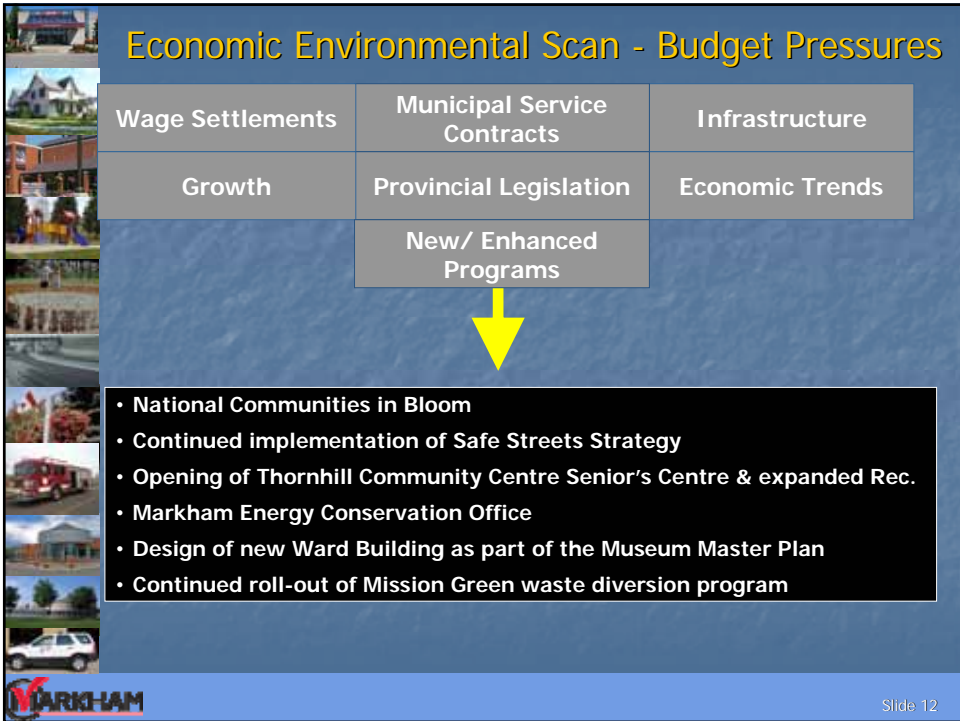
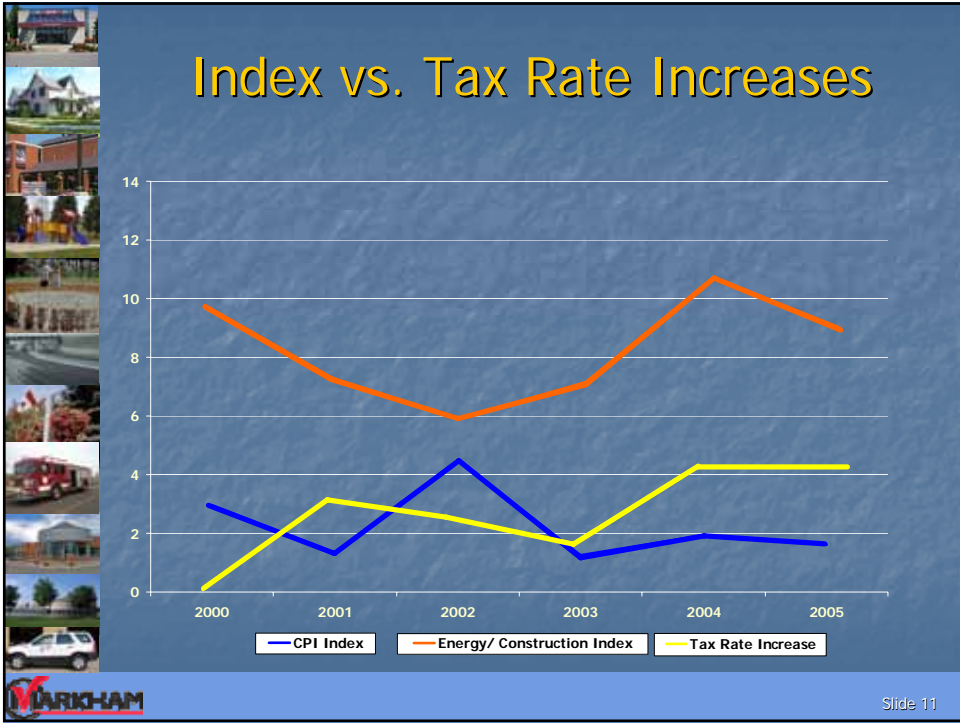
Slide 9

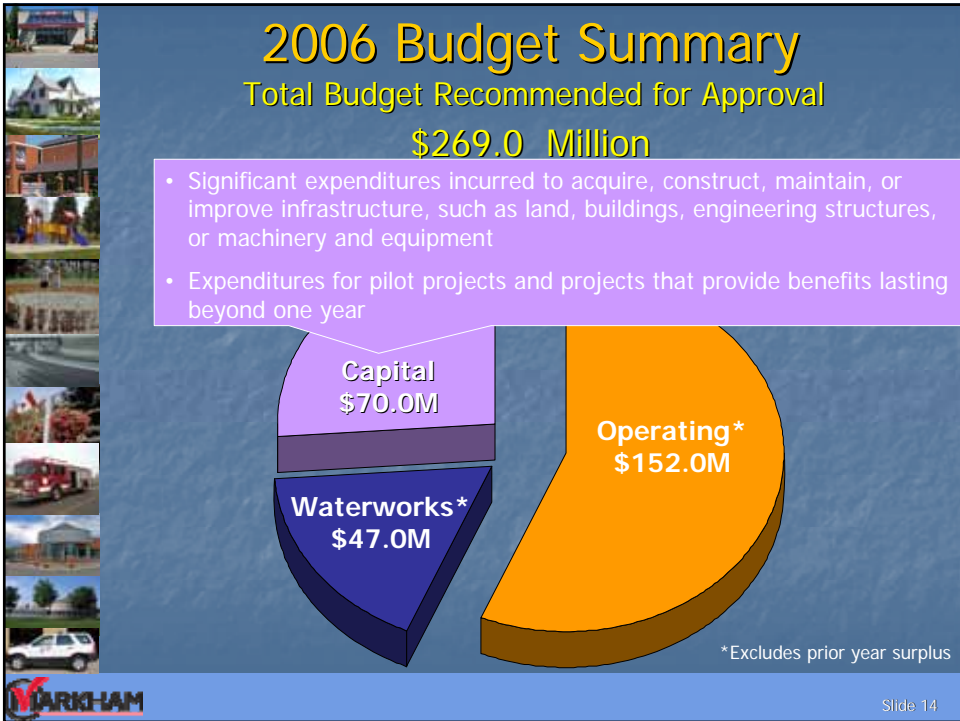
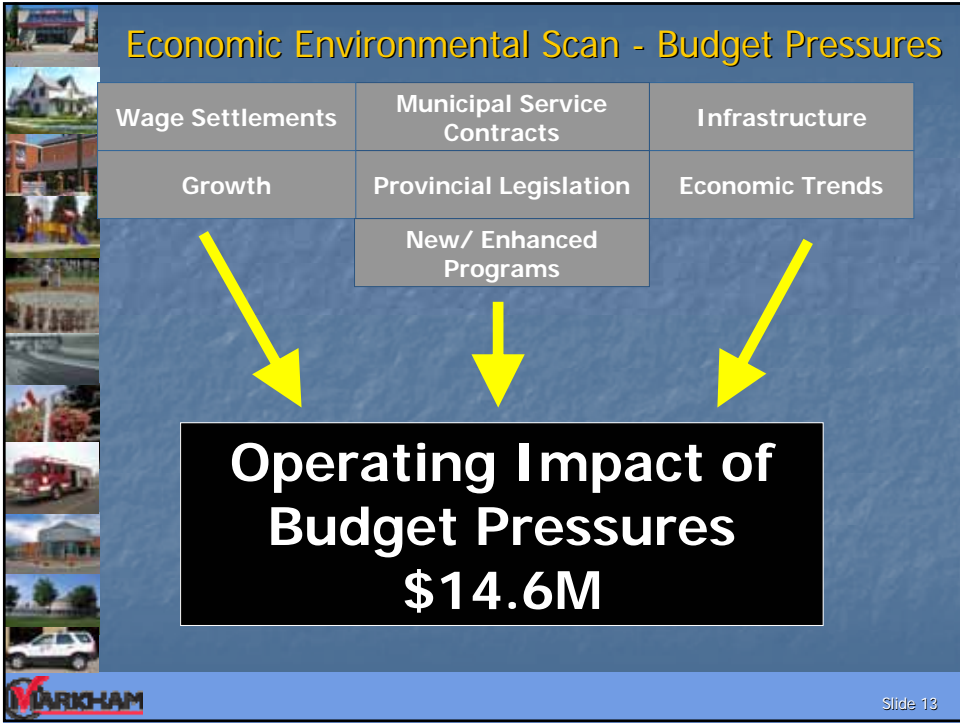
Economic Environmental Scan - Budget Pressures

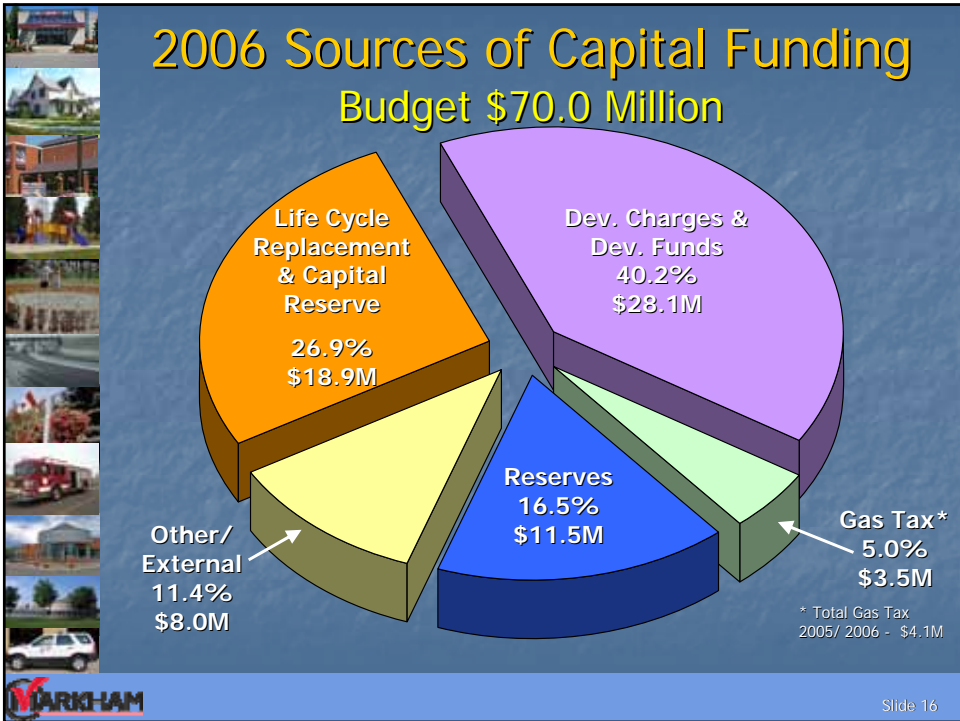
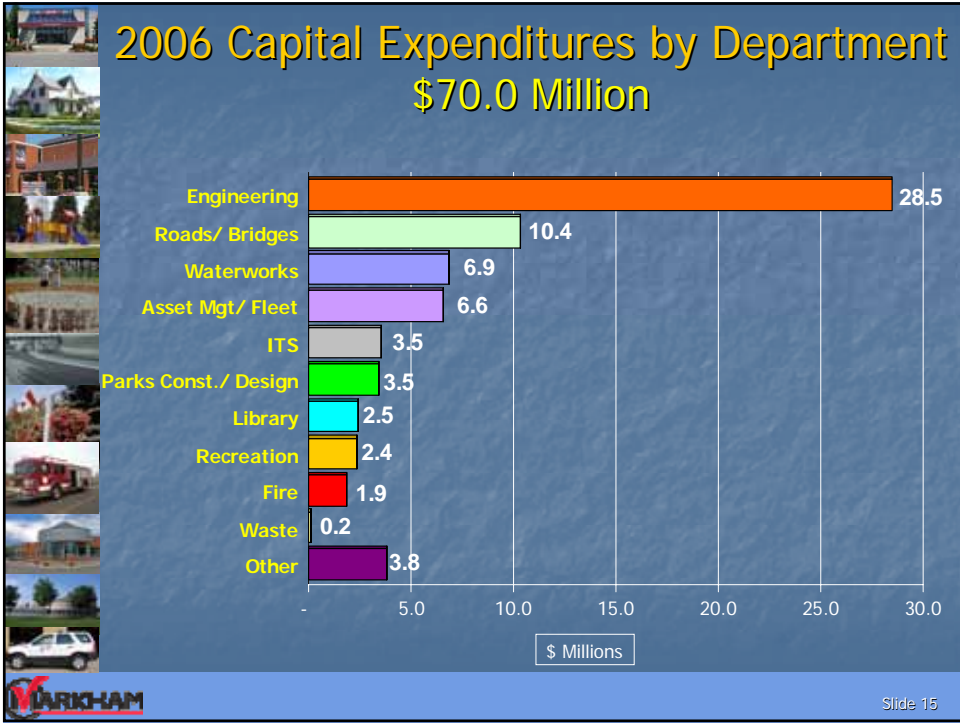
Wage Settlements	Municipal Service Contracts	Infrastructure
Growth	Provincial Legislation	Economic Trends

- **Interest Rate fluctuations**
- **Higher Insurance Costs**
- **Inflation:**
 - **2.2% CPI, Canada, All Items (Dec '04 to '05)**
 - Basket of goods includes: Food, Shelter, Household operations/furnishings, clothing, transportation, health & personal care
 - **10.2% Energy Index (Dec '04 to '05)**
 - **4.8% Non-Residential Construction Price Index (3rd Quarter '04 to '05)**
 - measures contractors' price changes of new non-residential construction
 - relates to both general and trade contractors' work and excludes the cost of land, design and real estate fees

Slide 10




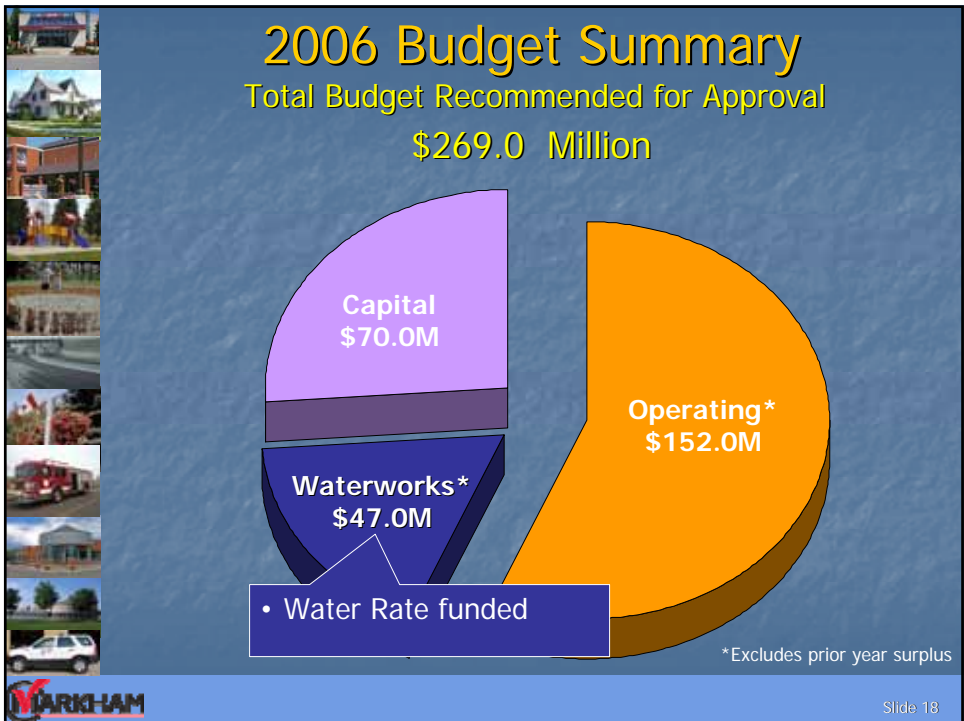




Projects Recommended for Gas Tax Funding (\$000's)

Recommended Projects	Part of the Proposed 2006 Budget	Potential Additions to Proposed 2006 Budget
Public Transit		
Bike Lanes & Pathways	\$163	\$337
Sidewalk replacement/ New sidewalks along exist. Roads	\$489	
Water Distribution Systems and Wastewater Systems		
Waterworks Capital Projects (Infrastructure)	\$250	
Solid Waste, Waste Diversion		
Settlers Park	\$233	\$467
Community Energy Systems		
Markham District Energy		\$500
Green Roof		\$125
Local Roads, Bridges, Tunnels and Bike Lanes		
Bridge Repairs (19th Ave. west of Hwy 48)	\$196	
Bridge Repairs (19th Ave. east of Hwy 48)	\$70	
Bridge Replacement (Reesor Road)	\$666	
	\$2,067	\$1,429
Total Cost of Projects		<u>\$3,496</u>
Total Gas Tax Funding Received 2005-2006		\$4,068


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2006 Waterworks Operating Budget Budget \$47.0 Million

- Waterworks is funded from water/wastewater revenues
- Following a public meeting on December 13, 2005, Markham's water and wastewater rate was increased by 6.1% effective January 1, 2006
- The increase will help offset the following Waterworks pressures:
 - higher wholesale water costs from the Region
 - the Waterworks Department's Phase 3 Organizational and Staffing Plan
 - higher cost of contracted water meter reading and water billing services
 - increased capital programs related to the Town's aging water/wastewater infrastructure

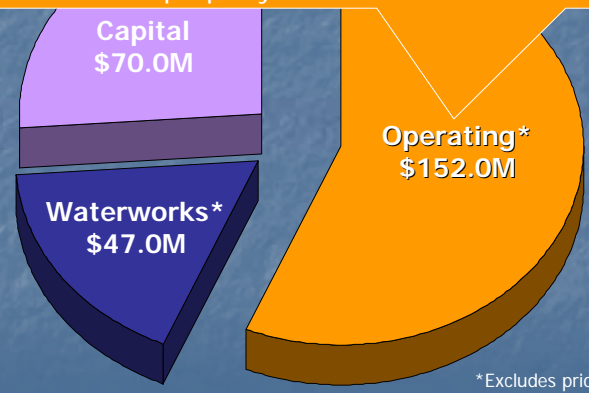


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2006 Budget Summary Total Budget Recommended for Approval \$269.0 Million


- Used to account for most of the day-to-day operations
- Financed from property taxes and other user fees



*Excludes prior year surplus



Slide 20



Base Operating Budget Budget \$152 Million

REVIEW 2005 BASE BUDGET

- Detailed Analysis of 2005 Budget – Confirming 2005 base budget levels with adjustments for the following:


REVENUES

- Forecasted increase in Assessment Growth (4.0%)
- Investment Income increase due to higher portfolio balances
- Annualization of fee increases

EXPENDITURES

- Increased Salary & Benefits of existing Staff – CUPE, COLA, MPFFA, grid movement, annualization
- Increase in benefit rate to 24% primarily due to OMERS rate increase
- Continued Ramp-up for new Fire Station & Community Centre
- Contract Price Escalations - Waste contract, Winter maintenance and higher utility & fuel costs
- Growth - new parks, additional streetlights, additional households for waste collection, & more kilometres of roads
- Operating Budget Contribution to Capital


MARKHAM Slide 21



2006 Operating Budget Summary (\$ Millions)

	2005 Approved Budget	2006 Proposed Budget	Change Increase / (Decrease)
REVENUES	137.4	147.9	10.5
EXPENDITURES	137.4	152.0	14.6
Current Operating Budget Shortfall			<u>(4.1)</u>


MARKHAM Slide 22

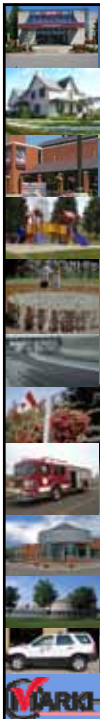


2006 Operating Budget Comparison of Revenues – 2005 to 2006 (\$ Millions)

	<u>2005</u>	<u>2006</u>	<u>Increase</u>	
	\$	\$	\$	%
Total Budgeted Revenues	<u>137.4</u>	<u>147.9</u>	<u>10.5</u>	<u>7.6%</u>
Assessment Growth of 4%			3.3	2.4%
Investment Income			0.4	0.3%
Increase in Winter Maint. Recoveries from Region			0.1	0.1%
Change in Rec. Programs & Annualization of fee increase			0.4	0.3%
Add'l Planning/Design & Eng. Rev. (offset with exp.)			4.9	3.6%
Increase in Other Revenues			1.4	1.0%
Total Change in Budgeted Revenues			<u>10.5</u>	<u>7.6%</u>

Excludes prior year surplus



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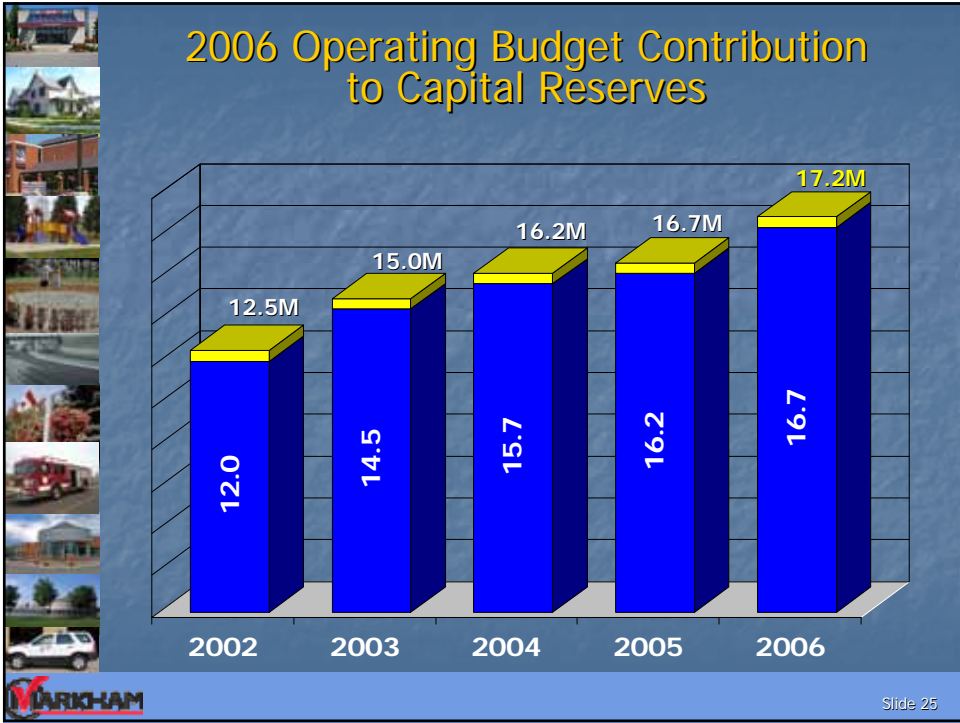


2006 Operating Budget Comparison of Expenditures – 2005 to 2006 (\$ Millions)

	<u>2005</u>	<u>2006</u>	<u>Increase</u>	
	\$	\$	\$	%
Total Budgeted Expenditures	<u>137.4</u>	<u>152.0</u>	<u>14.6</u>	<u>10.6%</u>
Wage Settlements			2.5	1.8%
Annualization/Grid Movement & OMERS			1.8	1.3%
Staffing costs for additional programs & growth			1.7	1.2%
Growth & Contract Increases			1.6	1.1%
Utility Increases			0.7	0.5%
Ramp-up (New Fire Station & Community Centre)			0.6	0.4%
Waste Collection (incl. Fuel Escalation)			0.6	0.4%
Operating Budget Contribution to Capital			0.5	0.4%
Implementation of Bill 124 (offset by revenues)			3.0	2.2%
Increase in Other Expenditures			1.6	1.2%
Total Change in Budgeted Revenues			<u>14.6</u>	<u>10.6%</u>

Excludes prior year surplus


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2006 Operating Budget

Increase in Revenues	\$10.5 M
Increase in Expenditures	<u>\$14.6 M</u>
Current Funding Shortfall	<u><u>\$(4.1) M</u></u>

\$4.1 Million shortfall translates into an increase of 4.88% in the net tax rate

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2006 Balanced Operating Budget Details (\$ Millions)

	2006 Proposed Budget	% to Total Budget	Change From 2005 Incr./(Decr.)
REVENUES			
Tax Revenues	89.6	58.9%	3.4
Proposed 4.88% Tax Increase	4.1	2.7%	4.1
Grant & Subsidy Revenues	0.8	0.6%	(0.1)
General Revenues	22.1	14.5%	1.0
Hydro Interest Inc. to Reserves	4.6	3.0%	0.0
User Fees & Services Charges	24.8	16.3%	5.6
Other Income	<u>6.0</u>	<u>4.0%</u>	<u>0.6</u>
	152.0	100.0%	14.6

Excludes Prior Year Surplus

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2006 Operating Budget

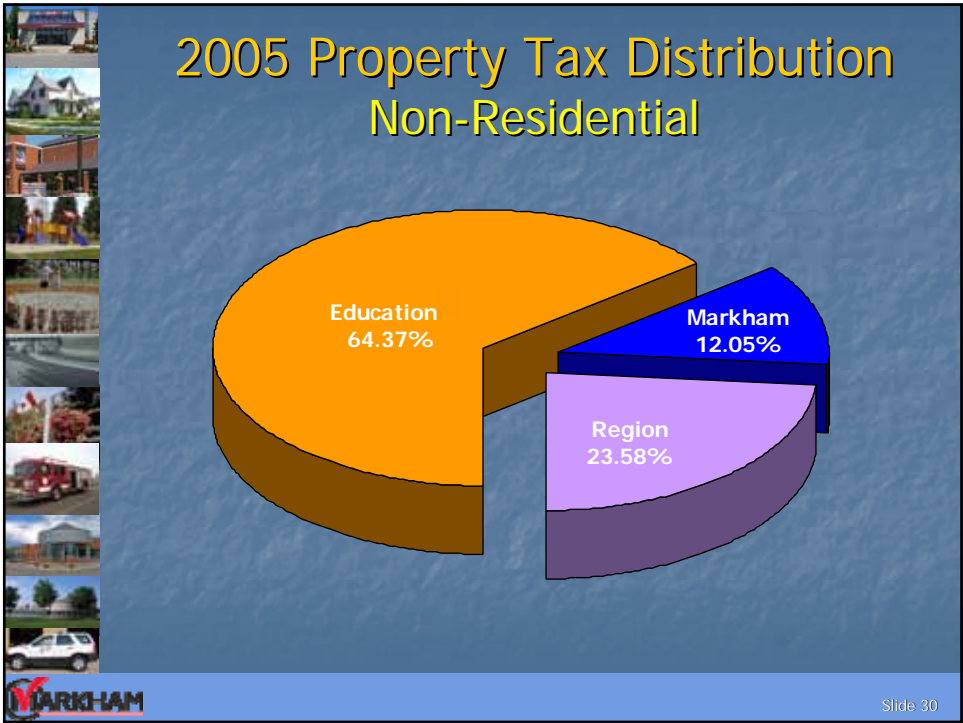
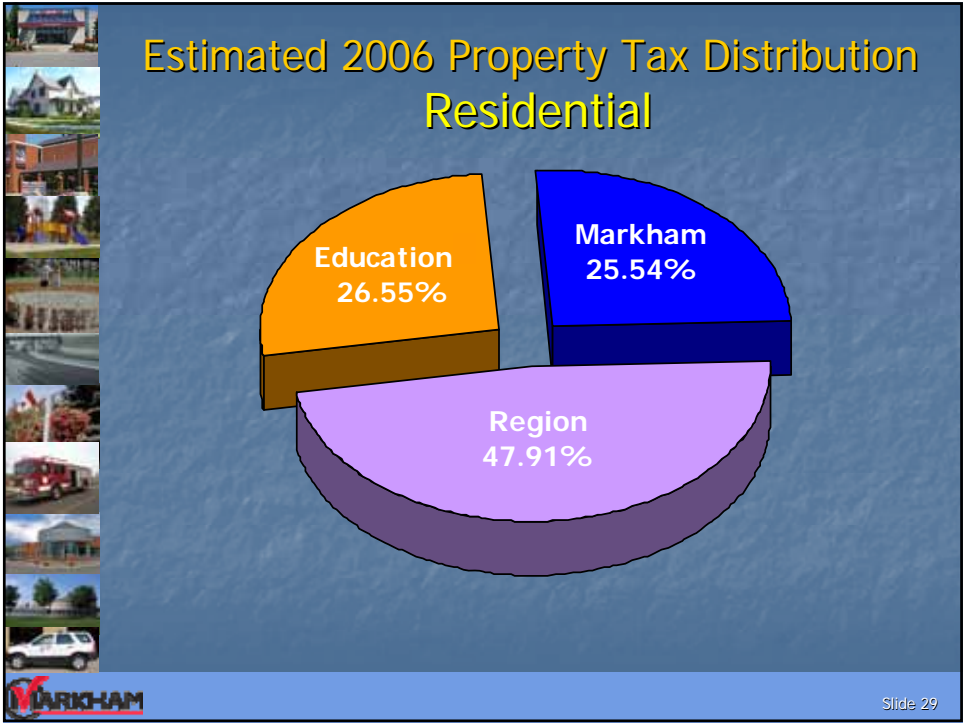
Impact of Markham Tax Rate Increase on an Average Household

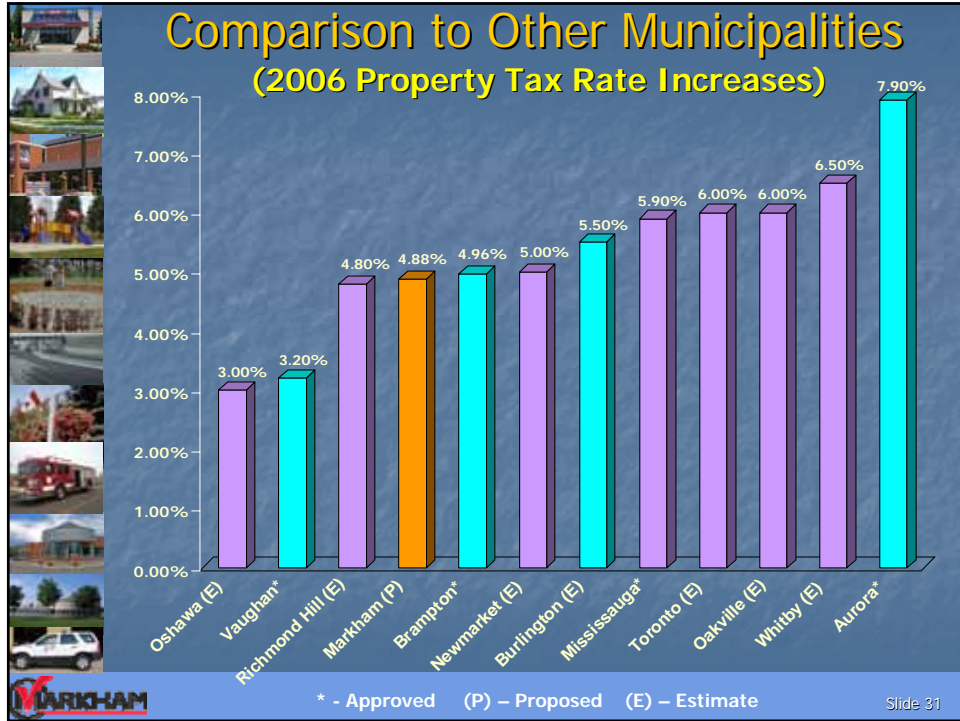
Average Current Value of a Household in Markham = \$403,000

Approximate Tax Dollar Impact per Household

4.88% Tax Rate Increase = \$36.04

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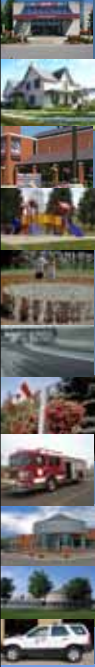




2006 Budget Summary Highlights Fiscal Stewardship Leadership


- Financial Prudence
- Tax Rate Decrease to offset CVA Increase
- New Assessment Growth of 4.0%
- Maintain Existing Service Levels

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2006 Budget Summary Highlights Infrastructure & Transportation

➤ Property Acquisition for 9th Line By-Pass	\$5.4M
➤ Fourteenth Avenue Watermain	\$5.0M
➤ Road Resurfacing and Improvements	\$5.5M
➤ Illumination Improvements & New Sidewalks	\$2.6M
➤ Bridge and Culvert Rehabilitation & Improvements	\$2.3M
➤ August 2005 Rain Storm Damage	\$1.8M
➤ Midblock Crossings at Highway 404	\$1.8M
➤ Rodick Road Reconstruction	\$0.9M
➤ Helen Ave. Reconstruction	\$0.3M
➤ Clegg Road Extension & Cedarland Dr. Reconstruction	\$0.9M
➤ Travel Demand Management	\$0.1M




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2006 Budget Summary Highlights Quality Communities & Safe Streets

➤ Wismer Community Park – Additional Funding	\$1.6M
➤ Cornell Neighbourhood Park Waterplay Facility	\$0.2M
➤ Library Annual Building Program	\$0.5M
➤ Repairs and Maintenance of Town Facilities	\$4.0M
➤ Design of new Ward Building at Markham Museum	\$0.3M
➤ Phase I Bicycle Lane Implementation	\$0.6M
➤ Markham Village Library Expansion – Add'l Funding	\$2.4M
➤ One Additional Fire Pumper (Bur Oak Fire Station)	\$0.6M
➤ Land for Cathedral and Cornell Fire Stations	\$1.5M



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2006 Budget Summary Highlights Environment

- Markham Centre Stormwater Management Pond \$6.4M
- Down Stream Improvements Works Program \$1.0M
- Green Roof (Civic Centre) – Total \$250K \$0.1M
- Fleet Replacement Program including “Green Fleet” \$2.0M
- 3 Stream Program (Multi-Residential & BIAs) \$0.1M
- Mission Green @ Town Facilities and Events \$0.1M
- Sabistan Landfill Site Management \$0.7M


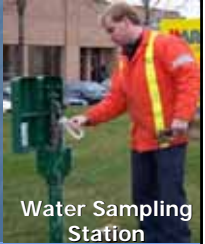





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2006 Budget Summary Highlights Water & Sewer Programs

- Annual Cement Relining of Iron Watermains \$1.3M
- Watermain Construction & Replacement \$1.5M
- Watermeter Replacement \$0.5M
- Water Flushing and Sampling Stations \$0.8M
- Sewer System Upgrade Program \$1.3M
- Cathodic Protection of Iron Watermains \$0.3M

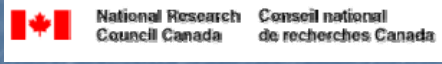






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2006 Budget Summary Highlights Economic Development

- Innovation Synergy Centre in Markham \$0.3M
- Small Business Enterprise Centre \$0.1M
- Toronto Region Research Alliance & York Biotech \$0.1M

- National Institute for Convergent Technologies






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Status of Multi-Year Projects

- Completed Expansion of Thornhill C.C. – 21,500 sq. ft.
- Built & Completed Bur Oak Fire Station
- Renovated & Expanded Pingle House at Angus Glen C.C.
- Built & Completed Museum Reception Centre


- Construction started on Markham Village Library Renovation and Expansion (Scheduled opening December 2006)
- Construction started on Centennial Community Centre Renovation & Expansion (Scheduled opening January 2007)




Bur Oak Fire Station




Pingle House


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GFOA Award Fifth Consecutive Year




5th Consecutive Year!

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Town of Markham, Ontario** for its annual budget for the fiscal year beginning **January 1, 2005**. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.


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




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Questions & Answers



**THANK YOU FOR ATTENDING THE TOWN OF MARKHAM'S
SIXTH ANNUAL BUDGET BREAKFAST!**





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TO: Mayor and Members of Council

FROM: Andy Taylor, Commissioner of Corporate Services
Barb Cribbett, Treasurer

PREPARED BY: Joel Lustig, Director of Financial and Client Services
Fuwing Wong, Manager of Financial Planning

DATE OF MEETING: 2006-Feb-14

SUBJECT: 2006 Operating, Capital, and Waterworks Budgets

RECOMMENDATION:

THAT the report dated February 14, 2006 entitled, “2006 Operating, Capital, and Waterworks Budgets” be received;

AND THAT Council approve the 2006 Operating Budget for Town services which totals \$152,034,677, (excluding prior years surplus) the principle components of which are detailed on Appendix 1 attached hereto;

AND THAT gross operating expenditures of \$152,034,677, (excluding prior years surplus transfers to reserves) be funded from the following sources:

	\$
Taxation Revenues	93,618,151
Grant & Subsidy Revenues	840,831
General Revenues (Investment Income, Fines, Permits)	26,646,591
User Fees & Service Charges (User Fees, Rentals, Sales)	24,779,581
Other Income/Recoveries	6,149,523
Total	152,034,677

AND THAT Council approve the 2006 Capital Budget that totals \$70,031,115, the funding details of which are listed in Appendix 2 attached hereto;

AND THAT Council approve the 2006 Waterworks Operating Budget that totals \$46,976,127, (excluding prior years surplus) the principle components of which are detailed on Appendix 4 attached hereto;

AND THAT upon finalization of the 2005 audited financial statements, the 2006 Operating and Waterworks budgets be adjusted to reflect the 2005 operating results;

AND FURTHER THAT a copy of the budgets be made available to the public through the Clerk’s Department and each of the Markham Public Libraries.

BACKGROUND:

A total of four Budget Sub-Committee meetings were held in 2005 and 2006 to discuss, review and finalize the 2006 Operating, Capital and Waterworks Budgets. Three Standing Committee meetings supplemented the Budget Sub-Committee meetings. All Budget meetings were open to Members of Council, Commissioners, Senior Staff and the general public. Topics discussed at the Budget Sub-Committee / Standing Committee meetings include:

- a review of Operating and Capital budgets for 2006;
- an analysis of the significant factors affecting both 2005 actual performance and the 2006 Operating budget;
- Economic Environmental scans including economic trends and budgetary pressures;
- Business Plan Presentations including Business Unit profiles, accomplishments of the business units and business plans for 2006; and
- Background information and options for the use of the new Federal Gas Tax grant for sustainable infrastructure.

The following exhibit reconciles the 2005 Approved Operating Budget to the 2006 Operating Budget (figures exclude prior years surplus):

REVENUES

Approved 2005 Budget Revenues	\$137,354,323
2006 Increase in Revenues	\$7,295,073
2006 Assessment Growth - Tax Revenue	\$3,328,084
2006 Property Tax Levy Increase	\$4,057,197
Total 2006 Budget Revenues (excluding surplus)	\$152,034,677

EXPENDITURES

Approved 2005 Budget Expenditures	\$137,354,323
2006 Increase in Expenditures	\$14,180,354
2006 Operating Contribution to Capital Reserves	\$500,000
Total 2006 Budget Expenditures (excluding surplus)	\$152,034,677

The 2005 Operating surplus is excluded from the above figures as the Town’s audited financial statements will be finalized no later than 90 days after the end of the year, in accordance with

Public Sector Accounting and Auditing Board recommendations. Upon finalization of the 2005 audited financial statements, the 2006 Operating and Waterworks budgets will be adjusted to reflect the surplus, if any, in revenues and offsetting expenditures (transfer of the surplus to reserves).

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, wage settlements, and the continuation of higher fuel, natural gas and insurance costs have resulted in increased operating expenditures. Further, the Budget Sub-Committee has approved the continuation of the Town's practice of phasing-in future costs related to facility openings and funds have been allocated towards the next Fire Station and Community Centre. 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 total impact of these pressures on expenditures is \$14.6M.

To mitigate the increased expenditures, revenues were reviewed and increased by \$10.5M in the areas of assessment growth, additional investment income, recreational programs, and fee/fine revenues.

The increase in revenues however, does not fully offset the pressures in operating expenditures of \$14.6M. The resultant shortfall of \$4.1M (\$10.5M - \$14.6M) necessitates a property tax rate increase of 4.88%. For the average household in Markham, valued at \$403,000 (based on 2006 Current Value Assessment), a 4.88% increase in the tax rate means a \$36.04 increase in the municipal portion of the property tax bill.

With the completion of the Town's Reserve Study in 2005, the Town's capital requirements for major repairs and replacement of aging infrastructure such as roads, park amenities, Town facilities, and vehicles were primarily funded from the Town's new Life Cycle Replacement and Capital Reserve fund. One of the major sources of funding of this Reserve is the Operating Budget where the Town's policy of increasing the Operating Contribution to Capital Reserves by \$500,000 per year has been maintained in the 2006 budget with a total contribution of \$17.2M to the Life Cycle Replacement and Capital Reserve Fund.

The Capital Budget of \$70.0M includes \$18.9M of funding from the Life Cycle Replacement and Capital Reserve Fund. The Operating Contribution to Capital of \$17.2M was topped up by \$1.7M from the balance of funds in the Life Cycle Replacement & Capital Reserve to fund the \$18.9M of major capital repair and replacement requirements for 2006. The 2006 Capital budget also contains \$3.5M of Federal Gas Tax grant funded capital projects in the following areas:

- Water Distribution & Wastewater Systems – watermain construction and replacement;
- Public Transit – bike lanes/pathways and new/replacement of sidewalks;
- Solid Waste/Waste Diversion – Sabistan Landfill Site Management;
- Community Energy Systems – a provision for Markham District Energy projects and additional funding for a Green Roof at the Civic Centre; and
- Local Roads, Bridges – Bridge repairs and additional funding for a bridge replacement.

Other significant Capital projects include construction of the Fourteenth Avenue Watermain from Markham Road to Boxwood Avenue, Midblock Crossings at Highway 404, Phase 2 of Rodick Road Reconstruction, Cornell Neighbourhood Park Waterplay Facility, final phase of funding for the Markham Village Library renovations and expansion, continued roll-out of Mission Green, the Town's waste diversion program, to multi-residential buildings and to the Town's two Business Improvement Areas, and the completion of the Doncaster Watermain replacement project.

The proposed 2006 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. The Town's commitment to increase investment in Capital projects by \$0.5M, funded from assessment growth, is maintained. The Town has also continued to ramp-up the Operating budget for future expenditures related to new Community Centres, Libraries and Fire Stations.

ATTACHMENTS:

2006 Operating Budget, refer to page 73

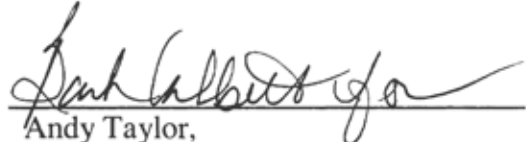
2006 Capital Budget by Commission & Sources of Funding, refer to pages 81 & 88

2006 Capital and Other Program Budget, refer to pages 82-87

2006 Waterworks Budget, refer to page 112



Barb Cribbett,
Treasurer



Andy Taylor,
Commissioner of Corporate Services

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**Media Release
For Immediate Release**

Markham Council Approves 2006 Town Budget

MARKHAM, ON ~ February 14, 2006 ~ Markham Council approved its 2006 Operating, Capital and Waterworks Budgets this evening. The budget was developed in a consultative process involving Members of Council, staff, residents and various community and business groups.

The 2006 Operating Budget is \$152 million, the Capital Budget is \$70 million and the Waterworks Budget \$47 million, for a total of \$269 million. This compares to a budget of \$257.5 million in 2005. The 2006 Capital Budget supports Council's direction of adding \$500,000 from the tax rate for capital construction each year. On the residential property taxes collected, the Town receives about 25.5 cents of every dollar, with the remainder going to education (26.5 cents) and the Region of York (47.9 cents).

This year's budget results in a 4.88 per cent tax increase to the Town's share of the tax bill with the impact to residents of \$36.04 on an average Markham household assessed at \$403,000. The impact on individual residences may differ due to the reassessment for 2006. Under the municipal property assessment process in 2006, there is an 8.39 per cent average increase in residential property values that will be offset by a decrease in the Markham portion of the total tax rate.

"We continue the Town's policy of not using one-time funding to balance our operating budget," said Budget Chief Ward 6 Councillor Dan Horchik. "We have funded our future liabilities. We continue to plan for future salary expenditures for our new community centres, libraries and fire stations. This year, we have also implemented our reserve study."

"This budget puts us in good financial shape for years to come," says Mayor Don Cousens. "In developing it, Council ensured our strategic community-based priorities are appropriately funded. We looked at transportation needs, maintaining quality communities and safe streets, addressed our environmental interests and additions to the infrastructure such as roads and community facilities. Overall, with this year's budget we continue to maintain and improve our 2005 service levels for fire, parks, recreation and roads, accommodating our programs with the Town's growth."

more.../

Town of Markham, 101 Town Centre Boulevard, Markham, ON L3R 9W3
Tel. 905.477.7000 www.markham.ca

Markham Council Approves 2006 Town Budget (cont'd)

“Staff participated in the ongoing budget process that identifies funds required to make progress on Town priorities. In the fall of 2005, after presentations by Town business units and an economic environmental scan, which examined current trends and pressures, we reviewed operating and capital budgets and made funding decisions for 2006 to support ongoing priorities,” said Budget Chief Ward 6 Councillor Dan Horchik.

Considerations include the effect of wage settlements, ongoing costs associated with the Town’s municipal service contracts, provincial legislation which will affect Markham’s operations and overall general business and economic trends. New and enhanced programs impacting the Town this year include participation in the National Communities in Bloom program, continued implementation of the safe streets strategy, support for the Markham Energy Conservation Office and growth – including new parks, additional streetlights, additional households for waste collection and the need to service more kilometres of roads.

Other key projects and priorities funded in the 2006 budget include:

Environment

- A stormwater management pond for Markham Centre
- A demonstration green roof for the Markham Civic Centre
- Introduction of the 3-Stream waste management program to multi-residential homes, the Business Improvement Areas (BIAs) and all Town facilities
- A works program for stream improvements

Infrastructure and Transportation

- Property acquisition for the 9th Line Bypass
- Work on the Fourteenth Avenue watermain
- Road resurfacing and improvements -- \$5.5 million
- Reconstruction of Rodick Road, Helen Avenue and Cedarland Drive
- Reconstruction work resulting from the August 2005 rainstorm damage

more.../

Markham Council Approves 2006 Town Budget (cont'd)

Quality Communities and Safe Streets

- \$1.6 million in additional funding for Wismer Community Park
- Cornell neighbourhood park waterplay facility
- Repairs and maintenance of Town facilities
- \$500,000 for the Markham Public Libraries annual building program
- Implementation of the first phase of the bicycle routes
- Additional funding for the Markham Village Library expansion
- Design of a new building at Markham Museum
- Additional equipment for Markham Fire and Emergency Services

Water and Sewer Programs

Waterworks is funded from water/wastewater revenues. Following a public meeting on December 13, 2005, Markham's water and wastewater rate was increased by 6.1% effective January 1, 2006. The increase will help offset waterworks pressures including:

- higher wholesale water costs from the Region
- the Waterworks Department's ongoing organizational and staffing plan
- higher cost of contracted water meter reading and water billing services
- increased capital programs related to the Town's aging water/wastewater infrastructure.

Economic Development

Markham continues to support the Innovation Synergy Centre, the Small Business Enterprise Centre and the Toronto Region Research Alliance and York Biotech. Funding for the new National Institute for Convergent Technologies, to be built in Markham, is being finalized.

"In keeping with our corporate mission, we continue to work with the community to provide high quality municipal services that meet, if not exceed, the expectations of Town residents and businesses," said Budget Chief Councillor Horchik.

Remarks by residents follow.

For information contact:

Budget Chief Councillor Dan Horchik – 905-479-7758

Commissioner of Corporate Services Andy Taylor – 905-475-4705

Markham Corporate Communications, Marjorie Rebane – 905-479-7754

Markham Council Approves 2006 Town Budget (cont'd)

I attended the annual Markham budget breakfast on February 6 and found the information presented in a clear, precise and succinct manner. I commend all those involved in the presentation for a job well done.

Paul Cartan, South Main Street Unionville Resident

The Markham Board of Trade was pleased to be invited to take part in this year's budget process. We would like to thank Budget Chief Councillor Dan Horchik and Town staff for being open and transparent in the process. As the voice of business in Markham, we appreciate our point-of-view being openly welcomed and look forward to being an even bigger part of the process in the future.

The Budget Breakfast was another example of the transparency of the process. All are to be commended in doing a good job in what I know was a very challenging year.

Keith Bray, President & CEO, Markham Board of Trade

The presentation was thorough, informative and indicative of transparent and well thought out financial planning for the Town's current and future needs. As a representative of the development community doing business in Markham for many years, I can assure you we appreciate the depth quality of information provided to us in the Budget Book and your presentations. Clarity and certainty are important to us as an industry and my clients and I greatly appreciate your significant efforts in this regard. Kudos to Councillor Horchik and the entire Finance team for a job well done.

Joanne Barnett, Planning & Development Consultant

TOWN HIKES TAXES BY 4.8%

*Improvements include
bike trails, water park*

BY SIMONE JOSEPH
Staff Writer

New bicycle routes, a neighbourhood water park, a library expansion and additional fire equipment.

Those are some of the extra services you can look forward to this year. But they come with a price — Markham council is increasing municipal property taxes by 4.88 per cent.

This works out to an increase of \$36.04 on an average Markham home assessed at \$403,000.

That average may end up being either more or less depending on market value reassessments of homes this year.

The hike does not include the regional or education portion of your property tax bill. On the residential property taxes collected, the town receives about 24 cents of every dollar, while 29 cents goes to education. The remaining 47 cents goes to the Region of York. Last year, the average Markham home paid about \$3,970 in total property taxes.

Markham councillors approved the town's \$269 million budget Tuesday night.

Keith Thirgood, president of the Old Markham Village Ratepayers Inc., is pleased with this year's budget.

"This town has the need for a few things that have been neglected," he said, pointing out additional funding for the Markham Village Library expansion has long been needed.

But Bernadette Manning, president of the Cedar Grove Community Club, believes coun-

Market value assessments may impact taxes: councillor

From page 1.

cillors should ensure more of the community is built using developers' rather than residents' funds.

"It (the budget) is good in that it is helping new communities. The older communities are getting nothing ... developers should be paying for these services," she said. "We don't build communities. We build huge subdivisions with no services. Our council is allowing and encouraging it. They are getting more tax money out of it."

But Mayor Don Cousens said the budget puts the town in good financial shape for years to come.

"We looked at transportation needs, maintaining quality communities and safe streets, addressed our environmental interests and additions to the infrastructure such as roads and community facilities," he said.

Not everyone on council supported the budget, however. Councillors Khalid Usman and Frank Scarpitti voted against the tax hike.

Mr. Usman voted against the budget because he believes resi-

dents' increase will be higher than the average Markham has calculated when market value reassessments are considered.

He asked his staff to analyze two homes in different areas of Markham. Both homes turned out to have a tax increase higher than the calculated average because of increased market value assessment. The first home in the Highglen Avenue area had an increased assessment of 10 per cent or \$58,000 since last year which is higher than the 8.39 per cent average increase calculated by the town.

The tax hike for this house is an increase of \$98, not \$36 as the town had calculated.

For the other home on Featherstone Avenue, the assessment increased by \$37,000 or 11 per cent, which is also higher than the 8.39 per cent average increase estimated by the town. The tax hike for this house is an increase of \$65, rather than the \$36 the town estimated.

"It should have been a lower (tax) rate to consider people who can't afford it and (the fact that it has been) going up every year," Mr. Usman said.

-- with files from Lisa Queen

BUDGET PRIORITIES

► **COMMUNITY:** \$1.6 million in additional funding for Wismer Community Park;

► **WATER PARK:** Cornell neighbourhood park water play facility;

► **LIBRARY:** Additional funding for the Markham Village Library expansion;

► **BIKE RIDE:** Implementation of the first phase of bicycle routes, part of 130 kilometres that will eventually be built in town.

► **CULTURE:** Design of a new building at Markham Museum;

► **ROADS:** \$5.5 million for road surfacing and improvements;

See MARKET, page 15.

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.

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, 2005, the balance in the Town's Reserves and Reserve Funds was \$131.8 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

Used to fund temporary fluctuations in the commodities market for recyclables and garbage disposal fees.

WATERWORKS/ STABILIZATION/CAPITAL

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

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 annual operating surplus in insurance accounts.

FACILITY RAMP -UP

Funds to be utilized to partially offset costs associated with future staffing requirements at new Community Centres and Fire stations that the Town will add to its inventory

LONG TERM DISABILITY BENEFITS

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

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

BUILDING FEE

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

FIREFIGHTERS SICK LEAVE BENEFITS

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

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.
HERITAGE PRESERVATION	Provides funding to protect and preserve heritage buildings in the Town.
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.
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.
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.
MUSEUM ENDOWMENT	Funds museum-related capital projects; funded by donations from the general public & community organizations.
ROAD RESURFACING	Funds road completion in industrial subdivisions.
PRE-DCA ENGINEERING 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.
10% NON-DC GROWTH	To fund the 10% non-development charges component of growth-related recreational facilities and libraries, this is to be funded from proceeds of land sales.
GAS TAX REVENUE	Transfer of federal gas tax revenues to the Town from the AMO for eligible gas tax projects.
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).
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.

RESERVE STUDY RECOMMENDATIONS

In 2005 Council approved the Town's Reserve Study which included the creation of new reserves and the combination/consolidation of various reserve and reserve funds. More details of the 2005 Reserve Study is included in the Reserve Policy section of this document on page 43.

The Planning Studies and General Capital reserves were consolidated into a 10% Non-Development Charges reserve fund.

A Life Cycle Replacement and Capital Reserve Fund was established through the consolidation of the following:

- Major Capital Repairs & Replacement
- Recreation & Culture Capital Replacement
- Hydro Equity
- Firefighter's Bunker Gear
- Transfer from the Corporate Rate Stabilization Reserve – the balance in the Corporate Rate Stabilization Reserve was reduced to a GFOA recommended “best practices” level of 15% of local tax revenues.

In addition, a Land Acquisition Reserve Fund was established to provide a source of financing for the Town to acquire land that is strategic in nature, non-growth (and thus cannot be Development Charge-funded), and not environmentally sensitive.

The Reserves and Reserve Funds Continuity Schedule that follows on page 148 has incorporated these changes.

RESERVE AND RESERVE FUNDS CONTINUITY SCHEDULE

Description	Actual Balance December 31, 2004	Actual Balance December 31, 2005	Developer and Other Contributions	2006 Budget Transfer from Operating Funds	Transfer to Capital Funds	Estimated Balance December 31, 2006
	\$	\$	\$	\$	\$	\$
<u>RESERVES</u>						
Planning Studies *	539					-
General Capital *	5,566,478					-
Major Capital Repairs / Replacement *	17,254,699					-
Waste Management Stabilization / Capital	1,259,609	25,401				25,401
Waterworks Stabilization / Capital	4,290,426	6,390,203		4,694,256	(6,555,199)	4,529,260
Corporate Rate Stabilization	31,222,063	12,744,604		951,745	(1,783,500)	11,912,849
Insurance	769,889	769,889				769,889
Recreation & Culture Capital Replacement *	825,909			397,431		397,431
Facility Ramp- Up	4,807,878	17,878		1,800,000	(725,000)	1,092,878
Hydro Equity *	12,479,570					-
Long Term Disability Benefit	1,904,713	3,118,112				3,118,112
Partnership	28,000	15,000				15,000
Building Fee		2,627,137				2,627,137
Firefighter's Bunker Gear *	274,000					-
Firefighter's Sick Leave Benefits	3,415,100	3,853,400		41,000		3,894,400
Total Reserves	84,098,873	29,561,624	-	7,884,432	(9,063,699)	28,382,357
<u>RESERVE FUNDS</u>						
Theatre Endowment	237,576	271,341				271,341
Theatre Capital Improvement Fund		10,607		30,000		40,607
Heritage Preservation	94,444	96,992				96,992
Administration Lot Levies - Expenses	1,871,492	1,921,987				1,921,987
Administration Lot Levies - Interest Income	448,983	461,096				461,096
Markham Heritage Loans	351,265	361,045				361,045
Parks 5% Cash in Lieu	6,847,307	6,624,642				6,624,642
Tree Replacement		5,070				5,070
Museum Endowment	64,429	69,600			(25,000)	44,600
Road Resurfacing	4,524,664	4,050,181			(700,000)	3,350,181
Pre Development Charges Act Engineering Growth	18,043,957	17,855,036			(1,657,127)	16,197,909
Waterworks	185,951	190,969				190,969
Library Building Program	1,051,497	1,601,473		510,000		2,111,473
Land Acquisition Reserve Fund *		510,274				510,274
Life Cycle Replacement & Capital *		56,559,227		24,749,692	(19,563,277)	61,745,642
10% Non DC Growth *		3,476,819			(46,938)	3,429,881
Gas Tax Revenue		2,033,929	2,033,929		(3,495,547)	572,311
Environmental Sustainability	195,579	132,284			(25,000)	107,284
Environmental Land Acquisition	3,061,240	3,649,471				3,649,471
Workplace Safety Insurance Board (WSIB)	2,342,279	2,405,475				2,405,475
Total Reserve Funds	39,320,663	102,287,518	2,033,929	25,289,692	(25,512,889)	104,098,250
Total Reserve And Reserve Funds	123,419,536	131,849,142	2,033,929	33,174,124	(34,576,588)	132,480,607
Development Charges Reserve Funds	70,799,261	64,561,141	13,837,444		(30,444,913)	47,953,672
Total	194,218,797	196,410,283	15,871,373	33,174,124	(65,021,501)	180,434,279

* - Refer to Reserve Study Recommendations on the previous page for details

**RESERVE AND RESERVE FUNDS CONTINUITY SCHEDULE
EXPLANATION OF BUDGET CHANGES**

Description	Transfer from Operating Funds \$	Transfer to Capital Funds \$	Estimated Balance Dec 31,2006 \$	Details
<u>Waterworks Stabilization / Capital</u>				
Transfer from Waterworks Operating Fund	4,694,256			Refer to Page 112, "Line Transfers to Reserves"
Funding of Capital Projects		(6,555,199)		Refer to Page 88
<u>Corporate Rate Stabilization</u>				
Transfer of 2005 Operating Surplus	951,745			Refer to Page 284, Included in line "Transfers to Reserves"
Funding of Capital Projects		(1,783,500)		Refer to Page 88
<u>Recreation & Culture Capital Replacement</u>				
Transfer of funds for maintenance	397,431			Refer to Page 273 , Line "Transfers to Reserves"
		(564,700)		Refer to Page 88
<u>Facility Ramp UP</u>				
Transfer of funds for future maintenance	1,800,000			Included in Corporate Items Page 203, Line - Transfers to Reserves
Transfer to fund Capital Projects		(725,000)		Refer to Page 88
<u>Firefighter's Bunker Gear</u>				
Transfer from Operating Fund	41,000			Refer to Page 238, Line "Transfers to Reserves"
<u>Theatre Capital Improvement Fund</u>				
Transfer from Operating Fund	30,000			Refer to Page 278, Line "Transfers to Reserves"
<u>Museum Endowment</u>				
Transfer to fund Capital Projects		(25,000)		Refer to Page 88
<u>Road Resurfacing</u>				
Transfer to fund Capital Projects		(700,000)		Refer to Page 88
<u>Pre Development Charges Act Engineering Growth</u>				
Transfer to fund Capital Projects		(1,657,127)		Refer to Page 88
<u>Library Building Program</u>				
Transfer from Operating Fund	510,000			Included in Corporate Items. Refer Page 203, Line - Transfers to Reserves.
<u>Life Cycle Replacement & Capital</u>				
Transfer from Operating Fund	24,749,692			Included in Corporate Items. Refer Page 203, Line - Transfers to Reserves (Incl. \$2,978k of other transfers-
Transfer to fund Capital Projects		(19,563,277)		Refer Pages 213,218,223 - Line Transfers to reserves Refer to Page 88 (Incl. Development Fees \$706,533)
<u>10% Non DC Growth</u>				
Transfer to fund Capital Projects		(46,938)		Refer to Page 88
<u>Gas Tax Revenue</u>				
Transfer from Developers / Other Revenue	2,033,929			
Transfer to fund Capital Projects		(3,495,547)		Refer to Page 88
<u>Environmental Sustainability</u>				
Funding of Capital Projects		(25,000)		Refer to Page 88

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 CONSERVATION COMMITTEE TRUST FUND

The Markham Conservation Committee Trust Fund was established by Council Resolution on April 15, 1992 to receive donations, grants, subsidies, and other amounts, to be used to cover costs associated with conservation and naturalization programs and projects undertaken by the Markham Conservation Committee.

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.

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.

Summary of Funds - Budget
(\$ 000's)

	<u>2004</u>			<u>2005</u>			<u>2006</u>		
	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total
<u>A. Sources and Uses of Funds</u>									
<u>Sources of Funds</u>									
Taxation Revenues	79,288		79,288	86,324		86,324	93,618		93,618
Grants & Subsidies	525		525	863		863	841		841
Licences & Permits	9,508		9,508	9,854		9,854	10,306		10,306
Interest & Penalties	3,375		3,375	3,375		3,375	3,375		3,375
Income from Investments	10,615		10,615	11,232		11,232	11,672		11,672
Fines	1,143		1,143	1,183		1,183	1,458		1,458
Water & Sewer Billing	38,322		38,322	43,393		43,393	46,240		46,240
User Fees & Service Charges	11,655		11,655	14,119		14,119	19,398		19,398
Rentals	4,646		4,646	5,106		5,106	5,469		5,469
Sales	560		560	660		660	649		649
Recoveries & Contributions	875		875	733		733	1,288		1,288
Other Income	3,255		3,255	4,733		4,733	4,753		4,753
Prior year's surplus	2,674		2,674			-			-
Developer's revenue		44,243	44,243		39,089	39,089		30,445	30,445
Other		10,007	10,007		4,014	4,014		5,009	5,009
Transfer from Reserve Fund		9,053	9,053		16,083	16,083		17,377	17,377
Tax Funded Capital		16,200	16,200		16,700	16,700		17,200	17,200
	<u>166,440</u>	<u>79,503</u>	<u>245,943</u>	<u>181,575</u>	<u>75,885</u>	<u>257,460</u>	<u>199,067</u>	<u>70,031</u>	<u>269,098</u>
<u>Uses Of Funds</u>									
General Government	24,955	5,929	30,884	28,543	6,556	35,099	27,501	5,196	32,697
Protection to Persons & Property	17,741	2,721	20,462	18,288	574	18,863	21,847	1,901	23,748
Transportation Services	9,183	6,835	16,018	8,495	7,562	16,057	10,102	15,322	25,424
Environmental Services	43,449	5,804	49,253	46,336	8,360	54,696	49,339	7,027	56,366
Recreation & Cultural Services	30,756	12,012	42,768	35,182	24,801	59,983	36,949	8,646	45,596
Planning & Development	11,871	45,722	57,593	12,946	27,826	40,772	16,825	31,684	48,509
Other	-	480	480	2,011	205	2,216	4,282	255	4,537
Transfers to Reserve Fund	28,485		28,485	29,773		29,773	32,222		32,222
	<u>166,440</u>	<u>79,503</u>	<u>245,943</u>	<u>181,575</u>	<u>75,885</u>	<u>257,460</u>	<u>199,067</u>	<u>70,031</u>	<u>269,098</u>
Increase/Decrease to Funds	-	-	-	0	-	-	0	(0)	(0)
<u>B. Reserve Fund Activities</u>									
Balance as of January 1			113,497			116,729			113,720
Transfers in from Operating Fund			28,485			29,773			32,222
Transfer in Developer/Other									2,034
Transfer out to Capital Fund			(25,253)			(32,783)			(34,577)
Balance as of December 31	-	-	116,729	-	-	113,720	-	-	113,399

The total 2006 budget of \$269.1 M comprises of the following:
**Operating Funds \$199.1 M (excl. prior years surplus) and includes Waterworks of \$47.0 M, and
Capital Funds \$70.0 M and Budgeted transfers to Reserve Funds of \$32.2 M**

Summary of Funds - Actuals
(\$ 000's)

	<u>2004</u>			<u>2005</u>		
	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total
<u>A. Sources and Uses of Funds</u>						
<u>Sources of Funds</u>						
Taxation Revenues	81,542		81,542	87,727		87,727
Grants & Subsidies	1,105		1,105	1,113		1,113
Licences & Permits	8,787		8,787	11,230		11,230
Interest & Penalties	3,364		3,364	3,376		3,376
Income from Investments	11,774		11,774	11,760		11,760
Fines	1,206		1,206	1,489		1,489
Water & Sewer Billing	37,331		37,331	43,733		43,733
User Fees & Service Charges	13,646		13,646	15,264		15,264
Rentals	4,732		4,732	5,017		5,017
Sales	685		685	730		730
Recoveries & Contributions	968		968	2,537		2,537
Other Income	13,407		13,407	5,234		5,234
Prior year's surplus	2,674		2,674	13,376		13,376
Developer's revenue		30,204	30,204		38,502	38,502
Other		4,445	4,445		3,246	3,246
Transfers from Reserve Fund		24,984	24,984		42,845	42,845
	<u>181,221</u>	<u>59,633</u>	<u>240,854</u>	<u>202,586</u>	<u>84,593</u>	<u>287,179</u>
<u>Uses Of Funds</u>						
General Government	24,203	6,473	30,676	24,401	13,401	37,802
Protection to Persons & Property	17,828	2,340	20,168	20,957	2,839	23,796
Transportation Services	8,792	21,500	30,292	10,435	34,791	45,226
Environmental Services	38,536	5,781	44,317	45,117	6,923	52,040
Recreation & Cultural Services	31,123	16,500	47,623	34,706	22,292	56,998
Planning & Development	12,028	3,858	15,886	14,029	2,710	16,739
Other	1,992		1,992	3,331		3,331
Transfers to Reserve Fund	31,403		31,403	45,940		45,940
	<u>165,905</u>	<u>56,452</u>	<u>222,357</u>	<u>198,916</u>	<u>82,956</u>	<u>281,872</u>
Increase/Decrease to Funds	15,316	3,181	18,497	3,670	1,637	5,307
<u>B. Reserve Fund Activities</u>						
Balance as of January 1			113,758			123,421
Other Revenue			3,244			5,347
Transfers in from Operating Fund			31,403			45,928
Transfer out to Capital Fund			(24,984)			(42,845)
Balance as of December 31			<u>123,421</u>	<u>-</u>	<u>-</u>	<u>131,851</u>

Business Plans Introduction

The following section details each Business Unit of the Town. Each Business unit is part of a Town Commission; CAO's Office, Corporate Services, Development Services and Community and Fire Services. A brief overview has been provided for each Commission followed by their respective operating budgets and the Business Unit Profiles.

Business Unit Profiles (BUP), provide a single reference for identifying the services a Business Unit delivers, how well the unit is performing, and the resources required to conduct its business. By collating this information, the profiles have become a great tracking tool for measuring the progress towards the Town's mission, goals and objectives. During the Town's Business Planning Process each Business Units presents their BUP to senior management, identifying their planned objectives for the upcoming year. Each BUP tracks four years of Key Performance Indicators (KPI's), the KPI data trends support the request of the objectives and help estimate the required resources during the Business Planning Process.

For each business unit, the profile provides a summary of info on such matters as:

- Missions & mandates
- Key customers & clients
- Significant accomplishments
- Key business plan objectives for the coming year
- Key performance indicators

One of the key elements of the Business Unit Profiles 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 help during our Budget planning process.

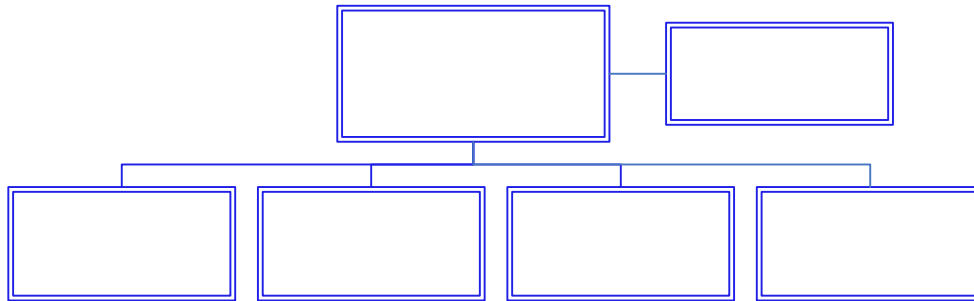
Business Unit Profiles have become an annual exercise for all business units. The style and content of the profiles has evolved over the last few years as we have become more adept at tracking performance, developing insightful KPIs and articulating concise business objectives. Currently the profiles are accessible through the Town intranet site, as they are refined and populated with more fulsome data, elements of the profiles will be available to a broader audience, including the public.

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Mayor and Council Consolidated

Description	2005 Actuals	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.		2006 Bud. Vs. 2005 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
RECOVERIES & CONTRIBUTIONS	\$31,472	\$0	\$0	\$0		(31,472)	-100.0%
Total Revenues	\$31,472	\$0	\$0	\$0		(31,472)	-100.0%
Expenses							
SALARIES AND BENEFITS	\$1,680,121	\$1,758,346	\$1,807,811	\$49,465	2.8%	\$127,690	7.6%
PRINTING & OFFICE SUPPLIES	26,587	23,441	23,441	-	0.0%	(3,146)	-11.8%
OPERATING MATERIALS & SUPPLIES	14,457	11,900	11,900	-	0.0%	(2,557)	-17.7%
VEHICLE SUPPLIES	2,455	1,000	1,000	-	0.0%	(1,455)	-59.3%
COMMUNICATIONS	16,662	15,970	15,970	-	0.0%	(692)	-4.2%
TRAVEL EXPENSES	78,172	96,257	96,117	(140)	-0.1%	17,945	23.0%
TRAINING	776	4,094	4,094	-	0.0%	3,318	427.6%
MAINT. & REPAIR-TIME/MATERIAL	125	7,230	7,230	-	0.0%	7,105	5684.0%
RENTAL/LEASE	17,613	16,300	16,300	-	0.0%	(1,313)	-7.5%
PROFESSIONAL SERVICES	1,500	6,589	6,589	-	0.0%	5,089	339.3%
LICENCES, PERMITS, FEES	1,428	1,235	1,235	-	0.0%	(193)	-13.5%
PROMOTION & ADVERTISING	60,575	35,030	41,030	6,000	17.1%	(19,545)	-32.3%
OFFICE FURNISHINGS & EQUIPMENT	-	6,000	-	(6,000)	-100.0%	-	
Total Expenses	\$1,900,471	\$1,983,392	\$2,032,717	\$49,325	2.5%	\$132,246	7.0%
Net Expenditures/ (Revenue)	\$1,868,999	\$1,983,392	\$2,032,717	\$49,325	2.5%	\$163,718	8.8%

Chief Administrative Officer (CAO)



The Chief Administrative Officer provides leadership to a full-time staff of 918 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 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, Development Services, as well as the Directors of the Human Resources, Strategic Initiatives, Legal Services, and the Manager Executive Operations.

The CAO & Commissioners' Committee (CCC) supports the management of the Town's operations and is comprised of senior staff from the Commissions. The CCC meets weekly and 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
- Strategic Initiatives

Legal Services

Reporting to the Chief Administrative Officer, the Legal Department provides a full range of legal advice and support to Council, its committees and Town staff. As a municipal corporation, the Town deals in all areas of law and public policy and as such, is subject to all laws of the Federal Government and Province of Ontario.

The primary functions and duties of the Legal 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
- Negotiation, preparation, review and registration of documents required for the acquisition and sale of real property
- Drafting of by-laws
- Provision of legal advice and direction to all municipal departments

- Meetings with other government agencies, particularly provincial ministries and York Region, to resolve problems
- Responding to issues regarding development charge by-laws
- Assistance to the By-law Enforcement Department in the enforcement and prosecution of Town regulatory and zoning by-laws

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

Strategic Initiatives

Strategic Initiatives is a newly created department reporting to the CAO's office. The department champions organizational excellence through the application of business practices in the Markham Management Model. The main services to be provided by the department are:

- Lead business planning, quality assessment, KPI development, and trend analysis
- Lead the satisfaction measurement program
- Lead corporate wide strategic initiatives
- Develop and maintain strategic partnerships

In addition to the above, the department is also responsible for:

- Conducting staff satisfaction survey on a bi-annual basis
- Developing and implementing Healthy Work Place initiatives
- Working towards NQI (National Quality Institute) PEP (Progressive Excellence Program) accreditation.

TOWN OF MARKHAM - 2006 OPERATING BUDGET

CAO's Office Consolidated

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>							
GRANTS AND SUBSIDIES	\$0	\$5,444	\$5,444	-		\$5,444	0.0%
USER FEES & SERVICE CHARGES	149,014	180,000	180,000	-	0.0%	30,986	20.8%
OTHER INCOME	-	50,000	50,000	-	0.0%	50,000	
Total Revenues	\$149,014	\$235,444	\$235,444	\$0	0.0%	\$86,430	58.0%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$2,991,235	\$3,131,133	\$3,351,874	\$220,741	7.0%	\$360,639	12.1%
PRINTING & OFFICE SUPPLIES	25,949	26,657	22,658	(3,999)	-15.0%	(3,291)	-12.7%
OPERATING MATERIALS & SUPPLIES	32,167	42,829	38,671	(4,158)	-9.7%	6,504	20.2%
COMMUNICATIONS	5,626	5,863	4,554	(1,309)	-22.3%	(1,072)	-19.1%
TRAVEL EXPENSES	21,399	31,321	28,516	(2,805)	-9.0%	7,117	33.3%
TRAINING	217,306	246,908	255,708	8,800	3.6%	38,402	17.7%
CONTRACTS & SERVICE AGREEMENTS	-130,699	-130,699	-46,699	84,000	-64.3%	84,000	-64.3%
RENTAL/LEASE	7,532	8,856	6,855	(2,001)	-22.6%	(677)	-9.0%
PROFESSIONAL SERVICES	265,719	294,260	318,260	24,000	8.2%	52,541	19.8%
LICENCES, PERMITS, FEES	47,899	30,054	28,341	(1,713)	-5.7%	(19,558)	-40.8%
PROMOTION & ADVERTISING	323,847	212,640	262,640	50,000	23.5%	(61,207)	-18.9%
OTHER EXPENDITURES	-	-	26,000	26,000		26,000	
Total Expenses	\$3,807,980	\$3,899,822	\$4,297,378	\$397,556	10.2%	\$489,398	12.9%
Net Expenditures/ (Revenue)	\$3,658,966	\$3,664,378	\$4,061,934	\$397,556	10.8%	\$402,968	11.0%

Legal Services

Business Overview

Mission Statement

The Legal Services Department supports, promotes and reinforces the Town's corporate objectives through the provision of timely, accurate, relevant and strategic legal advice and real estate services.

Business Unit is Meeting 2005 Objectives

Legal Services reports to the CAO office. In 2005, the approved operating budget was \$795,259, including 9 (including 1 backfill LTD) full time employees. The net cost per household to deliver this service is calculated at \$8.54 in 2005.

Legal Services is responsible for providing the following core services:

- Legal representation at all Ontario Municipal Board hearings and other litigation matters: The Department represents the Town at all manner of trials and hearings to ensure that Council's position and Town policy are upheld.
- Real property matters: The Department acts for the Town in negotiating and completing acquisitions, dispositions and leases to ensure that the interests of the Town are well represented and to ensure that Town policy is complied with.
- Legal representation and advisor to the Town: The Department provides strategic and practical advice and services to Council, Committees and staff of the Town on a wide variety of legal issues and policy matters.

Business Unit's Direction in 2006

Short term backfilling of one Assistant Solicitor position continues to put strain on ability to proactively deal with some issues within Legal Services, notwithstanding the addition of a 4th solicitor to the Department. Permanent resolution of the backfill will enable the Department to fulfill some of its 2005 objectives such as Encroachment Policy review, Manual/Rules of Procedure for Licensing Hearings, Environmental Compliance process review and standardization of by-laws.

Service(s)	Customer(s)
Representation at all Ontario Municipal Board hearings Conduct & defense of legal actions instituted by in commenced against the Town in Ontario court system Preparation and review of all development agreements Negotiation, preparation, registration for acquisition and sale of real property Timely advice to Council, Committees and Staff on a continuing basis and through reports to Council	Council Internal Departments and property owners

Legal Services

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Finalization of TXM2000 Agreements with Finance and IT	✓	
2 Negotiated and/or completed acquisition of; ORC lands at Kennedy and 407, Honsberger parkland in Thornhill, GIC lands for Enterprise Drive, Southeast Community Centre	✓	
3 Finalized by-laws; to prohibit building permits unless municipal services are available, to prohibit idling, to prohibit tall grass and weeds, consolidated parking control by-law, animal control	✓	
4 Settled Ontario Municipal Board appeals of; Avant Investments zoning and site plan on Highway 7, Jolis Investments subdivision on Woodbine, Minto Markham rezoning on Ninth Line, Animate and M. Midget Inc. zoning and subdivision appeals in Box Grove, Ruskinvale on John Street site plan appeal (outside counsel), Loblaw's at McCowan site plan appeal (outside counsel); OPA 132 (outside counsel)	✓	
5 Completed 11 contested matters, with 90% success rate, including 7 denials of licences for body rub parlours or complementary health care facilities.	✓	
6 Exercised the Town's right to acquire additional 2% of PowerStream.	✓	
7 Successful second season of the Concrete Fence Replacement Program and the McCowan Road Fence Replacement Program.	✓	
8 Finalized agreement with Highway 407 for Rodick Road overpass	✓	
9 Successful completion of pilot outdoor ice rink program	✓	
10 Finalized Mercedes-Benz community partnership agreement.	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
11		
12		
13		
14		
15		

FUTURE CONSIDERATIONS

Issues/Pressures

Intensification and dwindling land supply and services such as water and sewer, have begun to affect planning and the increased number of OMB appeals is evidence of increased sophistication in both the developer and resident categories.

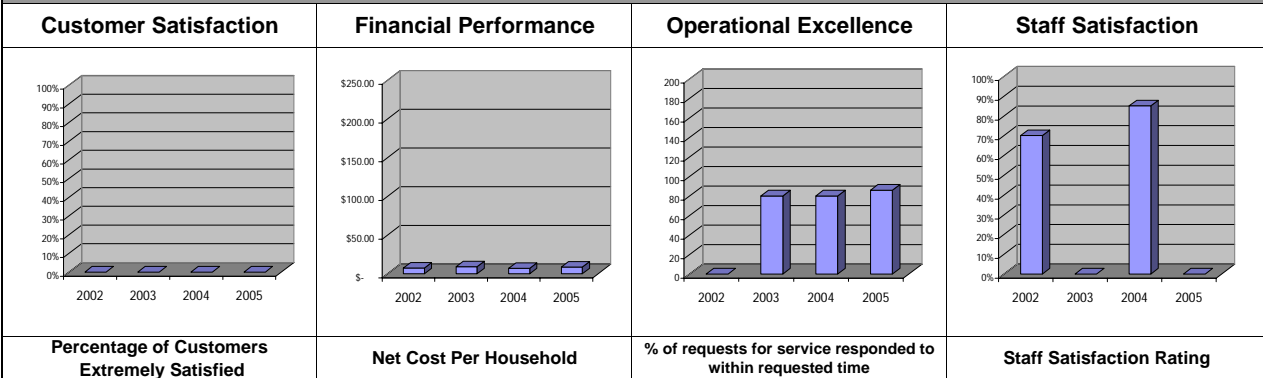
Increased enforcement initiatives and a tendency to increased regulation by municipalities in areas such as pesticide use, driveways and second suites and by senior levels of government in areas such as the Greenbelt and building permit reform, has placed additional demands on the Legal Services Department.

Town Departments have increased reliance on Legal Services in some areas, in an effort to deal with issues proactively.

Opportunities

Legal Services

KEY PERFORMANCE INDICATORS



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)				
FINANCIAL PERFORMANCE				
Net cost per household	\$ 7.60	\$ 9.01	\$ 7.21	\$ 8.54
Lawyers to population ratio (avg 1:47, 176)	1:77100	1:80458	1:84060	1:65394
Cost of registration	n/a	n/a	n/a	n/a
OPERATIONAL EXCELLENCE				
% of requests for service responded to within requested timelines	n/a	80	80	86
# days spent on trials/hearings	n/a	n/a	17	28
# of litigation matters commenced to end of August	n/a	10	4	5
Favourable decisions as a % of decisions rendered	n/a	100	100	95
# of development agreements prepared	n/a	93	81	110
# of files opened	216	305	295	280
STAFF SATISFACTION				
Completion rate for performance management	n/a	100%	100%	100%
Average # of non-technical training sessions attended per employee	1.0	0.4	0.6	0.8
Completion rate (%) for staff survey improvement	n/a	100%	100%	100%
Recognition rating (from staff survey)	60%	n/a	87%	n/a
Staff Satisfaction rating (from staff survey)	70%	n/a	85%	n/a
High Performance Workgroup rating (from staff survey)	68%	n/a	87%	n/a
Staff absenteeism (average # of days per employee)	1.6	1.6	1.3	0.1
Staff turnover rate	14%	29%	0%	0%

NOTES:

Legal Services

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities									
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction				
1	Represent & defend the Town at all Ontario Municipal Board hearings	90% success rate		X	X	X												
2	Conduct & defend legal actions against the Town in Ontario court system	90% success rate		X	X	X												
3	Prepare and review all development agreements	Completed		X	X	X					X	X	X					
4	Negotiate, prepare, register for acquisition and sale of real property	Completed in a timely manner	X	X	X	X	X		X	X			X					
5	Provide advice to Council/staff on all legal aspects of operations and policy	Completed		X	X	X		X			X							X

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Legal Department

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>							
USER FEES & SERVICE CHARGES	\$149,725	\$180,000	\$180,000	-	0.0%	\$30,275	20.2%
OTHER INCOME	-	50,000	50,000	-	0.0%	50,000	
Total Revenues	\$149,725	\$230,000	\$230,000	\$0	0.0%	\$80,275	53.6%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$801,665	\$900,190	\$932,101	\$31,911	3.5%	\$130,436	16.3%
PRINTING & OFFICE SUPPLIES	8,197	4,320	4,320	-	0.0%	(3,877)	-47.3%
OPERATING MATERIALS & SUPPLIES	11,364	9,661	6,961	(2,700)	-27.9%	(4,403)	-38.7%
COMMUNICATIONS	1,697	1,117	1,117	-	0.0%	(580)	-34.2%
TRAVEL EXPENSES	3,562	4,466	4,325	(141)	-3.2%	763	21.4%
TRAINING	2,173	1,189	1,189	-	0.0%	(984)	-45.3%
CONTRACTS & SERVICE AGREEMENTS	(35,198)	(35,198)	(35,198)	-	0.0%	-	0.0%
RENTAL/LEASE	2,850	3,883	2,383	(1,500)	-38.6%	(467)	-16.4%
PROFESSIONAL SERVICES	121,707	113,689	113,689	-	0.0%	(8,018)	-6.6%
LICENCES, PERMITS, FEES	34,882	21,942	21,942	-	0.0%	(12,940)	-37.1%
Total Expenditures	\$952,899	\$1,025,259	\$1,052,829	\$27,570	2.7%	\$99,930	10.5%
Net Expenditure (Revenue)	\$803,174	\$795,259	\$822,829	\$27,570	3.5%	\$19,655	2.4%

Human Resources

Business Overview

Mission Statement

We exist to contribute to the organization's success and effectiveness through excellence in people practices. Our activities reflect the strategic priorities and values of the organization.

Human Resources is Meeting 2005 Objectives

The Human Resources department reports to the CAO's office. In 2005, the approved operating budget was \$2,017,498 including 15.00 full time employees. The net cost per household to deliver this service is calculated at \$20.85 in 2005. (The following data reflects Q1 and Q2/2005).

- Workforce development - The Human Resources department has provided advice, guidance and leadership for 116 staffing activities at a total advertising cost of \$183,792. There has been an increase in the use of specialized search firms to assist with particularly challenging job categories. The Pingle House Learning Centre has been opened. 149 training sessions were held with 2490 enrollements. To date, approximately 65% of Town managers have taken or are taking the Schulich Manager's certificate. A number of new management focused learning initiatives have been introduced (e.g. Fundamentals of Management and Leadership program). A review of the performance management process is in progress and areas for improvement are being identified, with specific improvements related to the Fire department. A best practice Fire Fighter Recruitment drive was completed resulting in 28 Probationary Firefighter hires.
- Positive relations- The department continues to provide proactive service by providing enhanced benefits communications to employees - (13 sessions) and more personalized orientations to new employees. Trends indicate an improvement in workplace accommodations and a reduction in grievances since 2003. The compensation component of the Fire Arbitration Award was successfully implemented. The department co-ordinated and actively participated in a number of outreach activities such as reaching the \$20,000 fundraising milestone for Big Bike, Junior Achievement, Take Your Kids to Work Day, Regional Diversity Works Initiative, Toronto Regional Immigration Employment Council and award winning Career Bridge participation.
- Business transformation services - The department continues to support and build a continuous learning culture through a variety of learning options including the facilitation of team interventions throughout the organization.
- Quality Improvement - A number of technology enhancements have been made or are in progress. As well, 15 HR processes were reviewed, mapped and re-engineered to increase efficiencies as part of the HRIS implementation. In addition, training procedures were developed to facilitate the roll out of HRIS to the user population. The department has aligned with corporate planning and budgeting processes.

Human Resources's Direction in 2006

In addition to maintaining its core services and enhancing the delivery of them in 2006, the Human Resource department will focus on a number of key areas in 2006. We continue to strive to provide strategic HR leadership and manage HR risk.

- Workforce development, the department will develop an attraction and retention strategy and continue to revitalize the performance management system.
- Positive relations, the department will commence negotiations towards a renewal Fire collective agreement and begin an early and safe return to work program to gain efficiencies in the management of attendance and leave claims.
- Business transformation, the department will support key organizational change initiatives (such as the library/IT integration, Operations review and Waterworks Phase II/III changes)
- Quality Improvement, the department will continue to improve customer satisfaction by soliciting and focusing on client needs and increasing efficiencies through enhanced planning and outward reporting of human resource activities.

Service(s)	Customer(s)
Employment cycle (attraction and retention, compensation and benefits, learning and development, employee/labour relations)	All Town Staff
Organizational development and consulting	Mayor and Council
Employee health, safety, wellness and claims management	Residents
Legislative compliance	Employment seekers
Employee records management	

Human Resources

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Phase I implementation of the HRIS/Payroll integration (partnering with Finance and IT) and related work process re-engineering	✓	
2 Best Practice Fire Fighter Recruitment Campaign	✓	
3 Phased Implementation of Arbitration Award - Fire		✓
4 OMERS Type 6 Project - Elected Officials	✓	
5 Development of Fundamentals of Management and Leadership Program for Entry Level & Middle Managers		✓
6 Fire - Performance Management System Review and Implementation		✓
7 Multiple successful Employment Standards extended hours of work applications.	✓	
8 Benefit plans: enhanced communication with employees; enhanced benefit program development	✓	
9 Comprehensive Health and Safety Audit & implementation of recommendations		✓
10 Needs Assessment of performance management program completed and revitalization of program in progress		✓

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
11 Implementation of Phase I and II of Waterworks organizational changes	✓	
12 Pingle House Corporate Learning Centre opened	✓	
13 Library/IT staff Integration project		✓
14 Increased Service Levels -MDEI benefit program integration, Library - Service Award expansion	✓	
15 Employee training programs developed and delivered in response to Staff Satisfaction Survey	✓	
16 Expansion of Customer Satisfaction measurement program		✓

FUTURE CONSIDERATIONS

Issues/Pressures

- Elongated period of Fire collective agreement renewal process - arbitration
- Attraction and retention challenges (employment market and compensation) for specific job categories
- Overall need for transparent and equitable Management practices
- Legislative compliance and increased Provincial enforcement (Employment Standards-hours of work, Mandatory Retirement, OMERS devolution, Occupational Health and Safety)
- Overall staff workload and project prioritization

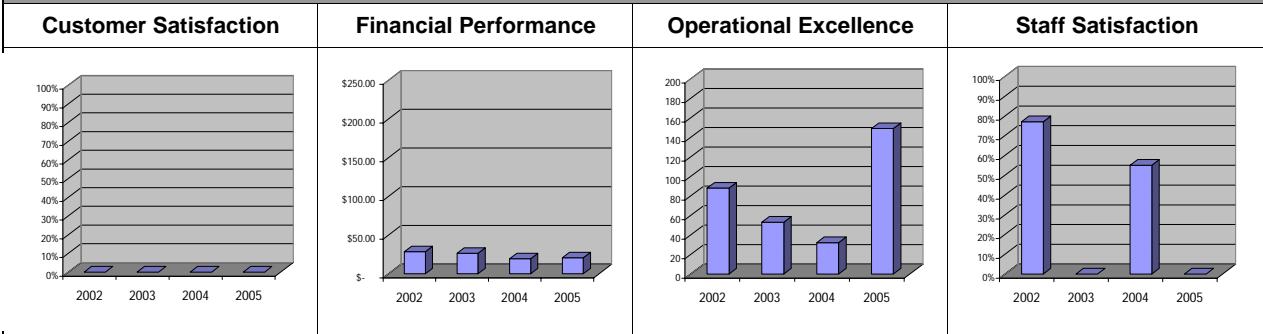
Opportunities

- Continuous improvement of customer focus and standardization of services
- Technological enhancements
- Measurement and reporting focus
- Heightened Diversity awareness
- Align HR planning and programming with emerging corporate initiatives



Human Resources

KEY PERFORMANCE INDICATORS



Percentage of Customers Extremely Satisfied	Net Cost Per Household	# of Training Sessions per yr	Staff Satisfaction Rating
---	------------------------	-------------------------------	---------------------------

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 BUDGET / YTD
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)				
FINANCIAL PERFORMANCE				
Net cost per household	\$ 28.52	\$ 26.54	\$ 19.61	\$ 20.85
Average cost of sourcing per externally posted position	\$ 5,610.00	\$ 4,560.00	\$ 5,383.00	\$ 1,767.23
Average training cost per participant	\$ 686.58	\$ 339.55	\$ 227.54	\$ 84.57
Average number of lost days per WSIB claim	9.4	5.8	5.0	5.0
OPERATIONAL EXCELLENCE				
# of training sessions held per year	88	53	32	149
Percentage of employees placed on payroll by deadline	n/a	n/a	90	90
# of Health and Safety training sessions conducted	46	13	25	82
Grievance resolution ratio	n/a	n/a	81	30
Ratio of HR staff per total employee population	n/a	n/a	n/a	119
STAFF SATISFACTION				
Completion rate for performance management	100%	n/a	n/a	98%
Average # of non-technical training sessions attended per employee	5.6	6.1	1.7	3.1
Completion rate (%) for staff survey improvement	n/a	40%	n/a	n/a
Recognition rating (from staff survey)	67%	n/a	49%	n/a
Staff Satisfaction rating (from staff survey)	77%	n/a	55%	n/a
High Performance Workgroup rating (from staff survey)	73%	n/a	55%	n/a
Staff absenteeism (average # of days per employee)	3.1	8.4	2.0	2.5
Staff turnover rate	0%	13%	20%	0%

NOTES:

Human Resources

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities													
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction								
1	Diversity Strategy	Town of Markham philosphy established																		x	x	
2	Health & Safety Audit	Implementation of specified reccomendations																			x	x
3	Career Bridge Program	Continuation of involvement in program																			x	x
4	Pandemic Planning	Corporate Plan in place											x									
5	Early & Safe return to work program	Implementation of 3rd Party Claims Program -MFES																				x
6	Fire Collective Bargaining	Renewal of Agreement																				x
7	Attraction and Retention Strategy	Implementation of specified reccomendations																			x	x

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Human Resources Department

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
GRANTS AND SUBSIDIES	\$0	\$5,444	\$5,444	-	0.0%	5,444	0.0%	
USER FEES & SERVICE CHARGES	(711)	-	-	-		711	-100.0%	
Total Revenues	(711)	\$5,444	\$5,444	\$0	0.0%	\$6,155	-865.7%	
Expenses								
SALARIES AND BENEFITS	\$1,402,133	\$1,438,960	\$1,544,549	\$105,589	7.3%	\$142,416	10.2%	
PRINTING & OFFICE SUPPLIES	12,667	10,485	10,485	-	0.0%	(2,182)	-17.2%	
OPERATING MATERIALS & SUPPLIES	19,472	28,155	28,155	-	0.0%	8,683	44.6%	
COMMUNICATIONS	1,959	1,457	1,457	-	0.0%	(502)	-25.6%	
TRAVEL EXPENSES	4,180	3,204	3,204	-	0.0%	(976)	-23.3%	
TRAINING	210,502	238,554	248,554	10,000	4.2%	38,052	18.1%	
CONTRACTS & SERVICE AGREEMENTS	(95,501)	(95,501)	(11,501)	84,000	-88.0%	84,000	-88.0%	
RENTAL/LEASE	2,986	2,718	2,718	-	0.0%	(268)	-9.0%	
PROFESSIONAL SERVICES	144,012	180,571	204,571	24,000	13.3%	60,559	42.1%	
LICENCES, PERMITS, FEES	7,264	1,699	1,699	-	0.0%	(5,565)	-76.6%	
PROMOTION & ADVERTISING	323,847	212,640	262,640	50,000	23.5%	(61,207)	-18.9%	
OTHER EXPENDITURES	-	-	26,000	26,000		26,000		
Total Expenses	\$2,033,521	\$2,022,942	\$2,322,531	\$299,589	14.8%	\$289,010	14.2%	
Net Expenditures/ (Revenue)	\$2,034,232	\$2,017,498	\$2,317,087	\$299,589	14.8%	\$282,855	13.9%	

Strategic Initiatives

Business Overview

Mission Statement

To champion organizational excellence, incubate new initiatives, develop long term strategy and drive corporate projects. Working with the community to provide high quality municipal services that meet, if not exceed, the expectations of Town residents and businesses.

Business Unit is Meeting 2005 Objectives

In 2005 this newest department in the CAO's Commission became fully staffed and fully operational. Its 2005 approved operating budget was \$411,543, including 3 full time employees. In 2005 the net budgeted cost per household to deliver this service was \$4.42.

Core Services:

- Leading the corporate business planning process;
- Administering staff and customer satisfaction surveys;
- Overseeing strategic cross commission initiatives;
- Monitoring corporate performance measures;
- Championing, assisting, educating the integrated quality and healthy workplace QSQP/NQI initiative

Business Unit's Direction in 2006

The business unit will continue to:

- Work towards implementation of the integrated quality and healthy workplace model in order to achieve integrated QSQP/NQI Level 2 PEP;
- Develop, track and report on performance measures in a report card style
- Develop the Civic Center Accomodation Plan
- Assist in development of Markham Energy Conservation Office
- Participate in the evolution of Markham Enterprises Corporation
- Act as a catalyst for cross commission projects and issues
- Make further improvements to the corporate business planning process

Service(s)	Customer(s)
Corporate business planning	All business units
Staff and customer satisfaction surveys and administration	Other municipalities across North America
Overseeing cross commission strategic projects	The corporation of the Town of Markham
Develop key performance indicators	Town of Markham staff
Championing, assisting, educating the QSQP/NQI initiative	Council members

Strategic Initiatives

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Coordinated 2005 Corporate Business Planning Process and process improvements	✓	
2 Coordinated NQI Assessment of Town's quality status prior to participation in Level 3 qualification	✓	
3 Assisted in establishing funding and structure for Markham Energy Conservation Office	✓	
4 Assisted in launching Markham Enterprises Corporation	✓	
5 Managed the Staff Satisfaction Survey process	✓	
6 Managed the internal Customer Satisfaction Survey process		✓
7 Developed and delivered various workshops		✓
8 Assisted with Centennial CC traffic operations and parking study		✓
9 Assisted developing the paid parking strategy and in setting up the parking authority	✓	
10 Assisted in activities and tasks pertaining to Markham Centre		✓

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed by Year End
11 Lead Town of Markham's Corporate United Way campaign	✓	
12 Absorbed Manager - Executive Operations responsibilities for 4 months	✓	
13		
14		
15		

FUTURE CONSIDERATIONS

Issues/Pressures

Whole hearted adoption of corporate change management initiatives such as QSQP/NQI

Continued role definition and responsibility development of relatively new department

Limited staff resources

Opportunities

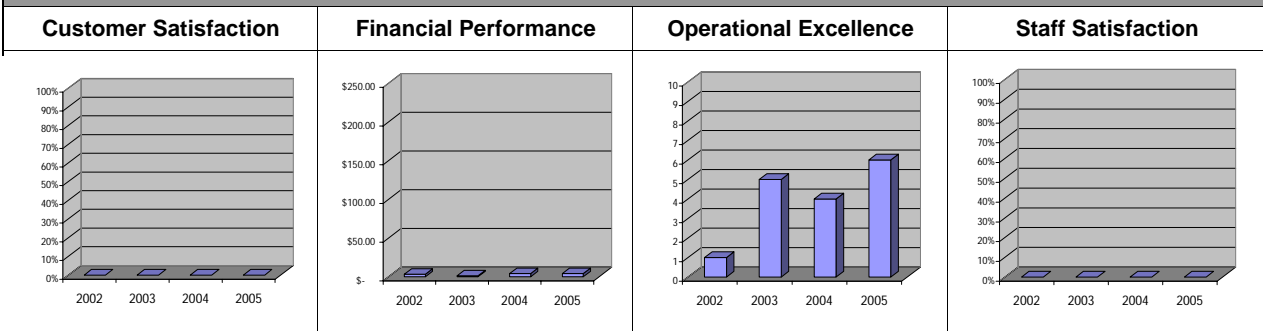
Stronger integration of Strategy Managers position into Strategic Initiatives Dept.

Leveraging revenue opportunities from organization's leading edge reputation

First municipality to achieve integrated (quality and healthy workplace) NQI PEP level 2

Strategic Initiatives

KEY PERFORMANCE INDICATORS



Percentage of Customers Extremely Satisfied	Net Cost Per Household	Satisfaction Surveys Supported	Staff Satisfaction Rating
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	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 Actual
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ 3.26	\$ 1.35	\$ 4.19	\$ 4.26
Average length of time to produce survey results to client	25 days	21 days	18 days	14 days
OPERATIONAL EXCELLENCE				
# of customer satisfaction surveys supported	1	5	4	6
# recognition orders filled	32	29	64	44
# training workshops facilitated	4	8	32	35
# external presentations given	4	6	6	8
STAFF SATISFACTION				
Completion rate for performance management	100%	100%	100%	100%
Average # of non-technical training sessions attended per employee	0.1	1.0	0.0	2.3
Completion rate (%) for staff survey improvement	n/a	n/a	n/a	n/a
Recognition rating (from staff survey)	n/a	n/a	n/a	n/a
Staff Satisfaction rating (from staff survey)	n/a	n/a	n/a	n/a
High Performance Workgroup rating (from staff survey)	n/a	n/a	n/a	n/a
Staff absenteeism (average # of days per employee)	1.0	1.0	1.0	2.0
Staff turnover rate	0%	0%	0%	0%

NOTES:

Strategic Initiatives

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction
1	Work towards implementation of the integrated quality and healthy workplace model	Achieve QSQP/NQI Level 2 PEP (integrated)		X				X			X	X		X
2	Develop, track, and report on performance measures in a report card style	Complete project						X			X	X	X	X
3	Prepare Facilities & Accommodation Strategic Plan and Civic Centre Accommodation Plan	Complete project		X				X	X		X	X		X
4	Participate in the evolution of Markham Enterprise Corporation	On-going						X	X					
5	Act as a catalyst for cross commission projects	Increased participation on cross commission projects						X	X		X	X		
6	Make further improvements to corporate business planning process	Debrief with participants identify success and areas for improvement						X	X	X	X	X	X	X
7	Expand employee recognition program	Employee satisfaction survey						X			X	X	X	X

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Strategic Initiatives Department

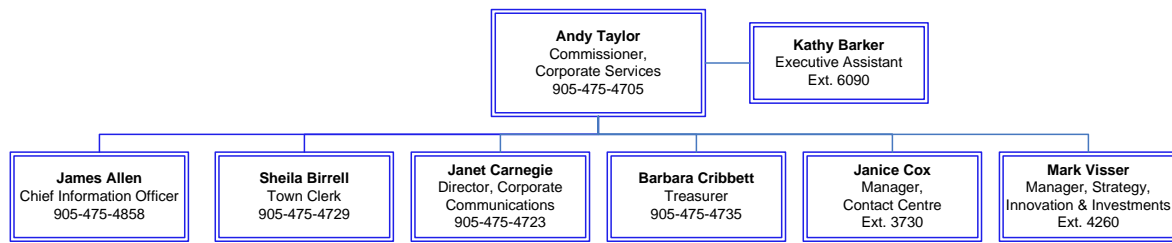
<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
OTHER INCOME	\$0	\$0	\$0	\$0		\$0	
Total Revenues	\$0	\$0	\$0	\$0		\$0	
Expenses							
SALARIES AND BENEFITS	\$370,727	\$372,924	\$431,731	\$58,807	15.8%	\$61,004	16.5%
PRINTING & OFFICE SUPPLIES	3,320	10,077	6,078	(3,999)	-39.7%	2,758	83.1%
OPERATING MATERIALS & SUPPLIES	790	2,913	1,455	(1,458)	-50.1%	665	84.2%
COMMUNICATIONS	785	2,037	728	(1,309)	-64.3%	(57)	-7.3%
TRAVEL EXPENSES	4,657	12,234	9,933	(2,301)	-18.8%	5,276	113.3%
TRAINING	4,611	6,990	5,790	(1,200)	-17.2%	1,179	25.6%
RENTAL/LEASE	835	1,455	954	(501)	-34.4%	119	14.3%
LICENCES, PERMITS, FEES	1,725	2,913	1,200	(1,713)	-58.8%	(525)	-30.4%
Total Expenses	\$387,450	\$411,543	\$457,869	\$46,326	11.3%	\$70,419	18.2%
Net Expenditures/ (Revenue)	\$387,450	\$411,543	\$457,869	\$46,326	11.3%	\$70,419	18.2%

TOWN OF MARKHAM - 2006 OPERATING BUDGET

CAO's Office - Commission Support (299-999)

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
OTHER INCOME	\$0	\$0	\$0	\$0		\$0	
Total Revenues	\$0	\$0	\$0	\$0		\$0	
Expenses							
SALARIES AND BENEFITS	\$416,710	\$419,059	\$443,493	\$24,434	5.8%	\$26,783	6.4%
PRINTING & OFFICE SUPPLIES	1,765	1,775	1,775	-	0.0%	10	0.6%
OPERATING MATERIALS & SUPPLIES	541	2,100	2,100	-	0.0%	1,559	288.2%
COMMUNICATIONS	1,185	1,252	1,252	-	0.0%	67	5.7%
TRAVEL EXPENSES	9,000	11,417	11,054	(363)	-3.2%	2,054	22.8%
TRAINING	20	175	175	-	0.0%	155	775.0%
RENTAL/LEASE	861	800	800	-	0.0%	(61)	-7.1%
LICENCES, PERMITS, FEES	4,028	3,500	3,500	-	0.0%	(528)	-13.1%
Total Expenses	\$434,110	\$440,078	\$464,149	\$24,071	5.5%	\$30,039	6.9%
Net Expenditures/ (Revenue)	\$434,110	\$440,078	\$464,149	\$24,071	5.5%	\$30,039	6.9%

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
- Financial Services
- Information Technology Services
- Corporate Communications
- Contact Centre

Currently, there are 142 full time employees who are responsible for the day-to-day operations of the various divisions and departments.

Legislative Services

The primary role of this department is driven by provincial legislation, most notably The Municipal Act, The Municipal Elections Act and The Municipal Freedom of Information and Protection of Privacy Act. The department provides administrative support to Council and its Committees and ensures that all of the actions taken by Council are recorded and communicated.

Over the years however, Markham's Clerk's Department has evolved into a multifaceted department, which performs a variety of administrative, and statutory functions for the Corporation. Reporting to the Commissioner of Corporate Services, the department is divided into four operational areas, namely,

- Administration (includes Insurance Claims Administration, Court Administration, Development Agreement Compliance, Planning Public Meeting Notification, Vital Statistics, Printing and Mail Services, Management of Corporate Copier Fleet, Municipal Elections)
- Secretariat
- Enforcement & Licensing (including By-Law Enforcement, Property Standards, Business Licensing, Wheels Licensing (Taxis, Limousines, & Tow Trucks), Parking Control, Sign By-Law Enforcement, Animal Control)
- Records Management

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 three operational areas, consisting of the following:

- Accounting and Expenditure Control (Payables, Receivables, Payroll, Financial Reporting)
- Financial and Client Services (Financial Planning, Purchasing)
- Taxation (Tax Billing and Collection, Assessment Review, Cash Management)
- Development Finance

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 technologies. The Department has been recently re-structured into three divisions, namely:

- Technology (Network Infrastructure, Telephony, Integration and Support)
- Client Delivery (Help Desk, Client Advisory, Project Management)
- Application and GIS (Applications and Support, Web Development, Centre for GIS)

Corporate Communications

Corporate Communications provides communications counsel and support to maximize the impact of key organizational messages to internal and external audiences. The department produces several regular publications, manages the Town of Markham internet and intranet, and provides project coordination, design and editorial support for approximately 100 client projects throughout the year. Corporate Communications is also responsible for Town of Markham media relations and advertising. The staff prepare media releases, responds to inquiries, provides story ideas to the media and coordinates media training for Town of Markham officials. In addition, the department also provides issues and crisis management support as required.

Contact Centre

Through well-trained, knowledgeable staff, supported by state of the art technology, staff of the Contact Centre provides our customers with exceptional, prompt and effective quality service through one stop access to the Town's programs and services.

The services provided are: Tax, Registration, Parks, Waste, Switchboard, By-Law Enforcement, Purchasing (Distribution of Tenders), Operations.

In addition to the telephone support function for each of the noted operating departments, the Contact Centre is responsible for Registration processing, Tender disbursements, Car pool maintenance, White goods management as well as Front counter support. The Contact Centre also provides statistical analysis relative to expense control, planning and forecasting new departmental transitions into the Contact Centre.

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Corporate Services Commission Consolidated

Description	2005 Actuals	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.		2006 Bud. Vs. 2005 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenue								
LICENCES & PERMITS	\$875,882	\$923,000	\$958,000	\$35,000	3.8%	\$82,118	9.4%	
INTEREST & PENALTIES	2,735	1,000	1,000	-	0.0%	(1,735)	-63.4%	
INCOME FROM INVESTMENTS	1,438,264	1,142,500	1,307,000	164,500	14.4%	(131,264)	-9.1%	
USER FEES & SERVICE CHARGES	700,453	766,800	793,700	26,900	3.5%	93,247	13.3%	
RENTALS	46,840	55,000	51,500	(3,500)	-6.4%	4,660	9.9%	
SALES	9,985	12,500	6,000	(6,500)	-52.0%	(3,985)	-39.9%	
RECOVERIES & CONTRIBUTIONS	2,941	4,705	9,805	5,100	108.4%	6,864	233.4%	
OTHER INCOME	19,252	43,000	178,925	135,925	316.1%	159,673	829.4%	
Total Revenues	\$3,096,352	\$2,948,505	\$3,305,930	\$357,425	12.1%	\$209,578	6.8%	
Expenses								
SALARIES AND BENEFITS	\$10,500,105	\$11,010,959	\$12,139,655	\$1,128,696	10.3%	\$1,639,550	15.6%	
PRINTING & OFFICE SUPPLIES	131,923	197,384	210,805	13,421	6.8%	78,882	59.8%	
PURCHASES FOR RESALE	74,400	60,000	60,000	-	0.0%	(14,400)	-19.4%	
OPERATING MATERIALS & SUPPLIES	(8,889)	(138,312)	(56,417)	81,895	-59.2%	(47,528)	534.7%	
INVENTORY ADJUSTMENTS	(219)	-	-	-	-	219	-100.0%	
COMMUNICATIONS	764,843	823,203	867,790	44,587	5.4%	102,947	13.5%	
TRAVEL EXPENSES	40,338	33,009	39,534	6,525	19.8%	-804	-2.0%	
TRAINING	83,603	130,591	140,101	9,510	7.3%	56,498	67.6%	
CONTRACTS & SERVICE AGREEMENTS	588,281	714,630	871,012	156,382	21.9%	282,731	48.1%	
MAINT. & REPAIR-TIME/MATERIAL	64,891	60,971	82,334	21,363	35.0%	17,443	26.9%	
RENTAL/LEASE	224,370	172,519	176,519	4,000	2.3%	(47,851)	-21.3%	
PROFESSIONAL SERVICES	345,458	369,853	513,047	143,194	38.7%	167,589	48.5%	
LICENCES, PERMITS, FEES	152,908	139,473	141,708	2,235	1.6%	(11,200)	-7.3%	
CREDIT CARD SERVICE CHARGES	154,636	143,595	143,595	-	0.0%	(11,041)	-7.1%	
PROMOTION & ADVERTISING	235,505	182,039	218,414	36,375	20.0%	(17,091)	-7.3%	
OTHER PURCHASED SERVICES	-	6,502	4,500	(2,002)	-30.8%	4,500		
OFFICE FURNISHINGS & EQUIPMENT	654	-	3,000	3,000		2,346	358.7%	
WRITE-OFFS	150	100	100	-	0.0%	(50)	-33.3%	
OTHER EXPENDITURES	84,635	77,458	74,500	(2,958)	-3.8%	(10,135)	-12.0%	
TRANSFERS TO RESERVES	(12,215)	-	-	-		12,215	-100.0%	
Total Expenses	\$13,425,377	\$13,983,974	\$15,630,197	\$1,646,223	11.8%	\$2,204,820	16.4%	
Net Expenditures/ (Revenue)	\$10,329,025	\$11,035,469	\$12,324,267	\$1,288,798	11.7%	\$1,995,242	19.3%	



Legislative Services

Business Overview

Mission Statement

Staff are committed to creating and maintaining an environment conducive to an effective and cohesive decision-making process, providing the highest level of support and services to our customers, utilizing the best record keeping techniques and providing efficient access to corporate information, and educating our customers on community standards and ensuring compliance.

Business Unit MeT 2005 Objectives

Progress towards the implementation of a paperless agenda system is ongoing. A deployment date of September, 2006 is anticipated. A new General Committee System was adopted. The system essentially harmonized the former Finance & Administrative, Transportation and Community Services and Environment Committees into one Standing Committee. Responsibility for the Economic Development Committee was consolidated into the Development Services Committee. The Ward Boundary Review went smoothly and resulted in the adoption of new ward boundaries that more evenly distribute the population between wards. No appeals were received and the boundaries will take effect for the 2006 election. Staff reviewed both short and long term animal care solutions for Markham and negotiated a deal with a nearby municipality for the provision of animal care services on a short term basis.

We are also looking at two possible solutions for long term services, i.e. a shared municipally owned facility or a Markham facility with capital and operating costs to be dependent upon commitment from other municipalities. Expanding the wedding services in Markham involved reburshing of the chapel and providing civil ceremonies. This project has been very successful to date and residents have indicated their pleasure with the service and its convenience. The new Parksmart parking ticket was implemented in the fall. The Parking Control Office has been relocated to the lower level and a new First Attendance Hearing facility was established. The new print strategy was finally completed and has been implemented. New equipment has been disbursed throughout the building, based on need and policies have been adopted that will assist staff in selecting the more efficient method of printing.

~~The licensing component of Enforcement & Licensing has been relocated to the main floor providing easier access for customers.~~

Business Unit's Direction in 2006

We plan to convert the current paper Standing Committee and Council agenda system to a paperless agenda system. Implementation is anticipated in September 2006. The software will allow Councillors and staff to easily access and annotate agendas and to follow through meetings. This project is environmentally focused and will result in the use of less paper and improved efficiencies. An extensive communications plan and needs assessment/training plan will be undertaken to ensure success.

To ensure greater efficiencies in the Enforcement and Licensing Division, we plan to implement electronic field equipment for all Officers in the field. This will result in more Officer field time.

Municipal Elections are in November of 2006 and the plan is to provide for alternative methods of voting. Internet voting provides for easy access for the voter, pursuant to the Ontarions Disabilities Act. It also improves customer service and ensures a more accurate count. These alternative methods of voting are essential from a poll location staffing perspective.

Paid parking was implemented in September and staff anticipate the program expanding in 2006. As well, staff will be looking to expand the overnight permit parking program.

Service(s)	Customer
Coordination and Administration of Council & Committees	Residents
Enforcement of Town Regulatory and Licensing by-laws	General Public
Administration of Vital Statistics (i.e. Birth and death registration, marriage licenses)	Businesses
Printing, Mail & Courier Services	Representatives from Other Levels of Government
Record Keeping/Retrieval and Subscriptions	Council
Municipal Elections	Senior Management & All Town Staff

Legislative Services

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To Be Completed in 2006
1 Ward boundary re-distribution	✓	
2 Implementation of a General Committee System	✓	
3 Enhanced wedding services provided in the Town of Markham	✓	
4 Review of alternative methods of voting	✓	
5 Complete the RFP process for a Paperless Agenda System for implementation in 2006	✓	
6 Facilitated a partnership with the Town of Whitby for improved animal care services.	✓	
7 Completed the print strategy and new equipment has been placed and policies adopted	✓	
8 Implemented the Parksmart Parking Ticket System and on-line payment system and relocated the Parking Division to the lower level	✓	
9 Relocated the Licensing Division to the main level	✓	
10 Completed the Amanda conversion which will provide improved reporting mechanisms		

2005 ADDITIONAL OBJECTIVES

	Completed	To Be Completed in 2006
11 Acquired a software package to manage the 2006 Voters' List.	✓	
12 Facilitated the implementation of a Tall Grass and Weeds By-Law for private property.	✓	
13 Facilitated the implementation of a new Animal Control By-Law	✓	
14		
15		

FUTURE CONSIDERATIONS

Issues/Pressures

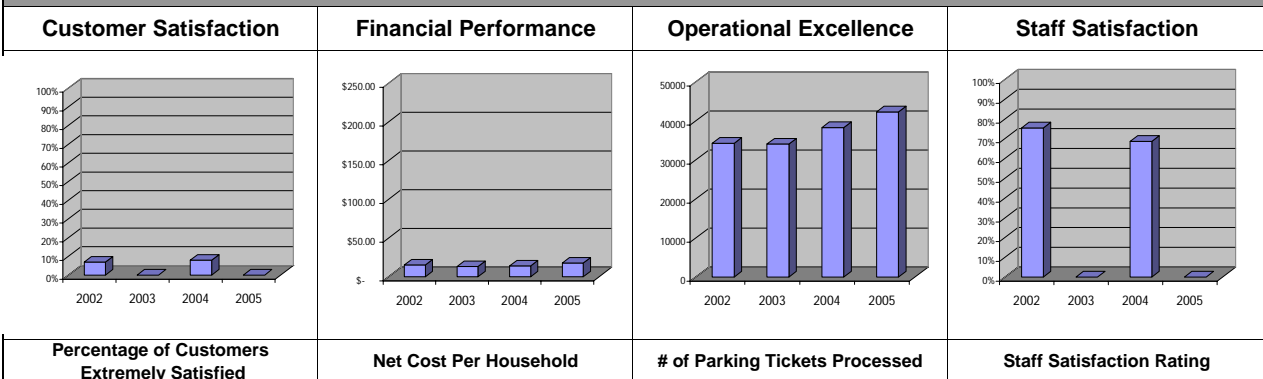
- Conduct the 2006 Election
- Implement an Executive Summary Report Format and Paperless Agenda System
- Introduce field technology into the Enforcement Division
- On-line Business Licensing

Opportunities

- Enhance the role of the Clerk's department in Council and Committee meetings
- Expand the set fines system under the Provincial Offences Act
- Improve animal care services
- Implement the use of mobile field equipment

Legislative Services

KEY PERFORMANCE INDICATORS



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied - Animal Shelter Services	7%	n/a	8%	n/a
Percentage of customers satisfied - Animal Shelter Services	68%	n/a	66%	n/a
Percentage of customers extremely satisfied - Enforcing Street Parking By-Law	9%	n/a	15%	n/a
Percentage of customers satisfied - Enforcing Street Parking By-Law	60%	n/a	70%	n/a
Percentage of customers extremely satisfied - Enforcing Sign By-Law	9%	n/a	15%	n/a
Percentage of customers satisfied - Enforcing Sign by-Law	60%	n/a	70%	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ 15.35	\$ 13.24	\$ 13.88	\$ 17.65
Average Cost per license processed/enforced	\$ 132.09	\$ 133.77	\$ 137.42	\$ 158.81
OPERATIONAL EXCELLENCE				
# of Parking Tickets processed	34,267	34,071	38,281	42,284
# of licenses issued	5,676	6,409	6,617	7,007
# of Council communications	321	253	427	397
% of time that Council & Committee minutes are distributed w/in 2 wks	100%	100%	100%	100%
# of CARes delivered to By-law Enforcement and Licensing Section	n/a	2,189	3,938	4,231
# of outgoing mail pieces	252,051	327,762	307,432	263,578
STAFF SATISFACTION				
Completion rate for performance management	100%	100%	100%	100%
Average # of non-technical training sessions attended per employee	2.3	1.0	1.0	1.0
Completion rate (%) for staff survey improvement	n/a	n/a	100%	n/a
Recognition rating (from staff survey)	61%	n/a	68%	n/a
Staff Satisfaction rating (from staff survey)	75%	n/a	69%	n/a
High Performance Workgroup rating (from staff survey)	66%	n/a	83%	n/a
Staff absenteeism (average # of days per employee)	4.5	8.9	5.0	4.1
Staff turnover rate	2%	7%	7%	n/a

NOTES:

Legislative Services

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction
1	Implement an Executive Summary Report System and a Paperless Agenda Process	Achieve acceptance of Council, Staff and Public			x			x	x		x			
2	Conduct municipal election utilizing internet voting	Successful election		x				x						
3	Implement electronic mobile equipment in By-Law Enforcement	Increased Officer field time		x				x	x		x			x
4	Continuation of Paid Parking program and on-line payment system	Implement enforcement of paid parking					x							
5	Monitor the new short term solution for improved animal care.	Resident satisfaction		x				x						
6	Investigate online business licence applications			x				x						

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Legislative Services Department

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
LICENCES & PERMITS	\$875,882	\$923,000	\$958,000	\$35,000	3.8%	\$82,118	9.4%	
INTEREST & PENALTIES	2,735	1,000	1,000	-	0.0%	(1,735)	-63.4%	
INCOME FROM INVESTMENTS	1,438,264	1,142,500	1,307,000	164,500	14.4%	(131,264)	-9.1%	
USER FEES & SERVICE CHARGES	157,147	128,000	134,900	6,900	5.4%	(22,247)	-14.2%	
RENTALS	45,879	50,000	50,000	-	0.0%	4,121	9.0%	
SALES	7,989	6,000	3,500	(2,500)	-41.7%	(4,489)	-56.2%	
RECOVERIES & CONTRIBUTIONS	2,941	-	5,100	5,100		2,159	73.4%	
OTHER INCOME	-	10,000	120,925	110,925	1109.3%	120,925		
Total Revenues	\$2,530,837	\$2,260,500	\$2,580,425	\$319,925	14.2%	\$49,588	2.0%	
Expenses								
SALARIES AND BENEFITS	\$3,046,120	\$2,965,671	\$3,380,859	\$415,188	14.0%	\$334,739	11.0%	
PRINTING & OFFICE SUPPLIES	362	58,371	66,472	8,101	13.9%	66,110	18262.4%	
PURCHASES FOR RESALE	74,400	60,000	60,000	-	0.0%	(14,400)	-19.4%	
OPERATING MATERIALS & SUPPLIES	35,403	16,023	29,636	13,613	85.0%	(5,767)	-16.3%	
COMMUNICATIONS	254,478	233,136	241,419	8,283	3.6%	(13,059)	-5.1%	
TRAVEL EXPENSES	4,510	5,194	7,105	1,911	36.8%	2,595	57.5%	
TRAINING	18,252	15,012	24,522	9,510	63.3%	6,270	34.4%	
CONTRACTS & SERVICE AGREEMENTS	226,562	265,698	370,663	104,965	39.5%	144,101	63.6%	
MAINT. & REPAIR-TIME/MATERIAL	22,861	26,990	32,144	5,154	19.1%	9,283	40.6%	
RENTAL/LEASE	208,367	153,530	157,530	4,000	2.6%	(50,837)	-24.4%	
PROFESSIONAL SERVICES	100,319	80,979	96,787	15,808	19.5%	(3,532)	-3.5%	
LICENCES, PERMITS, FEES	4,861	2,262	4,497	2,235	98.8%	(364)	-7.5%	
OTHER PURCHASED SERVICES	-	2,374	-	(2,374)	-100.0%	-		
OFFICE FURNISHINGS & EQUIPMENT	654	-	3,000	3,000		2,346	358.7%	
OTHER EXPENDITURES	5,227	12,458	9,500	(2,958)	-23.7%	4,273	81.7%	
Total Expenses	\$4,002,376	\$3,897,698	\$4,484,134	\$586,436	15.0%	\$481,758	12.0%	
Net Expenditures/ (Revenue)	\$1,471,539	\$1,637,198	\$1,903,709	\$266,511	16.3%	\$432,170	29.4%	

Finance

Business Overview

Mission Statement

To secure the financial integrity of the Corporation.

We are the team of experts that coordinate and analyze all financial transactions to enable our customers and partners to make effective business decisions.

Business Unit Met 2005 Objectives

The Finance Dept. completed the majority of the 2005 Business Plan Objectives by the end of 2005, as well as several unplanned, but critical, objectives. Finance continues to balance our responsibility to secure the financial integrity of the Corporation through projects like the Reserve Adequacy Study, reviewing Development Charge projected cash flows, and detailed analysis and cash flow analysis for the Parks, Recreation, Culture & Library Master Plan, with our commitment to provide service to our customers (both internal and external) through projects like the review of Municipal Tax Billing Systems, developing a Purchasing Handbook Manual and embedding a Business Analyst within the Community and Fire Services Commission to provide in-commission financial expertise.

Business Unit's Direction in 2006

Finance will continue to focus on providing increased financial expertise to the operating departments within the Town of Markham, while continuing to examine areas that require review and analysis as the financial complexity of the corporation grows and evolves. Additional funding was requested for one additional fulltime position, a second business analyst for the Community and Fire Services Commission. The balance of the requests for positions were funded within reallocations in Finance's existing operating budget. The new Control Clerk and the Tax Analyst positions were funded through a consolidation and reallocation of part-time budget dollars. Converting part-time positions into full time positions will increase stability, enhance service levels to customers and allow for staff development opportunities in the Cash and Tax sections. The one year contract for a Risk Management Analyst will run from July 2006 to 2007, and will be funded within the Finance Dept.'s consulting budget.

Service(s)	Customer(s)
Purchasing Payroll Reporting Taxation/Assessment Budgeting/Planning Accounts Payable	External: Vendors, Residents/Tax Payers, Property Owners, External Relationships (Auditors, Bankers, etc.) Internal: Town Staff, Council

Finance

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS	Completed	To Be Completed in 2006
1 Implementation of new ADP Payroll/Hr System	✓	
2 Completed Review of Municipal Property Tax Billing systems	✓	
3 Examined potential for replacement of the current SFG Financial System	✓	
4 Evolution of Business Analyst Model to provide financial expertise in Community and Development Commissions	✓	
5 Audit Completed and Draft Financial Statements issued by March 31st	✓	
6 Develop a Purchasing Handbook/Manual		✓
7 First Annual Review of Heritage Rebate Program		✓
8 Completed Reserve Adequacy Study	✓	
9 Review proposed changes to Planning and Engineering Fees	✓	
10 Submitted 2005 Budget Document to GFOA and was awarded the "Distinguished Budget Presentation Award"	✓	

2005 ADDITIONAL OBJECTIVES	Completed	To Be Completed in 2006
11 Court Services Review - Region of York and local municipalities		✓
12 Financial Analysis of the Recreation and Library Master Plan		✓
13 Purchasing and Capital Project Alignment Project		✓
14 Review of Development Charges Cash Flow Study - Engineering Dept.		
15 Implementation of new Tax Appeals Module - Processing of 3,300 non-residential adjustments	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

- Forecasting and Planning for Debt Financing required for Growth Related Projects
- Evolution of the Client Advisor (Business Analyst) model to provide financial expertise in all Commissions.
- Managing Development Charges to protect service levels and maximize cost recovery to Town
- Monitoring Reserves/Reserve Funds to align with future infrastructure replacement costs.
- Monitoring the impact of growth on the Town's budgets.

Opportunities

- Continuation of Bond Trading Strategy.
- Continue to encourage electronic payments to reduce administration costs (Accounts Payable and Accounts Receivable).
- Maximization of Assessment Base.
- Leveraging Technology to increase efficiencies and meet client expectations .
- Decentralization of Time Sheet Entry to initial point of input (Employee Time-sheet input)

Finance

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction			
Percentage of Customers Extremely Satisfied	Net Cost Per Household	# of Preauthorized Tax Payments	Staff Satisfaction Rating			
			2002	2003	2004	2005
			ACTUAL	ACTUAL	ACTUAL	ACTUAL
CUSTOMER SATISFACTION						
# of customer satisfaction surveys completed			n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)			36%	n/a	23%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)			85%	n/a	62%	n/a
FINANCIAL PERFORMANCE						
Net cost per household			\$ 30.16	\$ 29.53	\$ 28.96	\$ 32.12
Average Cost per invoice processed			\$ 5.18	\$ 5.69	\$ 5.72	\$ 5.45
Average cost per procurement card transaction			\$ 0.96	\$ 0.92	\$ 1.66	\$ 1.64
% of tax bills collected			96%	92%	93%	n/a
OPERATIONAL EXCELLENCE						
# of Preauthorized Tax Payments			13,777	16,254	17,284	18,757
# of Purchase Orders transmitted			782	766	809	622
# of Purchase Orders actioned per FTE			156	153	142	124
% of time vendors paid within 30 days			90%	90%	90%	90%
% of time that month-end reports are distributed in 6 business days			75%	75%	58%	60%
% of payroll cheques/direct deposits processed error free			n/a	98%	98%	98%
STAFF SATISFACTION						
Completion rate for performance management			100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee			1.6	2.3	0.8	0.4
Completion rate (%) for staff survey improvement			n/a	100%	80%	n/a
Recognition rating (from staff survey)			64%	n/a	57%	n/a
Staff Satisfaction rating (from staff survey)			75%	n/a	66%	n/a
High Performance Workgroup rating (from staff survey)			n/a	n/a	78%	n/a
Staff absenteeism (average # of days per employee)			2.3	5.6	2.3	0.9
Staff turnover rate			7%	3%	8%	5%
NOTES:						

Finance

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities						
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction	
1	Risk Management	Hire a one year contract to complete a comprehensive review of the corporate risk management program and develop updated policies and practices						X	X	X	X	X	X	X	
2	2007 Capital Budget	Start date to be May 2006													
3	Update Reserve/Reserve Fund Adequacy Study	Data collection and review completed by end of June. Update report to Council in fall of 2006.		X				X	X		X	X			
4	Integrated capital and asset management solution	Review of existing applications, development of need analysis and preliminary analysis of options by end of 3rd quarter.		X				X			X				
5	Purchasing & Capital Project Alignment	Ongoing monitoring and reporting of tenders for large capital projects. Monthly reporting on alignment of projected and actual tenders issued.							X	X	X	X			X
6	Finalize Recreation Master Plan	Finance input complete by end of April		X				X							
7	Complete Implementation of SFG Financial System upgrade	Upgrade complete end of April							X		X	X			X
8	Refresh Key Development Charge By-laws	Revised Hard Service By-laws (Town-wide and Area Specific) and policy changes on Area Specific approach by mid-June		X		X		X	X			X			
9	Update cash flow forecast for debt financing requirements	Submit borrowing requirements to the Region of York for spring or fall debenture issue if required				X		X		X					
10	Process Review and policy development for refundable deposits	3 phases. Complete cleanup by end of April. Policy development and process to deliver complete by end of September									X	X	X		
11	Implementation of Accounts Receivable Module	New module implemented by end of summer								X	X	X			X
12	Legal Agreements & Financial Implications	New process in place by end of 3rd quarter								X	X	X	X		
13	Review corporate processes for cash payments	Review current cashing processes at all locations in order to prepare for corporate-wide comprehensive point of sale system by end of 3rd quarter							X	X	X				X
14	Space Planning	Finance solution only- complete redesign of Financial Planning and Cashier Areas by end of May													X
15	Closed Capital Update	Complete 2 reports to Council on capital projects to be closed							X		X	X			
16	Head Count Reporting Process	Establish template and distribute to departments for confirmation							X			X			
17	Investigate a Centralized Store for Town Wide Supplies	Expansion of enhanced inventory management through current hardware contract to plumbing and electrical supplies by year end.							X			X			
18	Parking Strategy	Complete Structured parking cash in lieu process by end of May				X						X			
19	Assessment Base Protection	Renewed emphasis on activities to protect and enhance base and consent appeal										X			
20	Draft 2005 Financial Statements	Draft statements by March 31st										X			
21	Payroll Confirmation	Full time payroll confirmed by all departments on a periodic basis.										X			
2	RFP for Audit	Reappointment of Auditors for the next 5 year term										X			
23	Implement Commitment Accounting on SFG upgrade	Commitment Accounting in place by end of second quarter								X		X	X		
24	Continuation of Markham Centre Strategy and Tax Increment Financing (TIF)	Implementation of a tax increment financing model under Provincial		X		X		X							
25	Green Procurement Policy	Draft policy to Environmental Issues Committee by end of March and report to Council by end of May.			X								X		
26	Provincial Offences Act - Process Review with Region of York	Final Report to Council by end of May											X		
27	GFOA - Budget Presentation Award	Submit budget binder to GFOA for consideration to the distinguished budget presentation.											X		
28	Insurance RFP	Issue RFP for new insurance policy if required by end of July		X									X		
29	Enhanced Results of Operation Package - Operating & Capital	Quarterly reports to CCC and Council within 6 weeks of quarterly month end close.								X		X			
30	3-Year Operating Forecast	Provide Council with 3 year operating forecast by end of August								X		X			
31	Payroll - Continuous Improvement	Complete process review with Human Resources by end of June								X		X	X		
32	PTP	Increase enrolment by 5% over 2005						X							X
33	Annual Report	Complete report and submit to GFOA by June 30th		X									X		
34	Pre-DCA Reserve Analysis & Related Items	Complete analysis of Pre-DCA reserve by end of June. Continuation of analysis of other related items and development of associated recommendations.											X		
35	Phase II of ADP Payroll/HR conversion - decentralized Time Sheet process	Roll out automated time sheet entry to the Corporation by year end							X	X					X

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Financial Services

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
USER FEES & SERVICE CHARGES	\$536,201	\$630,800	\$630,800	-	0.0%	\$94,599	17.6%
RECOVERIES & CONTRIBUTIONS	-	4,705	4,705	-	0.0%	4,705	
OTHER INCOME	19,252	33,000	58,000	25,000	75.8%	38,748	201.3%
Total Revenues	\$555,453	\$668,505	\$693,505	\$25,000	3.7%	\$138,052	24.9%
Expenses							
SALARIES AND BENEFITS	\$3,311,917	\$3,546,486	\$3,859,246	\$312,760	8.8%	\$547,329	16.5%
PRINTING & OFFICE SUPPLIES	87,538	100,701	105,574	4,873	4.8%	18,036	20.6%
OPERATING MATERIALS & SUPPLIES	(55,951)	(192,538)	(107,411)	85,127	-44.2%	(51,460)	92.0%
INVENTORY ADJUSTMENTS	(219)	-	-	-	-	219	-100.0%
COMMUNICATIONS	2,682	2,312	2,312	-	0.0%	(370)	-13.8%
TRAVEL EXPENSES	11,203	7,751	7,491	(260)	-3.4%	(3,712)	-33.1%
TRAINING	12,168	28,115	28,115	-	0.0%	15,947	131.1%
CONTRACTS & SERVICE AGREEMENTS	(357,490)	(336,723)	(336,723)	-	0.0%	20,767	-5.8%
MAINT. & REPAIR-TIME/MATERIAL	1,401	1,651	1,651	-	0.0%	250	17.8%
RENTAL/LEASE	10,249	12,688	12,688	-	0.0%	2,439	23.8%
PROFESSIONAL SERVICES	160,829	195,338	195,338	-	0.0%	34,509	21.5%
LICENCES, PERMITS, FEES	140,278	126,931	126,931	-	0.0%	(13,347)	-9.5%
CREDIT CARD SERVICE CHARGES	154,636	143,595	143,595	-	0.0%	(11,041)	-7.1%
WRITE-OFFS	150	100	100	-	0.0%	(50)	-33.3%
OTHER EXPENDITURES	12,215	-	-	-	-	(12,215)	-100.0%
TRANSFERS TO RESERVES	(12,215)	-	-	-	-	12,215	-100.0%
Total Expenses	\$3,479,391	\$3,636,407	\$4,038,907	\$402,500	11.1%	\$559,516	16.1%
Net Expenditures/ (Revenue)	\$2,923,938	\$2,967,902	\$3,345,402	\$377,500	12.7%	\$421,464	14.4%

Information Technology Services

Business Overview

Mission Statement

To support staff of the Town of Markham in their efforts to provide effective public services and maintain efficient government operations through appropriate and innovative application of Information Technologies.

Business Met 2005 Objectives

The Information Technology Services department reports to the Corporate Services Commission. The department provides specific value-add services to the organization related to the use and application of information and information technologies to enhance organizational effectiveness. Increasing expectations of IT from the organization creates staffing and resources pressures. It is a constant challenge to manage expectations while being fiscally responsible. The major objectives for 2005 were delivering IT projects that benefit the organization and initiating the IT strategic plan.

Some of the key initiatives in 2005 were:

- 1) Updated orthoimagery
- 2) Wireless network at the Civic Centre and other Town facilities
- 3) Class/Active Partnership for new CARE system
- 4) Amanda implementation in Bylaws and online building permits.

Business Unit's Direction in 2006

ITS will continue to understand the needs of the organization and strive to meet the demand for IT services.

Some focus areas for 2006 are:

- 1) continue with the implementation of the IT strategic plan
- 2) the delivery of projects for individual business units
- 3) implementation of IT best practices to enhance effectiveness of the department
- 4) implement an automated data archiving solution, and
- 5) replace the voice mail system

Service(s)	Customer(s)
Help Desk	Council
Project Management and Delivery Coordination	Town Staff
GIS and Data Management	Library
Application Implementation and Support	Residents
Network Infrastructure and Telecommunications	
Desktop Integration & Audio Visual	



Information Technology Services

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS	Completed	To Be Completed in 2006
1 2005 orthoimagery	✓	
2 Implemented wireless networking in the Civic Centre and Remote Sites	✓	
3 Core IT Initiatives - Infrastructure renewal (PC replacement, Server consolidation, centralized backup)	✓	
4 Core IT initiatives (Enterprise software licensing, telecommunications)	✓	
5 Business Value Assessment of Portal	✓	
6 Implementation of Amanda in Bylaws department (including integration to CARE)	✓	
7 Real time credit card validation for Recreation program registration	✓	
8 Phase 1 of Markham Public Library IT integration	✓	
9 CLASS / ACTIVE Partnership	✓	
10 Implementation of GIS mapping tools Navigate Markham and Inside Markham	✓	

2005 ADDITIONAL OBJECTIVES	Completed	To Be Completed in 2006
11 Archival/ Artifacts Collection Management System	✓	
12 3-Stream Waste Collection Information System	✓	
13 OSG - One Stop Government, online application for building permits	✓	
14 Civic Centre Front Entrances and Great Hall Information Display systems	✓	
15 Installation of new Parking System	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

Finding a balance between maintaining Markham's "Hi-Tech Capital" image, organizational requirements, and fiscal pressures

Due to changing industry standards and related technologies, there are high expectations from operating departments

Due to the high expectations, operating departments want more IT solutions which has an impact on human and financial resources in IT and the need for IT best practices

Implementation of the IT Strategic Plan will require resources and the organization to prioritize initiatives

Opportunities

Transaction fees for self-service and e-Government services

Partnerships with other municipalities or organizations

On-line payment processing for additional transaction types

One York additional opportunities (shared services)

Information Technology Services

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction			
Percentage of Customers Extremely Satisfied	Net Cost Per Household	% of systems availability (average for all systems)	Staff Satisfaction Rating			
			2002	2003	2004	2005
			ACTUAL	ACTUAL	ACTUAL	ACTUAL
CUSTOMER SATISFACTION						
# of customer satisfaction surveys completed			n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)			n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)			n/a	n/a	n/a	n/a
FINANCIAL PERFORMANCE						
Net cost per household			\$ 44.23	\$ 41.74	\$ 40.47	\$ 48.69
% of ITS operating budget vs. Town budget (excl Water)			2.84%	2.77%	2.62%	2.65%
OPERATIONAL EXCELLENCE						
% of systems availability (average for all systems)			99.90%	99.95%	99.97%	99.97%
% of call abandonment for Help Desk			n/a	30%	32%	18%
% of CARe closed within 7 days			n/a	80%	88%	89%
Average number of calls to the helpdesk/month			n/a	753	923	1,124
STAFF SATISFACTION						
Completion rate for performance management			100%	100%	100%	100%
Average # of non-technical training sessions attended per employee			1.7	1.1	1.3	n/a
Completion rate (%) for staff survey improvement			100%	n/a	100%	n/a
Recognition rating (from staff survey)			50%	n/a	48%	n/a
Staff Satisfaction rating (from staff survey)			65%	n/a	58%	n/a
High Performance Workgroup rating (from staff survey)			62%	n/a	73%	n/a
Staff absenteeism (average # of days per employee)			3.3	3.8	4.1	n/a
Staff turnover rate			4%	0%	7%	n/a
NOTES:						

Information Technology Services

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction
1	ITS Strategic Plan	Approval and implementation plan						X	X					
2	Enterprise GIS	Obtain approval for E-GIS vision and plan, implement 2006 planned objectives		X				X	X			X	X	
3	Implementation of Archival Solution	Automatic archival of data to external storage						X					X	X
4	Voice Messaging System Implementation	New voice messaging system implemented, trained and communicated to Town and Library staff						X	X		X	X		X
5	Mobile Equipment Pilot	The development of a wireless vision plan						X	X					X
6	On line payments and services	A prioritized list of future on line transactions, including potential benefits		X				X			X			
7	IT disaster recovery site	Create a business plan for the creation of a possible temporary data center to be used should the current data center be unavailable						X				X		X
8	Symposium System Upgrade	Provide additional functionality and features for routing of calls into the Contact Center, Markham Theatre and ITS Help Desk		X				X	X					X
9	Client Project Delivery	Planning, scheduling and delivery of approved 2006 client projects						X	X		X	X		X
10	Service Desk Implementation	Implementation of Service Desk structure, methods, tools, processes and communications						X	X		X	X		X
11	Service Catalogue	Completion of an ITS Service Catalogue, access to and communications of ITS services						X	X		X	X		X
12	Amanda-GIS Integration	Integration of Amanda with GIS system for property address and web based mapping interface						X	X			X	X	
13	Topographic Data Update	Updated set of (up to 5) selected topographic data sets across the Town based on 2005 air photos						X				X	X	
14	Server Replacement	Replacement of 17 old servers						X	X		X	X	X	X
15	Remote Site Bandwidth Upgrade	Bandwidth upgraded for major remote sites (Thornhill, Milliken Mills, Markham Village, Centennial)		X				X	X		X	X		X
16	Library Network Integration	Consolidation of remote links from Library Admin Centre to the Civic Centre and consolidation of two domains (MPL and Markham)		X				X	X		X	X		X
17	Web Access to e-Mail for Remote Users	All Town and Library staff will have access to their e-mail, calendar, tasks (outlook) remotely						X	X		X	X		X

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Information Technology Services (ITS)

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
<u>Revenue</u>								
RENTALS	\$961	\$5,000	\$1,500	(3,500)	-70.0%	\$539	56.1%	
SALES	1,996	5,000	2,500	(2,500)	-50.0%	504	25.3%	
Total Revenues	\$2,957	\$10,000	\$4,000	(6,000)	-60.0%	\$1,043	35.3%	
<u>Expenses</u>								
SALARIES AND BENEFITS	\$2,589,909	\$2,959,787	\$3,193,725	\$233,938	7.9%	\$603,816	23.3%	
PRINTING & OFFICE SUPPLIES	16,376	10,922	15,049	4,127	37.8%	(1,327)	-8.1%	
OPERATING MATERIALS & SUPPLIES	8,344	34,902	19,902	(15,000)	-43.0%	11,558	138.5%	
COMMUNICATIONS	504,959	572,124	618,729	46,605	8.1%	113,770	22.5%	
TRAVEL EXPENSES	8,923	4,127	9,196	5,069	122.8%	273	3.1%	
TRAINING	46,139	79,610	79,610	-	0.0%	33,471	72.5%	
CONTRACTS & SERVICE AGREEMENTS	719,209	785,655	837,072	51,417	6.5%	117,863	16.4%	
MAINT. & REPAIR-TIME/MATERIAL	40,629	32,330	48,539	16,209	50.1%	7,910	19.5%	
RENTAL/LEASE	2,105	3,301	3,301	-	0.0%	1,196	56.8%	
PROFESSIONAL SERVICES	48,874	58,252	195,637	137,385	235.8%	146,763	300.3%	
LICENCES, PERMITS, FEES	130	2,039	2,039	-	0.0%	1,909	1468.5%	
OTHER PURCHASED SERVICES	-	1,942	-	(1,942)	-100.0%	-	-	
Total Expenses	\$3,985,597	\$4,544,991	\$5,022,799	\$477,808	10.5%	\$1,037,202	26.0%	
Net Expenditures/ (Revenue)	\$3,982,640	\$4,534,991	\$5,018,799	\$483,808	10.7%	\$1,036,159	26.0%	



Corporate Communications

Business Overview

Mission Statement

Corporate Communications provides strategic communications services to help safeguard and enhance the reputation of the Town of Markham.

Business Unit Met 2005 Objectives

Corporate Communications provides communications counsel and support to maximize the impact of key organizational messages to both internal and external audiences. The department produces several regular publications; manages the Town of Markham internet and intranet and provides professional communications support for approximately 100 client projects throughout the year.

Corporate Communications is responsible for Town of Markham media relations and advertising and provides Emergency Planning and issues & crisis management support as needed.

A full page weekly "Town Page" ad in the Thornhill Liberal and the Markham Economist & Sun provides Markham residents with statutory notices and key information on current community events.

In 2005, Corporate Communications developed new graphic standards for the Town of Markham. New procedures were developed and have implemented to streamline the preparation of publications, media relations processes, the handling of client requests for Communications support and the use of the Civic Centre public areas for displays and promotions. A new electronic information system was developed and put in place in the Civic Centre and a new display case installed in the Great Hall.

A new organizational structure was put in place to provide more consistent client service and to put new focus on internal communications. Corporate Communications standards and principles were developed.

Business Unit's Direction in 2006

In 2006 Corporate Communications will enhance existing communications vehicles through increased frequency and messaging more effectively aligned with Town and corporate priorities; and continuing process improvement. Communications will be targeted to address specific interests of key audiences. Funding is required to implement the internal communications plan which has been developed to improve cross-organization communications and co-operation.

In 2006, Corporate Communications plans to redevelop and redesign both the Town intranet and internet to provide more robust, effective and timely information for both residents and staff. The 2006 plan also includes expanding the Electronic Information System introduced in 2005 to reach a broader public audience in cultural centre, libraries and community centres. The department will undertake the next phase in the graphic standards/branding program by developing a more consistent design approach to Town facility signage.

Service(s)

Customer(s)

Communications strategy and consulting

Markham residents and business community

Media relations; Advertising

Other stakeholders

Public Relations

Mayor, Councillors, Committees

Editorial and design services

Internal Departments

Website & intranet content development

Local and GTA media

Communications Project Management

Regional, Provincial & Federal Governments & Agencies



Corporate Communications

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To Be Completed in 2006
1 Implement Public Spaces plan	✓	
2 Develop & implement branding strategy - Phase 1	✓	
3 Streamline web content & content management - on-going		
4 Enhance internal communications - on-going		
5 Department re-structuring implemented	✓	
6 Provide superior client service. On-going service.		
7 Publications excellence. On-going		
8 Policy & process improvements implemented. Continuing		
9 2006 Strategic Communications Plan	✓	
10		

2005 ADDITIONAL OBJECTIVES

	Completed	To Be Completed in 2006
11 Electronic Information System installed in Civic Centre	✓	
12 Web & intranet content management application upgraded and training complete	✓	
13 Display case installed in Great Hall of Civic Centre	✓	
14 Client Advisor structure implemented	✓	
15		

FUTURE CONSIDERATIONS

Issues/Pressures

Need to re-develop & re-design website and intranet to provide public and staff with more timely and effective access to key information

Continued pressure to provide timely, high quality support on unplanned, unfunded client requirements

Need to deliver public information through more varied, cost-effective channels - e.g. Electronic Information system

Opportunities

Develop Strategic Communications Plan for increased quality, efficiency, cost-effectiveness

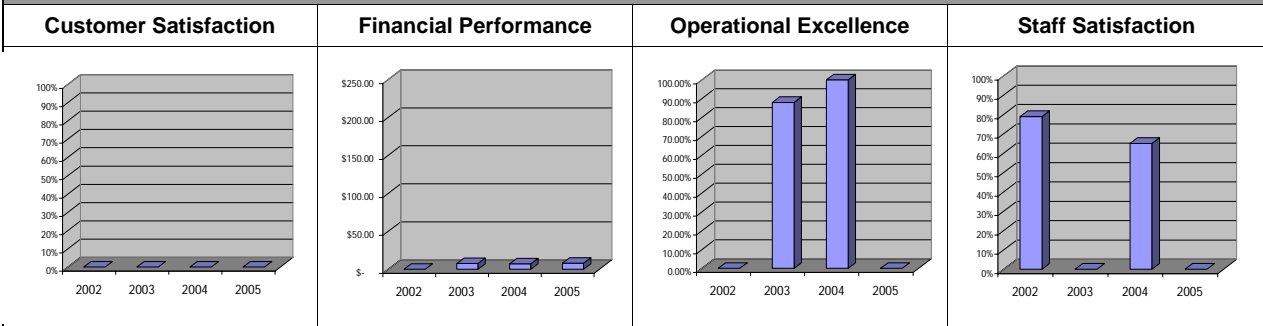
Establish & implement communications policies, procedures, and standards.

Explore increased application of technology to improve efficiencies.



Corporate Communications

KEY PERFORMANCE INDICATORS



Percentage of Customers Extremely Satisfied	Net Cost Per Household	% of publications completed on time	Staff Satisfaction Rating			
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	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a

FINANCIAL PERFORMANCE				
Net cost per household	\$ -	\$ 7.89	\$ 7.43	\$ 8.27
Cost per Town Page (hours expended per page)	n/a	7	7	n/a
Number of External Publications produced annually	n/a	55	45	n/a

OPERATIONAL EXCELLENCE				
Media Coverage - hits; track by topic; source; reach; tone; corp. goals	n/a	n/a	n/a	n/a
% of publications completed on time	n/a	88%	100%	n/a
Mark of Excellence (Four issues)	n/a	75%	100%	100%
About Markham (Two issues)	n/a	100%	100%	100%
Living in Markham (One issue)	n/a	100%	100%	100%
Calendar (One issue) - Nov '04	n/a	100%	n/a	100%

STAFF SATISFACTION				
Completion rate for performance management	100%	100%	100%	100%
Average # of non-technical training sessions attended per employee	4.7	2.8	4.4	n/a
Completion rate (%) for staff survey improvement	n/a	n/a	84%	n/a
Recognition rating (from staff survey)	73%	n/a	62%	n/a
Staff Satisfaction rating (from staff survey)	79%	n/a	65%	n/a
High Performance Workgroup rating (from staff survey)	76%	n/a	69%	n/a
Staff absenteeism (average # of days per employee)	3.2	3.1	2.4	n/a
Staff turnover rate	n/a	0%	0%	n/a

NOTES:

Corporate Communications

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction
1	Update website design & usability/accessibility	User feedback survey		X				X						
2	Update intranet design & usability/accessibility	User feedback survey								X				X
3	Investigate Civic Centre wayfinding	Wayfinding plan developed		X										
4	Develop Town facility signage plan	Signage plan developed		X										
5	Enhanced internal communications	Staff feedback								X				
6	Expand electronic information system									X				
7	Implement cross-organization Marketing Team to address common issues	Quarterly meetings - issues resolved								X				
8	Process documentation	completed process documentation									X			

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Corporate Communications

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
<u>Revenue</u>								
SALES	\$0	\$1,500	\$0	(1,500)	-100.0%	-		
Total Revenues	\$0	\$1,500	\$0	(1,500)	-100.0%	\$0	0.0%	
<u>Expenses</u>								
SALARIES AND BENEFITS	\$429,489	\$443,880	\$474,865	\$30,985	7.0%	\$45,376	10.6%	
PRINTING & OFFICE SUPPLIES	15,240	18,253	14,573	(3,680)	-20.2%	(667)	-4.4%	
OPERATING MATERIALS & SUPPLIES	3,315	3,301	1,456	(1,845)	-55.9%	(1,859)	-56.1%	
COMMUNICATIONS	1,906	14,466	4,165	(10,301)	-71.2%	2,259	118.5%	
TRAVEL EXPENSES	843	3,980	3,980	-	0.0%	3,137	372.1%	
TRAINING	3,255	2,524	2,524	-	0.0%	(731)	-22.5%	
PROFESSIONAL SERVICES	35,436	35,284	25,285	(9,999)	-28.3%	(10,151)	-28.6%	
LICENCES, PERMITS, FEES	633	1,456	1,456	-	0.0%	823	130.0%	
PROMOTION & ADVERTISING	235,505	181,554	217,929	36,375	20.0%	(17,576)	-7.5%	
OTHER PURCHASED SERVICES	-	2,186	4,500	2,314	105.9%	4,500		
OTHER EXPENDITURES	67,193	65,000	65,000	-	0.0%	(2,193)	-3.3%	
Total Expenses	\$792,815	\$771,884	\$815,733	\$43,849	5.7%	\$22,918	2.9%	
Net Expenditures/ (Revenue)	\$792,815	\$770,384	\$815,733	\$45,349	5.9%	\$22,918	2.9%	

Contact Centre

Business Overview

Mission Statement

Through well trained, knowledgeable staff, supported by state of the art technology, we provide our customers with exceptional, prompt and effective quality service through one stop access to the Town's programs and services.

Business Unit Met 2005 Objectives

The Contact Centre represents a unified approach to service delivery. Customer inquiries are answered in a timely manner by knowledgeable and caring customer service agents. This improvement in service delivery has an effect beyond satisfying the client; it strengthens the image of the organization. The following are services currently being supported: Waste, Parks, Recreation, Registration, Tax, Switchboard, By-Law Enforcement, Roads, Purchasing, Parking Control, Traffic Engineering, Municipal Inspections, Animal Licensing.

Business Unit's Direction in 2006

- E-Service Solution -
- Tracking Complaints On-Line-
- Self Service Knowledge Base (To be used internally and externally)

Service(s)	Customer(s)
Telephone Support (Inquiries & Complaints) Registration Processing Car Pool Maintenance Tender Disbursement White Goods Management Front Counter Support	External: Residents, Miller Paving, Businesses, Powerstream, R Internal: Councillors, Senior Management, Tax, Recreation, Waste, Roads Department, Parking Control, By-Law, Purchasing and Parks Department, Mun. Inspections, Engineering (Transportation, Development)



Contact Centre

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To Be Completed in 2006
1 Transitions into the Contact Centre (Municipal Insp. Traffic Eng. Parking Control, Animal Licensing) or onto CARE - Waiting on upgrade to CARE	✓	
2 Notification process for Registration (Waitlist Callback) - Active/Pulse Partnership		✓
3 Investigate and implement one number to call (single point of contact)		
4 Real-time automated credit card approval for Class	✓	
5 Creation of new reports for self service and better fact based decision making.	✓	
6 Create an internet presence (publish FAQ's, pilot a chat facility) ***Will happen with new release of CARE - 2006 Bus. Plan		✓
7 Complete community surveys -Thornhill Park and Corporate Communication Survey	✓	
8 Developing and ongoing coaching and training of staff	✓	
9		
10		

2005 ADDITIONAL OBJECTIVES

	Completed	To Be Completed in 2006
11 Partnered with Fire Department for (1) Fire Recruitment as well as (2) Smoke Alarm Awareness	✓	
12 Partnered with Waste Department for Three Stream Implementation Across Town	✓	
13 Testing of New Version of CARE and Implementation and Training of all current users.		✓
14 Development and implementation of Waste Tracking System	✓	
15 Process Mapping for Animal Licensing and Parking Control	✓	
16 Registration for Communities in Bloom, 20 Minute Makeover and Pitch-In Ceremony	✓	
17 Administration of Part-Time Resource Pool	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

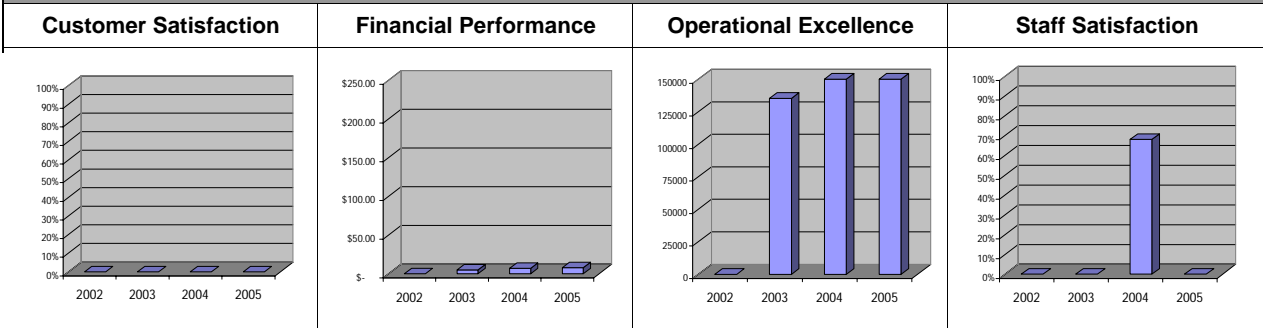
Cost of technology (scheduling, call monitoring software).
Implementation of expert pods as Business Unit progresses.
Growth within community
Taking on services when business unit does not have resources to support transfer (Parking)

Opportunities

Provide on-line complaint tracking
Continue to migrate recreation registration customers to on-line methods to reduce paperwork and mailing costs.
Partnership Opportunities (Fire - Second Suites)
Future Transitions (Waterworks, Library)

Contact Centre

KEY PERFORMANCE INDICATORS



Percentage of Customers Extremely Satisfied	Net Cost Per Household	Number of Phone Calls	Staff Satisfaction Rating
---	------------------------	-----------------------	---------------------------

	2002 ACTUAL	2003* ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a

FINANCIAL PERFORMANCE				
Net cost per household	\$ -	\$ 5.10	\$ 7.17	\$ 7.70
Average Cost per Call**	n/a	\$ 2.63	\$ 2.45	\$ 2.41

OPERATIONAL EXCELLENCE				
% of calls answered in 30 seconds	n/a	77%	77%	72%
Agent's average talk time (in seconds)	n/a	115	111	120
% of Call Abandonment	n/a	3.08%	2.69%	2.11%
# of Recreation Registrations	n/a	55,419	88,565	110,228
# of calls	n/a	135,192	217,118	247,372
# of people served at counter	n/a	8,325	6,460	10,754

STAFF SATISFACTION				
Completion rate for performance management	n/a	100%	100%	100%
Average # of non-technical training sessions attended per employee	n/a	2.0	3.7	n/a
Completion rate (%) for staff survey improvement	n/a	n/a	85%	n/a
Recognition rating (from staff survey)	n/a	n/a	65%	n/a
Staff Satisfaction rating (from staff survey)	n/a	n/a	68%	n/a
High Performance Workgroup rating (from staff survey)	66%	n/a	81%	n/a
Staff absenteeism (average # of days per employee)	n/a	5.9	4.0	n/a
Staff turnover rate	n/a	0%	0%	

NOTES: *The Town of Markham Contact Centre began operations on April 28, 2003. As a result, the 2003 KPIs are based on approximately 8 months of data. 2004 Operational KPI data is also for 8 months (Jan-Aug).
 **based on the assumption that 80% of staff time is related to handling phone calls and related activities.

Contact Centre

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities						
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction	
1	CARe (ACR 2) Roll Out	All current users of CARe to be trained on new version ACR						X	X						
2	Future Transitions	Migrate 3 new services to the Contact Centre						X							
3	Annual Resource Pool Training Program	11 CSR's Trained on all services in the Contact Centre						X							

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Contact Centre

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
<u>Revenue</u>								
USER FEES & SERVICE CHARGES	\$7,105	\$8,000	\$28,000	\$20,000	250.0%	\$20,895	294.1%	
Total Revenues	\$7,105	\$8,000	\$28,000	\$20,000	250.0%	\$20,895	294.1%	
<u>Expenses</u>								
SALARIES AND BENEFITS	\$732,139	\$708,769	\$803,951	\$95,182	13.4%	\$71,812	9.8%	
PRINTING & OFFICE SUPPLIES	11,997	7,875	7,875	-	0.0%	(4,122)	-34.4%	
COMMUNICATIONS	67	-	-	-	-	(67)	-100.0%	
TRAVEL EXPENSES	3,108	2,200	2,200	-	0.0%	(908)	-29.2%	
TRAINING	1,194	2,709	2,709	-	0.0%	1,515	126.9%	
RENTAL/LEASE	3,649	3,000	3,000	-	0.0%	(649)	-17.8%	
LICENCES, PERMITS, FEES	280	300	300	-	0.0%	20	7.1%	
Total Expenses	\$752,434	\$724,853	\$820,035	\$95,182	13.1%	\$67,601	9.0%	
Net Expenditures/ (Revenue)	\$745,329	\$716,853	\$792,035	\$75,182	10.5%	\$46,706	6.3%	

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Corporate Items Consolidated

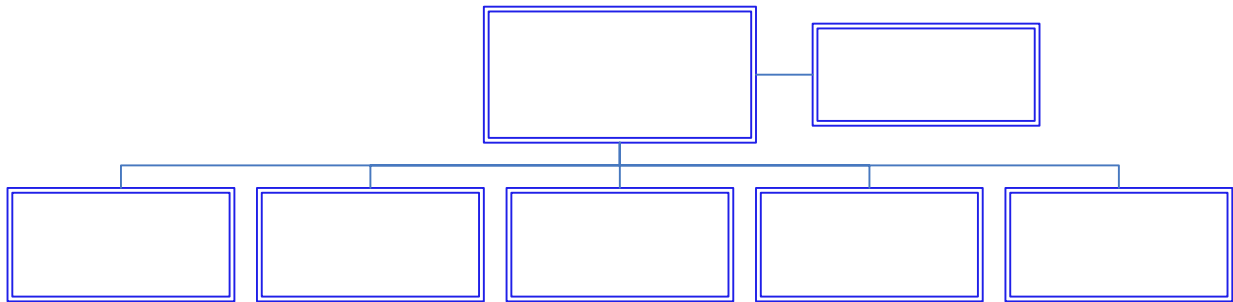
<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>							
TAX LEVIES	\$86,293,406	\$84,964,025	\$92,349,313	\$7,385,288	8.7%	\$6,055,907	7.0%
GRANTS-IN-LIEU OF TAXES	1,341,617	1,268,845	1,268,845	-	0.0%	(72,772)	-5.4%
INTEREST & PENALTIES	15,133,808	14,606,494	3,375,000	-11,231,494	-76.9%	(11,758,808)	-77.7%
INCOME FROM INVESTMENTS	-	-	11,670,836	11,670,836		11,670,836	
USER FEES & SERVICE CHARGES	1,584	-	-	-		(1,584)	-100.0%
RECOVERIES & CONTRIBUTIONS	973,936	-	-	-		(973,936)	-100.0%
OTHER INCOME	12,923,511	12,922,686	3,013,492	(9,909,194)	-76.7%	(9,910,019)	-76.7%
Total Revenues	\$116,667,862	\$113,762,050	\$111,677,486	(2,084,564)	-1.8%	(4,990,376)	-4.3%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$3,658,763	\$3,308,596	\$3,637,582	\$328,986	9.9%	-\$21,181	-0.6%
UTILITIES	-	1,617	10,117	8,500	525.7%	10,117	
TRAVEL EXPENSES	408	-	-	-		(408)	-100.0%
CONTRACTS & SERVICE AGREEMENTS	31,404	(5,533)	(2,007,291)	(2,001,758)	36178.5%	(2,038,695)	-6491.8%
RENTAL/LEASE	4,881	29,126	-	(29,126)	-100.0%	(4,881)	-100.0%
INSURANCE	1,474,477	1,185,851	1,411,351	225,500	19.0%	(63,126)	-4.3%
PROFESSIONAL SERVICES	1,328	44,117	44,117	-	0.0%	42,789	3222.1%
LICENCES, PERMITS, FEES	19,087	7,810	15,620	7,810	100.0%	(3,467)	-18.2%
PROMOTION & ADVERTISING	30,098	31,709	31,709	-	0.0%	1,611	5.4%
OTHER PURCHASED SERVICES	242,875	237,261	307,261	70,000	29.5%	64,386	26.5%
WRITE-OFFS	577,343	500,500	500,500	-	0.0%	(76,843)	-13.3%
OTHER EXPENDITURES	896,932	1,588,018	1,877,092	289,074	18.2%	980,160	109.3%
TRANSFERS TO RESERVES	32,066,676	31,709,180	22,281,494	(9,427,686)	-29.7%	(9,785,182)	-30.5%
Total Expenses	\$39,004,272	\$38,638,252	\$28,109,552	(10,528,700)	-27.2%	(10,894,720)	-27.9%
Net Expenditures/ (Revenue)	(77,663,590)	(75,123,798)	(83,567,934)	(8,444,136)	11.2%	(5,904,344)	7.6%

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Corporate Services Commissioner's Office - Commission Support (399-999)

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
OTHER INCOME	\$0	\$0	\$0	-		-		
Total Revenues	\$0	\$0	\$0	\$0		\$0		
Expenses								
SALARIES AND BENEFITS	\$390,531	\$386,366	\$427,009	\$40,643	10.5%	\$36,478	9.3%	
PRINTING & OFFICE SUPPLIES	410	1,262	1,262	-	0.0%	852	207.8%	
COMMUNICATIONS	751	1,165	1,165	-	0.0%	414	55.1%	
TRAVEL EXPENSES	11,751	9,757	9,562	(195)	-2.0%	(2,189)	-18.6%	
TRAINING	2,595	2,621	2,621	-	0.0%	26	1.0%	
LICENCES, PERMITS, FEES	6,726	6,485	6,485	-	0.0%	(241)	-3.6%	
PROMOTION & ADVERTISING	-	485	485	-	0.0%	485		
Total Expenses	\$412,764	\$408,141	\$448,589	\$40,448	9.9%	\$35,825	8.7%	
Net Expenditures/ (Revenue)	\$412,764	\$408,141	\$448,589	\$40,448	9.9%	\$35,825	8.7%	

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 150 full time employees, including 61 from Building Services, 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:

- a) Architectural
- b) Mechanical
- c) Structural
- d) Plumbing
- e) Zoning
- f) Application Review

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.

Engineering

The department promotes excellence and innovation in the planning and delivery of infrastructure, transportation and environmental engineering. The department consists of the following sections:

- Development
- Inspection
- Infrastructure and Capital Projects
- Transportation

Development

The development section is responsible for managing, reviewing for quality control and approving a variety of Municipal Engineering related projects. These projects include:

- a) New subdivisions applications
- b) Site plan applications
- c) Transportation planning proposals
- d) Storm water management proposals
- e) Municipal servicing and infrastructure design and construction

Inspection

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

- a) Storm and sanitary sewer construction
- b) Water main construction
- c) Road construction
- d) Grading
- e) Service connection
- f) Utilities
- g) Reduction and/or release of engineering-related securities
- h) 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.

Transportation

The transportation section has three main areas of responsibilities, which are:

- Travel Demand Management
- Transportation Planning
- Operations

Travel Demand Management

Their basic responsibility is to ensure that the Markham community can travel within reasonable time limits around the town and to other jurisdictions. One of the main duties of this section of Transportation is to promote public awareness by outlining all available methods of traveling, especially non-automotive alternatives, with the hope of increasing the usage of available Public Transit/Shared Transit resources.

Transportation Planning

The purpose behind this group is to anticipate and plan for dealing with the present and future transportation pressures. Basic duties include conducting studies, creating transportation models and making plans of how to develop and integrate all these methods of transportation.

Operations

This group is primarily concerned with the performance of the entire Markham transportation system as to how well the system actually operates. Duties include signals' timing, collisions' database and analysis, parking, stop signs, and crossing guards, etc.

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

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Development Services Consolidated

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
GRANTS AND SUBSIDIES	\$73,500	\$55,000	\$55,000	-		(18,500)	-25.2%
LICENCES & PERMITS	10,354,155	8,931,116	9,348,255	417,139	4.7%	(1,005,900)	-9.7%
USER FEES & SERVICE CHARGES	5,108,383	3,670,727	8,607,100	4,936,373	134.5%	3,498,717	68.5%
SALES	325	-	-	-		(325)	-100.0%
RECOVERIES & CONTRIBUTIONS	316,767	20,834	20,834	-		(295,933)	-93.4%
OTHER INCOME	(6,000)	75,000	75,000	-		81,000	-1350.0%
Total Revenues	\$15,847,130	\$12,752,677	\$18,106,189	\$5,353,512	42.0%	2,259,059	14.3%
Expenses							
SALARIES AND BENEFITS	\$11,370,809	\$11,610,227	\$13,311,191	\$1,700,964	14.7%	\$1,940,382	17.1%
PRINTING & OFFICE SUPPLIES	163,178	112,921	145,095	32,174	28.5%	(18,083)	-11.1%
OPERATING MATERIALS & SUPPLIES	59,260	32,503	52,630	20,127	61.9%	(6,630)	-11.2%
COMMUNICATIONS	60,262	30,520	56,902	26,382	86.4%	(3,360)	-5.6%
TRAVEL EXPENSES	92,728	69,527	120,415	50,888	73.2%	27,687	29.9%
TRAINING	51,957	51,611	81,083	29,472	57.1%	29,126	56.1%
CONTRACTS & SERVICE AGREEMENTS	(28,594)	(37,523)	1,964,235	2,001,758	-5334.7%	1,992,829	-6969.4%
MAINT. & REPAIR-TIME/MATERIAL	819	1,191	3,191	2,000	167.9%	2,372	289.6%
RENTAL/LEASE	27,407	16,408	16,408	-		(10,999)	-40.1%
INSURANCE	12,465	-	-	-		(12,465)	-100.0%
PROFESSIONAL SERVICES	814,621	615,608	639,608	24,000	3.9%	(175,013)	-21.5%
LICENCES, PERMITS, FEES	45,337	33,529	62,316	28,787	85.9%	16,979	37.5%
PROMOTION & ADVERTISING	384,294	356,602	319,218	(37,384)	-10.5%	(65,076)	-16.9%
OTHER PURCHASED SERVICES	973,936	-	-	-		(973,936)	-100.0%
OFFICE FURNISHINGS & EQUIPMENT	-	3,000	2,400	(600)	-20.0%	2,400	
OTHER EXPENDITURES	998	50,000	50,000	-		49,002	4910.0%
TRANSFERS TO RESERVES	2,627,137	-	2,978,198	2,978,198		351,061	13.4%
Total Expenses	\$16,656,614	\$12,946,124	\$19,802,890	\$6,856,766	53.0%	3,146,276	18.9%
Net Expenditures/ (Revenue)	809,484	193,447	1,696,701	1,503,254		\$887,217	109.6%

Building Standards

Building Standards Overview

Mission Statement

We strive to enhance the quality of community life with particular emphasis on environmental, health, accessibility and life safety issues related to building construction. This mission is accomplished by meeting or exceeding Provincially prescribed levels of service in a cost-effective and consistent manner within a corporate climate that is open, responsive, progressive and fair. We are leaders in the promotion of technologies and practices that facilitate sustainable development, prevent building failure and satisfy our customers. Our motto is: "Raising Standards . . . Meeting Needs".

Building Standards is Meeting 2005 Objectives

Staff of the Building Standards Department is responsible for the administration of the 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, addition or renovation is issued a building permit and inspected for the following major building components: architectural, mechanical, structural, plumbing, on-site sewage systems, & zoning. Regulatory reform at the Provincial level has obliged the Department to review such fundamental operational metrics as fees, service levels, qualifications of staff and permit prerequisites. These reviews were conducted in 2005. In most cases, staff have obtained the necessary qualifications, additional positions are being filled to improve our prospect of meeting prescribed service standards, financial analysis is complete and a building bylaw enacted that complies with Bill 124.

Workflow adjustments are being designed to bring the permit process into compliance with the new "applicable law" standards. The 6th Annual Building Excellence Awards were given to builders who met prescribed performance standards. Other ways of recognizing client performance are under development.

Building Standards Direction in 2006

Although fundamental responsibilities of the department remain unchanged, Mandatory service standards, extraordinary staff turnover, transition of application procedures to the Internet and preparation for Objective-based building codes will shape our activities in 2006.

Service(s)	Customer(s)
Architectural plans examination, building inspections, plumbing inspections, zoning review, letters of compliance	Home builders, contractors, land developers, residents
Code enforcement (including investigation & prosecution)	Planning, Engineering, Urban Design, Waste Management,
Reporting & Access to information	General public, StatsCanada, MTAC, Tarion, Ministry of Labour
Training	Builders, Home owners
Applicable Law Administration	external agencies such as TRCA, LLBO, Tarion Warranty Program, Ministries of Labour, Health, Environment, Housing, Community Services.

Building Standards

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed by End of 2006
1 E-Permitting (known now as One-Stop Gov) enabling on-line application submission and status query		✓
2 Building By-law enacted with new fee schedules and other changes re: Bill 124	✓	
3 Applicable Law related changes to workflow, related to internal and external stakeholders		✓
4 Process Maps/process simulations developed to help model optimum workflow and predict resources	✓	
5 Moveable file system to add capacity and reclaim floor space installed and operational	✓	
6 New building permit application form and related workflow changes implemented	✓	
7 138 of 154 required Building Code Qualifications have been obtained	✓	
8 AMANDA Administrator recruited to support this business-critical application	✓	
9		
10		

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed by End of 2006
11 Mobile inspection data entry enhanced (will require upgrade to PAL4.0)		✓
12		
13		
14		
15		

FUTURE CONSIDERATIONS

Issues/Pressures

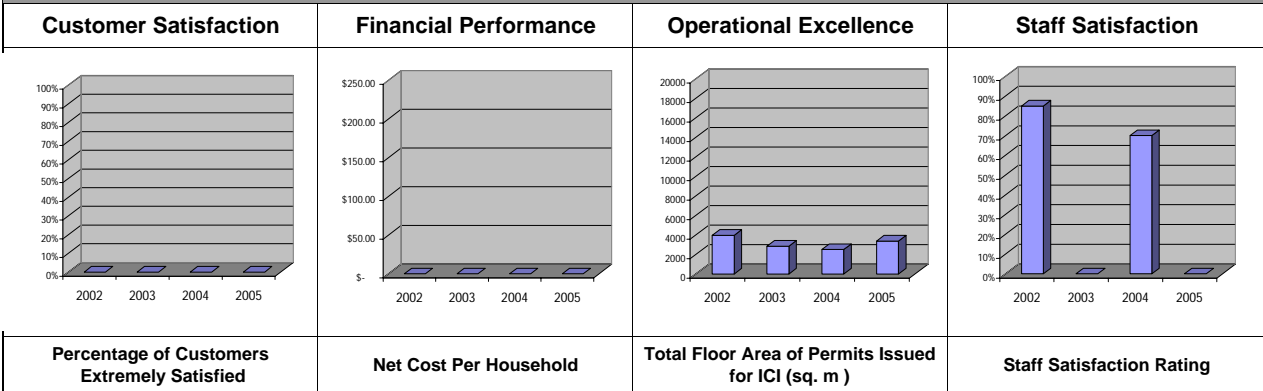
- Compliance with Bill 124 Service standards will not be achieved in 2006 without additional resources.
- Insufficient office space for existing and anticipated staff complement
- Effectiveness dependent on cooperation of other internal departments which rely on building permits for their program delivery
- Inspection request system is not adequate and requires Integrated Voice Response (IVR) system to meet our customers' demands
- Very high rate of turnover frustrates departmental productivity. Currently (September 2005) 9 full-time vacancies and two part-time vacancies and 5 full-time staff with less than two weeks experience in their position.

Opportunities

- Permit fees are currently being collected in anticipation of five additional full time positions.
- Permit fees are currently being collected in anticipation of the cost of AMANDA upgrades including PAL 4.0, IVR, and One-Stop Gov.

Building Standards

KEY PERFORMANCE INDICATORS



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 BUDGET / YTD
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ (85.87)	\$ (72.87)	\$ (43.71)	\$ (53.15)
Average cost per building permit issued	\$ 328.30	\$ 442.10	\$ 440.00	\$ 352.00
Average cost per inspection	\$ 19.00	\$ 23.00	\$ 20.75	\$ 23.00
OPERATIONAL EXCELLENCE				
Number of permits issued for residential construction	3,954	2,854	2,500	3,381
Total floor area of permits issued for ICI (sq. m.)	274,542	198,823	130,000	445,995
Number of inspections undertaken	86,252	65,746	75,726	55,321
% of prosecutions that are successful	n/a	96	n/a	n/a
% of repeat houses determined within prescribed time (Bill 124)	14%	9%	20%	61%
% of ICI permits determined within prescribed time (Bill 124)	n/a	24%	33%	21%
% of single houses determined within prescribed time (Bill 124)	n/a	3%	7%	15%
STAFF SATISFACTION				
Completion rate for performance management	100%	100%	98%	n/a
Average # of non-technical training sessions attended per employee	1.4	1.4	0.4	0.2
Completion rate (%) for staff survey improvement	n/a	61%	33%	n/a
Recognition rating (from staff survey)	66%	n/a	61%	n/a
Staff Satisfaction rating (from staff survey)	85%	n/a	70%	n/a
High Performance Workgroup rating (from staff survey)	74%	n/a	73%	n/a
Staff absenteeism (average # of days per employee)	-	4.0	3.9	2.0
Staff turnover rate	0%	0%	0%	4%

NOTES:

Building Standards

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities								
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction			
1	Determine 2500 Residential Applications- New	Average determination in < 15 business days		x													
2	Determine 100 Residential Applications- Additions, etc.	Average determination Period: < 10 business days		x													
3	Determine 20 Industrial/ Commercial/ Institutional- New	Average determination Period: < 20 business days		x													
4	Determine 50 Pools, Signs, Underground Tanks	Average determination Period: < 10 business days		x													
5	Respond to 500 Compliance letters	>=500 Compliance Letters Responded to							x								
6	Building Information- Zoning Searches	Average determination Period: < 3 business days							x								
7	On-Line Permit submissions	15% of RPs submitted by Q4							x								
8	Conduct Building Inspections	Complete 75,000 inspections in 2006		x													
9	Conduct Plumbing Inspections	Complete 10,000 inspections in 2006		x													
10	Conduct Septic System Inspections	Complete 60 inspections in 2006		x													
11	Respond to 200 Building Code Complaints	Average time to 1st inspection < 3 business days							x								
12	Implement Information Request (IR) folder in AMANDA	Folder implemented to manage information requests							x								
13	Prepare Managers & Supervisors for 2006 OBC	2 supervisors or managers attend Obj.-based Code training														x	
14	Exploit Enhancements in AMANDA 4.3, Adoption of new mapping tool, Report Generator; clock feature; electronic document management	Amanda improvements have been put in place and implemented								x							
15	Implement Information Request AMANDA folder	IR folder implemented and processes assigned							x								
16	Receive 200 Residential Applications via the Internet	>=200 Residential Applications received via Internet		x					x								

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Building Standards

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
LICENCES & PERMITS	\$10,354,155	\$8,931,116	\$9,348,255	\$417,139	4.7%	(1,005,900)	-9.7%
USER FEES & SERVICE CHARGES	58,223	92,000	92,000	-	0.0%	33,777	58.0%
OTHER INCOME	(6,000)	-	-	-	-	6,000	-100.0%
Total Revenues	\$10,406,378	\$9,023,116	\$9,440,255	\$417,139	4.6%	(966,123)	-9.3%
Expenses							
SALARIES AND BENEFITS	\$3,766,680	\$3,932,018	\$4,960,327	\$1,028,309	26.2%	\$1,193,647	31.7%
PRINTING & OFFICE SUPPLIES	53,614	61,708	53,708	(8,000)	-13.0%	94	0.2%
OPERATING MATERIALS & SUPPLIES	10,106	12,604	14,604	2,000	15.9%	4,498	44.5%
COMMUNICATIONS	19,682	14,893	23,893	9,000	60.4%	4,211	21.4%
TRAVEL EXPENSES	5,847	9,141	9,006	(135)	-1.5%	3,159	54.0%
TRAINING	22,394	17,476	27,476	10,000	57.2%	5,082	22.7%
CONTRACTS & SERVICE AGREEMENTS	-	-	1,931,993	1,931,993	-	1,931,993	-
MAINT. & REPAIR-TIME/MATERIAL	706	235	235	-	0.0%	(471)	-66.7%
RENTAL/LEASE	10,091	6,214	6,214	-	0.0%	(3,877)	-38.4%
PROFESSIONAL SERVICES	(3,777)	971	5,971	5,000	514.9%	9,748	-258.1%
LICENCES, PERMITS, FEES	11,695	11,165	14,165	3,000	26.9%	2,470	21.1%
PROMOTION & ADVERTISING	5,773	6,311	6,311	-	0.0%	538	9.3%
OTHER PURCHASED SERVICES	973,936	-	-	-	-	(973,936)	-100.0%
TRANSFERS TO RESERVES	2,627,137	-	2,386,352	2,386,352	-	(240,785)	-9.2%
Total Expenses	\$7,503,884	\$4,072,736	\$9,440,255	\$5,367,519	131.8%	\$1,936,371	25.8%
Net Expenditures/ (Revenue)	(2,902,494)	(4,950,380)	-	\$4,950,380	-100.0%	\$2,902,494	-100.0%

Planning and Urban Design

Business Overview

Mission Statement

The department works to create and sustain the quality of life in the community. We plan for future generations and guide and direct the implementation of the community's vision and values on a day to day basis.

Planning and Urban Design is Meeting 2005 Objectives

Development Approvals - District teams continue to review and process all manner and development proposals from submission through to Council approval and agreements.

Administration & Productivity Enhancements -established Senior Project Coordinator for Zoning and Special Projects to administer and maintain the new By-law 177-96 consolidation. Reviewing subdivision agreement process and clauses. Ongoing updates to DAP Manual. Participating in cross-commision process teams

Infrastructure Projects - the department initiated the design & construction process for almost 30 acres of new parks.

Growth Management - undertook a number of Town policy initiatives in support of growth management and intensification consistent with the Region and Province and continued to provide leadership in environmental policy and heritage preservation.

Planning and Urban Design's Direction in 2006

1. The department will continue to deliver on its core business through 2006, in the context of the challenges related to servicing allocation restrictions and senior government policy initiatives.
2. We will continue to focus on the implementation of Markham Centre through continued priority on development approvals and efforts such as the the financial strategy, parking strategy and greenlands implementation.
3. A clear and consistant policy framework for the intensification of the Hwy. 7 corridor and Cornell Centre (within the corridor).
4. We will bring forward a new tree bylaw and deliver new parkland and open spaces to meet community expectations.
5. We will continue to focus on enhancing our environmental policy framework through finalizing the Rouge North Official Plan amendment and OMB hearing.
6. We will continue to actively facilitate the preservation, restoration, interpretation and enhancement of our heritage resources.
7. We will review and align staff compliment to better address policy focus emerging from the Province and Region
8. We will establish a protocol for a 2 year "grow-in" period for planting establishment in the parks program.
9. We will begin a regular, annual reporting on the 10 year parks program.

Service(s)

Customer(s)

Establish sustainable land use and urban design policies and guidelines.

Review and comment on development applications. Provide mapping and statistical planning support services.

Promote and assist in the retention and restoration of the Town's heritage resources.

Provide a solid policy framework for the growth management of the Town, with an emphasis on infill and intensification.

Provide leadership in the development and implementation of environmental policy.

Design and develop high quality, sustainable parks and open spaces.

Home builders, contractors, land developers.

Consultants

Markham business owners and residents

Council members

Other Town departments and external agencies

Planning and Urban Design

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

		Completed	To be Completed IN 2006
1	In planning policy, the department completed: 1. Responses to regional and provincial bills, reports and plans. 2. 14th Ave. Employment Lands OPA 3. Procedures for 2 unit houses 4. 404 Employment Lands OPA approved by Region 5. New B.C.A. policies in place	✓	
2	In environmental policy, the department completed: 1. Responses to provincial and TRCA reports and strategies 2. Amendments to OPA 116 - Rouge North Official Plan Amendment	✓	
3	The district development teams facilitated many key approvals including: Liberty site plan, Stringbridge precinct plan and zoning finalized, registration of Box Grove, Phase One and adoption of Main St. Milliken OPA and By-law.	✓	
4	Almost 128 acres (52 ha) of new park design and construction were initiated and 30 acres (17 ha) of parks were completed. By the end of the year, 100% of our 2005 capital parks projects will have been initiated.	✓	
5	In urban design, Highway 7 and Main Street South Urban Design Studies	✓	
6	Heritage staff: 1. completed a database for the location and subject matter for all Markham Remembered plaques. 2. Doors Open Markham. 3. 6+ easement agreements. 4. Initiated the Thornhill and Buttonville Heritage Conservation District plan reviews 5. 10+ new designations. 6. Heritage Estates relocations (2) and restorations (4) 7. Facilitated restoration of the Pingle House Learning Centre	✓	
7	In geomatics key projects included 1. Application of Community VIZ Model to Markham and Cornell Centres 2. AMANDA corporate property database clean-up.	✓	
8	Detailed input into new fee schedule	✓	
9	Successful first public meeting for Cornell Centre	✓	
10	Advanced the profile of TIF financing for M.C. through provincial policy and meetings re: Growth Plan, GTAA, Ministry of Public Infrastructure Renewal etc.	✓	

2005 ADDITIONAL OBJECTIVES

		Completed	To be Completed IN 2006
11	Highway 48 Urban Design Study		✓
12	Life Style Centre Tour	✓	
13	First ever Environmental Art Event	✓	
14	Communities in Bloom (presentation and tour)	✓	
15			

FUTURE CONSIDERATIONS

Issues/Pressures

1. Servicing allocation restrictions
2. Responding to senior levels of gov't initiatives
3. Developer/Contractor performance

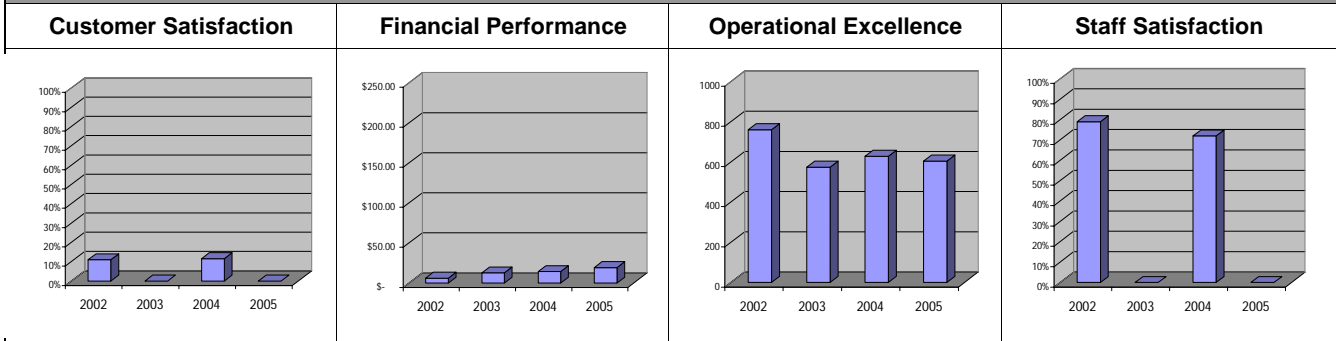
Opportunities

1. Documentation and streamling of cross commission processes to improve corporate wide communication.



Planning and Urban Design

KEY PERFORMANCE INDICATORS



Percentage of Customers Extremely Satisfied	Net Cost Per Household	Number of Applications Circulated	Staff Satisfaction Rating
---	------------------------	-----------------------------------	---------------------------

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 BUDGET / YTD
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	11%	n/a	12%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	67%	n/a	43%	n/a

FINANCIAL PERFORMANCE				
Net cost per household	\$ 6.10	\$ 12.70	\$ 14.41	\$ 19.29
Average cost per application circulated	\$ 261.26	\$ 1,207.76	n/a	n/a

OPERATIONAL EXCELLENCE				
Number of applications circulated	760	574	628	604
% of new parks initiated within year of budget approval	70%	74%	99%	100%
Area (ha) of new parks assumed	4	30	34	12
% of planning studies initiated within year of budget approval	73%	88%	89%	100%
Number of heritage buildings/properties designated	19	19	27	10 (to date)

STAFF SATISFACTION				
Completion rate for performance management	100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee	3.9	1.3	1.2	0.8
Completion rate (%) for staff survey improvement	n/a	53%	38%	n/a
Recognition rating (from staff survey)	69%	n/a	66%	n/a
Staff Satisfaction rating (from staff survey)	79%	n/a	72%	n/a
High Performance Workgroup rating (from staff survey)	73%	n/a	79%	n/a
Staff absenteeism (average # of days per employee)	3.1	3.4	1.9	1.1
Staff turnover rate	11%	5%	3%	3%

NOTES:

Planning and Urban Design

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities						
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction	
	Development Approvals														
1	Process 385 Development Applications	Decision of application		x		x									
2	Process 60 landscape drawings	Approval of plans		x		x									
3	Process 21 Heritage permits	Decision of application		x											
	Infrastructure Projects														
4	Review and approval of \$6M worth of Parks construction	Parks constructed		x	x										
5	Process Heritage Estates Landscape Program	Installation of Landscape Program		x											
	Productivity Enhancement														
6	Create Heritage Procedural Manual	Manual completed						x	x						x
	Growth Management														
7	Finalize Cornell Review & Plan Update	OPA adopted		x											
8	Complete Langstaff Land Use Review	Completion of background review & adopt OPA		x											
9	Complete Community Improvement Plan for Miliken Main St. Review	CIP approved by Council		x											
10	Complete Thornhill and Buttonville Heritage District Plan Update	Complete Review & adopt new plan		x											
11	Finalize Unionville Main St. S and Hwy 7 streetscape & design	Completion of study and budget		x											
12	Complete secondary plan for Markham Heritage District	Completion and adoption of sec. plan		x											
13	Complete Markham Rd North OPA and zoning transition study	Adoption of OP and zoning approval		x											
14	Finalize Yonge Street study	Approval of study and adoption of OPA		x											
15	Prepare Terms of Reference for OP review (2007)	Approved Terms of Reference	x	x	x	x	x	x							
16	Prepare Victoria Square beautification plan	Completion of project	x	x											
17	Finalize Small Stream Protection Study	Adoption of updated policies and guidelines	x	x											
18	Defend OPA 116 Implementation (Rouge North) OPA 140 at OMB	Successfully defend amendment at OMB		x	x										
19	Environmental Policy Review	Continue review		x	x										
20	Contaminated Lands Policy Review	Complete review		x	x			x							
21	Coordinate Environmental Land Acquisition Fund	Acquisition of Environmental Land		x	x										
22	Develop Implementation strategy for Greenlands Plan	Greenlands Plan implemented		x	x	x									
23	Coordinate Financial Management Plan (TIF)	Financing Tools & Strategy in Place				x		x	x	x					
24	Prepare new sign by-law for M/C	Sign by-law passed		x	x										
25	Prepare LEED performance measures	Measures approved by Council		x	x	x			x						
26	Deliver Civic Centre Master Plan	Approval of Civic Centre Master Plan		x	x	x									
27	Finalize Ph. 1 Highway 7 Corridor Study	Draft OPA	x	x											
28	Respond to Provincial Policies	On-going		x											
29	Prepare Housing Stock Analysis	Complete analysis		x				x							
30	Prepare Housing Intensification Study	Draft Terms of Reference		x				x							
31	Prepare accessibility guidelines update	Updated guidelines adopted by Council	x	x			x								
32	Finalize Tree by-law	Tree by-law adopted		x	x										
33	Prepare public art plan	Plan adopted by Council		x											
34	Complete New Employment Lands By-Law	By-law passed		x											
35	Complete Cornell Centre zoning By-law	By-law passed	x	x											
36	Complete widened driveway by-law	By-law passed	x	x				x							
	Unplanned Projects														
37	Assist in planning for Royal Conservatory of Music			x											
38	Assist in planning NRC			x											
39	Assist in planning for National Sports Institute	Terms of Reference approved		x											

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Planning & Urban Design

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
USER FEES & SERVICE CHARGES	\$3,419,669	\$1,714,895	\$4,435,887	\$2,720,992	158.7%	\$1,016,218	29.7%	
RECOVERIES & CONTRIBUTIONS	-	10,000	10,000	-	0.0%	10,000		
OTHER INCOME	-	50,000	50,000	-	0.0%	50,000		
Total Revenues	\$3,419,669	\$1,774,895	\$4,495,887	\$2,720,992	153.3%	\$1,076,218	31.5%	
Expenses								
SALARIES AND BENEFITS	\$3,393,192	\$3,402,496	\$3,542,532	\$140,036	4.1%	\$149,340	4.4%	
PRINTING & OFFICE SUPPLIES	37,586	19,175	53,092	33,917	176.9%	15,506	41.3%	
OPERATING MATERIALS & SUPPLIES	9,355	9,186	6,803	(2,383)	-25.9%	(2,552)	-27.3%	
COMMUNICATIONS	10,888	4,369	4,369	-	0.0%	(6,519)	-59.9%	
TRAVEL EXPENSES	11,847	10,638	17,869	7,231	68.0%	6,022	50.8%	
TRAINING	5,023	7,281	7,281	-	0.0%	2,258	45.0%	
CONTRACTS & SERVICE AGREEMENTS	-	-	418,937	418,937		418,937		
RENTAL/LEASE	13,266	-	-	-		(13,266)	-100.0%	
PROFESSIONAL SERVICES	12,740	41,748	41,748	-	0.0%	29,008	227.7%	
LICENCES, PERMITS, FEES	18,123	11,995	32,995	21,000	175.1%	14,872	82.1%	
PROMOTION & ADVERTISING	-	15,049	4,365	(10,684)	-71.0%	4,365		
OTHER EXPENDITURES	-	50,000	50,000	-	0.0%	50,000		
TRANSFERS TO RESERVES	-	-	315,896	315,896		315,896		
Total Expenses	\$3,512,020	\$3,571,937	\$4,495,887	\$923,950	25.9%	\$983,867	28.0%	
Net Expenditures/ (Revenue)	\$92,351	\$1,797,042	-	(1,797,042)	-100.0%	(92,351)	-100.0%	

Engineering

Business Overview

Mission Statement

Promote excellence and innovation in the planning and delivery of infrastructure, transportation and environmental engineering.

Engineering is Meeting 2005 Objectives

- Development
 - provide comments and approvals for planning applications
 - Review and approve all new hard infrastructure for development
- Capital
 - establish yearly and 10 year capital programmes
 - implement capital budget,
 - coordinate Markham requirements in the Region's capital programme
- Transportation
 - coordinate and implement Safe Street Strategy
 - Implement TMA's for Hwy 404/Hwy 7, Markham Centre and Civic Centre
 - coordinate operational issues (signals, stop signs, parking, school crossing guards, etc.)
 - implement program for bike routes working with Cycling/Pedestrian Advisory Committee
 - review and provide conditions on transportation studies related to development application
- Inspections
 - Provide quality control on all new development and capital projects
 - Administration of subdivision and Site Plan agreement with respect to public works, infrastructure including securities, Acceptance and final assumption acceptance and final assumption of works
- Environmental
 - establish environmental policies/criteria regarding protection of watercourses
 - retrofit SWM facilities
 - undertake watercourse erosion works

Engineering's Direction in 2006

In addition to our Core Services the priorities for 2006 will be:

- Transportation
 - Safe Streets Strategy Implementation
 - Travel Demand Association Implementation
 - bike study implementation
- Capital
 - Implementation of road infrastructure projects (i.e. Enterprise Drive, Rodick Road, Birchmount Road, structures)
 - Implementation of major trunk servicing projects (14th Ave. watermain, Hwy 7sanitary, water and drainage works)
 - Markham Centre infrastructure implementation
 - Implementation of Environmental projects - SWM pond retrofit, erosion works, watercourse rehabilitation
 - Capital Fee review
- Development
 - Engineering fee review
 - Monitor servicing allocation
 - Implementation and monitoring of Hwy 48 flow Control Tunnel, status with Region
- Inspections
 - Letter of Credit process improvement (Amanda)
- Environmental
 - Environmental standards/criteria update, Pomona Mills Creek Study and implementation, Small Stream Implementation
 - Burdenet Creek Erosion Control Implementation, Environmental Monitoring Program Implementation, TRCA/DFO Stream Crossing Criteria Review, Stormwater Emergency Response Plan, Maintenance Management Plan for Operations and Maintenance of SWM facilities, Stormwater Management Criteria Update
- Administration
 - Customer Satisfaction survey, KPI Update
 - Manager's salary compensation

Service(s)	Customer(s)
Development • Engineering approvals	Operations and Asset Management Department, contractors, land developers
Capital <ul style="list-style-type: none"> • Infrastructure Planning • Environmental assessments • Infrastructure design and construction • Project Management 	Consultants, developers, public
Transportation • Safe Street Implementation <ul style="list-style-type: none"> • Operational Issues • TDM • Engineering approvals 	Markham Public, Business owners, residents, and developers
Inspections • Infrastructure Construction inspections <ul style="list-style-type: none"> • Administration of Agreements • Final Assumption of Infrastructure • Resident concerns re new development, servicing and lot grading 	Developers, public, contactors, operational departments
Environmental	Other Town departments and external agencies

Engineering

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed IN 2006
A) <u>Development</u> - Servicing Allocation - Finalize allocation availability and assignment to 2011		✓
B) <u>Capital</u> - Enterprise Drive grade separation construction	✓	
- Cachet Sudivision water system construction		✓
- Leitchcroft pond, Pond B3 and Milne Creek rehabilitation	✓	
- \$39 million of capital budget to be spent		✓
- 94% of 2005 budgeted projects underway		✓
C) <u>Transportation</u> - Safe Street Strategy implementaton including committee meetings, enhanced enforcement, education - ongoing		
- Travel Demand Association established - launch of Smart Commute Hwy 404-Hwy 7 - ongoing		
- Bicycle Committee formed for implementation of study - ongoing		
- Anti Whistling safety audit completed	✓	
- ± 500 Number of requests for parking, stopsign and signals processed		✓
- 200 development review submissions including traffic studies, CUP's, internal funtional studies, site plans - ongoing		
D) <u>Inspection</u> - \$40 million in infrastructure constructed		✓

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed IN 2006
- 45 subdivisions assumed - 33 assumed to date and an additional 12 before year end		✓
- ± 7,000 responses to public inquiries		✓
E) <u>Environmental</u> - Leitchcroft and Bramalea SWM retrofit	✓	
- Milne Creek Improvements		✓
- Pomona Mills Creek Task Force underway - ongoing		✓
- Emergency response procedure for storm events - underway		✓
- Burdenet Creek Study Completed	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

Environmental - Environmental Engineer hired in early 2006 to implement environmental policies, projects, studies, etc.

Capital - ability to deliver capital program within desired timeframes given complexity of projects, approval processes and available resources

Managers - ability to retain managers in a highly competetive market

Development - slow down of new residential subdivisions due to allocation constraints over the next 4 years and reduction of corresponding engineering fees

Opportunities

Capital -Continued promotion of innovative approaches within the Capital Section to improve project cost and scheduling control. Negotiation of Service Agreements with external approval agencies, expanded use of advanced project management techniques including stakeholder workshops and the application of alternative construction techniques and materials.
- Utilize consultants to manage peak work loads.

Administrative -Reinstate deferred engineering fee revenue account to offset peaks and valleys in revenue income



Engineering

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction
Percentage of Customers Extremely Satisfied	Net Cost Per Household	Amount of Engineering Drawings Approved (Millions of \$)	Staff Satisfaction Rating

CUSTOMER SATISFACTION	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a

FINANCIAL PERFORMANCE	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
Net cost per household	\$ 4.33	\$ 10.45	\$ 3.33	\$ 18.40
Average gross cost per application reviewed	\$ 189.79	\$ 442.01	n/a	n/a

OPERATIONAL EXCELLENCE	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
Response time - Engineering Drawings approval (\$ million)	n/a	\$47 Million	\$60 Million	\$51 million
- % of capital program completed within calendar year	n/a	15%	20%	60%
- \$ of infrastructure constructed within calendar year	\$38 Million	\$37 Million	\$79 Million	\$75 Million
- traffic operations (# of responses)	n/a	104	161	500

STAFF SATISFACTION	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
Completion rate for performance management	100%	100%	97%	n/a
Average # of non-technical training sessions attended per employee	3.3	1.3	1.3	0.9
Completion rate (%) for staff survey improvement	n/a	n/a	25%	n/a
Recognition rating (from staff survey)	65%	n/a	62%	n/a
Staff Satisfaction rating (from staff survey)	80%	n/a	72%	n/a
High Performance Workgroup rating (from staff survey)	68%	n/a	81%	n/a
Staff absenteeism (average # of days per employee)	5.8	3.0	3.4	1.7
Staff turnover rate	8%	3%	3%	3%

NOTES:

Engineering

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities								
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction			
1	Transportation -Safe Streets Strategy Implementation -Travel Demand Association Implementation - Bike Study Implementation		✓	✓		✓	✓										
2	Capital -Implementation of road infrastructure projects (i.e. Enterprise Dr., Rodick Road, Birchmount) -Road structures -Implementation of major trunk servicing projects (14th Avenue watermain, Hwy 7 Sanitary, water and drainage works) -Markham Centre infrastructure implementation -Implementation of Environmental projects - SWM pond retrofit, erosion works, watercourse rehabilitation -Capital fee review		✓			✓	✓		✓								
3	Development -Engineering fee review -Monitor servicing allocation -Implementation and monitoring of Hwy 48 Flow Control Tunnel, status with Region							✓	✓	✓							
4	Inspections -Letter of Credit process improvement (Amanda)							✓									
5	Environmental - Environmental standards/criteria update, Pomona Mills Creek Study and implementation, Small Stream Implementation -Burdenet Creek Erosion Control Implementation, Environmental Monitoring Program Implementation, TRCA/DFO Stream Crossing Criteria Review, Stormwater Emergency Response Plan, Maintenance Management Plan for Operations and Maintenance of SWM facilities, Stormwater Management Criteria Update			✓		✓											
6	Administration -Customer satisfaction survey, KPI update Manager's salary compensation								✓								

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Engineering

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
USER FEES & SERVICE CHARGES	\$1,618,862	\$1,847,832	\$4,063,213	\$2,215,381	119.9%	\$2,444,351	151.0%	
SALES	325	-	-	-	0.0%	(325)	-100.0%	
Total Revenues	\$1,619,187	\$1,847,832	\$4,063,213	\$2,215,381	119.9%	\$2,444,026	150.9%	
Expenses								
SALARIES AND BENEFITS	\$2,931,756	\$2,973,672	\$3,450,910	\$477,238	16.0%	\$519,154	17.7%	
PRINTING & OFFICE SUPPLIES	21,711	9,281	19,519	10,238	110.3%	(2,192)	-10.1%	
OPERATING MATERIALS & SUPPLIES	35,324	5,276	26,126	20,850	395.2%	(9,198)	-26.0%	
COMMUNICATIONS	12,721	5,918	24,271	18,353	310.1%	11,550	90.8%	
TRAVEL EXPENSES	10,774	9,922	30,621	20,699	208.6%	19,847	184.2%	
TRAINING	9,565	11,863	29,835	17,972	151.5%	20,270	211.9%	
CONTRACTS & SERVICE AGREEMENTS	(37,523)	(37,523)	(386,695)	(349,172)	930.6%	(349,172)	930.6%	
MAINT. & REPAIR-TIME/MATERIAL	-	-	2,956	2,956		2,956		
PROFESSIONAL SERVICES	636,158	572,889	579,889	7,000	1.2%	(56,269)	-8.8%	
LICENCES, PERMITS, FEES	10,088	4,544	9,831	5,287	116.4%	(257)	-2.5%	
TRANSFERS TO RESERVES	-	-	275,950	275,950		275,950		
Total Expenses	\$3,630,574	\$3,555,842	\$4,063,213	\$507,371	14.3%	\$432,639	11.9%	
Net Expenditures/ (Revenue)	\$2,011,387	\$1,708,010	-	(1,708,010)	-100.0%	(2,011,387)	-100.0%	

Economic Development

Business Overview

Mission Statement

To establish, promote and support Markham as the best location for diverse high-tech and other leading businesses.

Economic Development is Meeting 2005 Objectives

The Department met all 6 of its business objectives in 2005.

1. The number of high-tech firms in Markham (899) grew by 3% annually since 2002, and now provides in excess of 31,000 jobs (estimated 25% of total employment). Prime among new firms in Markham are CGI, Pfizer, Delcan, Nu Factor, and NESAs. Significant expansions by existing Markham firms include: Giesecke & Devrient, MacViro, and Gartner Lee Environmental.
2. Markham's reputation as "Canada's High-Tech Capital" has been significantly enhanced as a result of the successful operation and growth of the ISCM, the launch of the YorkBiotech consortium, and the town's leadership in event sponsorship and promotion including representation on the Toronto Region Research Alliance Board of Directors, and celebration of the success and growth of key firms including ATI, IBM, Sun Micro, and Motorola.
3. Programs implemented to distinguish Markham as a "unique sales and investment opportunity" include the promotion of Markham Centre (incl. district energy) as a major business location in the GTA, the development of a gateway business strategy for Cornell Centre, the launch and integration of the new Seneca College campus into the economic life of the community, and the elevation of the
4. The Markham Board of Trade has become a leading economic development agent, and strategic partnerships have been operational
5. The Small Business Enterprise Centre (MSBEC) served over 2,000 clients and hosted over 13 events in 2005. Over \$25,000 in grants
6. Work is underway to understand and develop competitive strategies that will address the strategic labour force supply and development

Economic Development's Direction in 2006

In 2006 the Department will pay particular attention to addressing the following key strategic activities: the operational requirements of the Knowledge Community Sub-Committee, the implementation of the York Region Biotech Cluster Initiative, the elevation of the MSBEC as a "core permanent" function with expanded capabilities, the completion and implementation of Markham's competitive strategy (including a new approach to attracting foreign investment), the further development of the enhanced partnership with the Markham Board of Trade, the involvement of Markham in the proposed Toronto Region Research Alliance, the aggressive promotion of employment and ICI investment in Markham Centre, and the pursuit and attraction of R&D functions to Markham.

Service(s)	Customer(s)
Advertising, marketing and promotion	Business and industry
Business retention and expansion	Realtors and developers
Business attraction	Council
Economic research and strategy	Business associations
Small business/entrepreneur development	Governments and public sector organizations
Cluster building	Residents

Economic Development

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Converted ISCM from trial status to longer term ongoing operation sustained through growing partnerships	✓	
2 Attracted \$350,000+ in external grants, sponsorships, and matching funds	✓	
3 Launched Your Marketplace electronic business directory and web-based services		✓
4 Completed updating of employment database in partnership with Region of York		✓
5 Sponsored or hosted 30 economic development events plus participated in 10 industry conferences		✓
6 Fulfilled Year 2 of 3-year economic alliance programs with Laval, Cary, and Zhonguancuun Science Park		✓
7 Advanced Knowledge Community project from task force to Sub-Committee status	✓	
8 Played key leadership role in getting Jolis employment lands registered and marketed for employment uses	✓	
9 Advanced strategic partnerships with York University, IBM, NRC, MBT, and Greater Toronto Marketing Alliance	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed IN 2006
11		
12		
13		
14		
15		

FUTURE CONSIDERATIONS

Issues/Pressures

- Demand for MSBEC services exceeds available staff and space/resource capacity. This demand is forecast to continue to grow.
- Increased competitiveness and rising business costs within GTA requires updated Markham competitive strategy.
- India and China are aggressively positioning themselves as out-sourcing solutions and are attracting investments by technology firms.
- New expressions of demand for tourism marketing and product development services.

Opportunities

- Engage Seneca College, MEDT, RBC, and MBT as funding partners in growth plan for MSBEC
- Involve Markham Board of Trade directly in the implementation of economic development strategy
- Position Markham as gateway to NAFTA for Chinese and Indian firms seeking to do business in USA and Canada
- Partner with MBT, Seneca College, Info Markham, BIA's, and hotel industry to identify how best to address tourism industry needs
- Partner with York University, IBM and other leading corporations to attract a national institute of convergence (IT plus life science)

Economic Development

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction
Percentage of Customers Extremely Satisfied	Net Cost Per Household	# of events hosted or sponsored	Staff Satisfaction Rating

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	n/a	n/a	n/a	n/a
Percentage of customers extremely satisfied (Citizen/service specific surveys)	24%	n/a	13%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	77%	n/a	41%	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ 6.45	\$ 9.32	\$ 8.92	\$ 9.09
External grants and sponsorship funds attracted	n/a	\$300,000	\$450,000	n/a
OPERATIONAL EXCELLENCE				
# of high-tech firms in Markham	800	866	899	n/a
# of employees hired by high-tech firms	n/a	3,100	n/a	n/a
# of events hosted or sponsored	30	40	65	50
STAFF SATISFACTION				
Completion rate for performance management	100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee	-	8.0	0.2	0.2
Completion rate (%) for staff survey improvement	n/a	n/a	100%	n/a
Recognition rating (from staff survey)	60%	n/a	80%	n/a
Staff Satisfaction rating (from staff survey)	80%	n/a	79%	n/a
High Performance Workgroup rating (from staff survey)	68%	n/a	84%	n/a
Staff absenteeism (average # of days per employee)	1.2	2.5	3.0	0.7
Staff turnover rate	20%	0%	0%	0%

NOTES:

Economic Development

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities							
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction		
1	Attract investments by high-tech firms	Number of jobs and value of taxable assessment		x												
2	Raise international awareness of Mkm Ctr.	Number of foreign inquiries & investment delegations		x		x										
3	Establish Markham as a Knowledge Community	Implementation of Creativity & Innovation Week		x												
4	Strengthen reputation as High-Tech Capital	Number of High-Tech and Life Science compaies attracted		x												
5	Increase Markham's competitiveness	Completion of new economic development strategy		x												
6	Strengthen strategic partnerships	Enhanced partnerships with York U., Seneca College, MBT, and ISCM		x										x		
7	Grow and strengthen entrepreneurship	Number of MSBEC customers and event attendance		x										x		
8	Develop and implement investment attraction programs	Number of jobs and taxable assessment		x												
9	Provide policy planning advice	Average Processing Period: 2 business days		x												
10																
11																
12																
13																
14																
15																
16																

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Economic Development

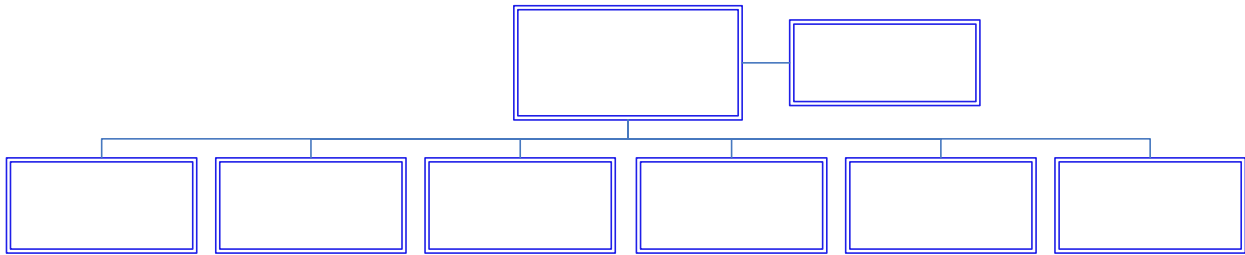
Description	2005 Actuals	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.		2006 Bud. Vs. 2005 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
GRANTS AND SUBSIDIES	\$73,500	\$55,000	\$55,000	-	0.0%	(18,500)	-25.2%
USER FEES & SERVICE CHARGES	11,629	16,000	16,000	-	0.0%	4,371	37.6%
RECOVERIES & CONTRIBUTIONS	316,767	10,834	10,834	-	0.0%	(305,933)	-96.6%
OTHER INCOME	-	-	25,000	25,000		25,000	
Total Revenues	\$401,896	\$81,834	\$106,834	\$25,000	30.5%	(295,062)	-73.4%
Expenses							
SALARIES AND BENEFITS	\$500,267	\$539,723	\$563,320	\$23,597	4.4%	\$63,053	12.6%
PRINTING & OFFICE SUPPLIES	39,248	19,418	18,776	(642)	-3.3%	(20,472)	-52.2%
OPERATING MATERIALS & SUPPLIES	3,546	4,854	4,454	(400)	-8.2%	908	25.6%
COMMUNICATIONS	16,510	3,301	3,301	-	0.0%	(13,209)	-80.0%
TRAVEL EXPENSES	56,933	36,408	41,001	4,593	12.6%	(15,932)	-28.0%
TRAINING	4,629	6,311	6,311	-	0.0%	1,682	36.3%
CONTRACTS & SERVICE AGREEMENTS	8,929	-	-	-		(8,929)	-100.0%
MAINT. & REPAIR-TIME/MATERIAL	113	-	-	-		(113)	-100.0%
RENTAL/LEASE	4,050	1,456	1,456	-	0.0%	(2,594)	-64.0%
INSURANCE	12,465	-	-	-		(12,465)	-100.0%
PROFESSIONAL SERVICES	169,500	-	-	-		(169,500)	-100.0%
LICENCES, PERMITS, FEES	4,541	4,854	4,354	(500)	-10.3%	(187)	-4.1%
PROMOTION & ADVERTISING	378,521	335,242	308,542	(26,700)	-8.0%	(69,979)	-18.5%
OFFICE FURNISHINGS & EQUIPMENT	-	2,000	2,000	-	0.0%	2,000	
OTHER EXPENDITURES	998	-	-	-		(998)	-100.0%
Total Expenses	\$1,200,250	\$953,567	\$953,515	(52)	0.0%	(246,735)	-20.6%
Net Expenditures/ (Revenue)	\$798,354	\$871,733	\$846,681	(25,052)	-2.9%	\$48,327	6.1%

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Development Services Commissioner's Office - Commission Support (699-999)

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
<u>Revenue</u>								
OTHER INCOME	\$0	\$25,000	\$0	(25,000)	-100.0%	-	0.0%	
Total Revenues	\$0	\$25,000	\$0	(25,000)	-100.0%	\$0	0.0%	
<u>Expenses</u>								
SALARIES AND BENEFITS	\$778,914	\$762,318	\$794,102	\$31,784	4.2%	\$15,188	1.9%	
PRINTING & OFFICE SUPPLIES	11,019	3,339	-	(3,339)	-100.0%	(11,019)	-100.0%	
OPERATING MATERIALS & SUPPLIES	929	583	643	60	10.3%	(286)	-30.8%	
COMMUNICATIONS	461	2,039	1,068	(971)	-47.6%	607	131.7%	
TRAVEL EXPENSES	7,327	3,418	21,918	18,500	541.3%	14,591	199.1%	
TRAINING	10,346	8,680	10,180	1,500	17.3%	(166)	-1.6%	
MAINT. & REPAIR-TIME/MATERIAL	-	956	8,738	7,782	814.0%	8,738		
RENTAL/LEASE	-	8,738	12,000	3,262	37.3%	12,000		
LICENCES, PERMITS, FEES	890	971	971	-	0.0%	81	9.1%	
OFFICE FURNISHINGS & EQUIPMENT	-	1,000	400	(600)	-60.0%	400		
Total Expenses	\$809,886	\$792,042	\$850,020	\$57,978	7.3%	\$40,134	5.0%	
Net Expenditures/ (Revenue)	\$809,886	\$767,042	\$850,020	\$82,978	10.8%	\$40,134	5.0%	

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. This is accomplished through the delivery of services provided by the ten business units that report to the six departments (referenced in the above organizational chart) residing in the Commission.

The Business Units and the departments they report to in the Community & Fire Services Commission are summarized below:

Business Unit	Department
1. Fire & Emergency Services	Fire & Emergency Services
2. Markham Public Libraries	Markham Public Libraries
3. Asset Management	Asset Management
4. Utilities & Capital Works	
5. Operations	Operations
6. Waste Management	
7. Waterworks	
8. Recreation	Recreation & Culture Services
9. Culture	
10. Strategic Services	Strategic Services

In 2006, the Commission has an approved full-time complement of 594 employees.

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 its seven fire stations and administrative office.

Markham Public Libraries

The Markham Public Libraries operates six branches serving the community of Markham. Administratively it reports to the Markham Library Board and has a dotted line reporting relationship to the Community & Fire Services Commissioner. Library services provided by this

department include: Adult Services, Children Services, Library Programs, Room Rental, TeleCirc Phone Service, WiFi Internet Service, and Electronic Resources.

Asset Management

The Asset Management Department is made up of two business units, namely Asset Management and Utilities & Capital Works.

The **Asset Management** business unit is responsible for administering and maintaining over 100 buildings so as to ensure the safe, user-friendly, comfortable, and energy-efficient use of these facilities. These facilities include Civic Centre, community centers, fire stations, libraries, works yards, and cultural and heritage facilities. In addition to property maintenance and planning, this group also manages corporate databases and uses technology tools to support departments in the Commission.

The **Utilities & Capital Works** 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 are provided in the areas of: Capital Works - Facilities, Capital Works – Right-of-way, and Utilities and Contracts. Capital Works – Facilities provides project management services to all internal departments in the areas of major building repairs, replacements, expansions, and new construction. Capital Works – Right-of-Way is responsible for the design and project management of capital projects along the Town's Rights-of-Way (e.g. Watermains, Sewers, Roads, Sidewalks, etc.). Utilities and Contracts administers and coordinates utility approvals within existing rights of ways and provides survey services to various internal departments.

Operations

The Operations Department is made up of three business units, namely Operations, Waste Management and Waterworks.

The **Operations** business unit is responsible for the maintenance of roads and parks in the Town of Markham, supported by fleet and business technical services. Aside from road and sidewalk safety, this group ensures effective winter control, environmental protection of right-of-ways, watercourses, and the maintenance and protection of natural and artificial drainage infrastructure. In addition to parks, this group also maintains natural areas and streetscapes. The Town fleet is comprised of approximately 600 vehicles and equipment units, which are used to maintain parks and streets, respond to fire emergencies, and assist all Municipal operations.

The **Waste** business unit is responsible for managing the curbside pickup of household recyclables, garbage, organic waste, and yard waste. 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 70% of household garbage from landfills.

The **Waterworks** business unit is responsible for the provision of safe 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.

Recreation and Culture Services

The Recreation and Culture Services Department is made up two business units, namely Recreation and Culture.

The **Recreation** business unit is responsible for operating and programming the community centres in the Town and includes the provision of quality recreational programs and the development of related policies to create a vibrant community. There are four major integrated community centres along with specialty and smaller recreation facilities. Aside from the recreation opportunities listed in the *Recreation & Culture Guide*, special focus areas for programming include active living, youth, and older adults.

The **Culture** business unit is responsible for operating and programming the three municipal cultural venues in Markham. The 25-acre Museum site offers events, programming, tours, rental, membership, and research in genealogy and family history. The Markham Theatre offers membership, rental, and a professional season of entertainment each year. The Varley Art Gallery of Markham features frequently changing exhibitions from the permanent collection as well as historical contemporary exhibitions drawn from local, national and international sources. The Gallery offers group tours, school programs, studio courses and workshops, courses and lectures, and family activities.

Strategic Services

This department was created in 2003 to provide the Commission with a number of strategic and emerging services. Some of the services span the Commission and/or corporation. The key services provided in this department include: corporate and Commission business planning coordination, marketing and community partnerships, environmental leadership, Markham Energy Conservation Office, and special initiatives such as Communities in Bloom.

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Community & Fire Services Consolidated (excluding Waterworks)

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
GRANTS AND SUBSIDIES	\$1,039,697	\$802,637	\$780,387	(22,250)	-2.8%	(259,310)	-24.9%
INTEREST & PENALTIES	50,500	40,000	40,000	-		(10,500)	-20.8%
USER FEES & SERVICE CHARGES	8,662,860	8,917,716	9,209,361	291,645	3.3%	546,501	6.3%
RENTALS	4,969,673	5,027,318	5,417,871	390,553	7.8%	448,198	9.0%
SALES	524,707	521,078	517,050	(4,028)	-0.8%	(7,657)	-1.5%
RECOVERIES & CONTRIBUTIONS	2,418,039	938,908	1,254,708	315,800	33.6%	(1,163,331)	-48.1%
OTHER INCOME	1,013,944	1,335,676	1,490,251	154,575	11.6%	476,307	47.0%
Total Revenues	\$18,679,420	\$17,583,333	\$18,709,628	\$1,126,295	6.4%	30,208	0.2%
Expenses							
SALARIES AND BENEFITS	\$48,280,978	\$47,835,653	\$52,093,626	\$4,257,973	8.9%	\$3,812,648	7.9%
PRINTING & OFFICE SUPPLIES	336,514	320,625	318,003	(2,622)	-0.8%	(18,511)	-5.5%
PURCHASES FOR RESALE	334,078	158,244	156,962	(1,282)	-0.8%	(177,116)	-53.0%
OPERATING MATERIALS & SUPPLIES	3,669,000	3,432,602	3,598,603	166,001	4.8%	(70,397)	-1.9%
VEHICLE SUPPLIES	1,175,648	970,116	962,333	(7,783)	-0.8%	(213,315)	-18.1%
SMALL EQUIPMENT SUPPLIES	11,593	14,591	14,291	(300)	-2.1%	2,698	23.3%
BOTANICAL SUPPLIES	333,077	330,606	357,827	27,221	8.2%	24,750	7.4%
CONSTRUCTION MATERIALS	1,116,272	943,650	1,035,567	91,917	9.7%	(80,705)	-7.2%
INVENTORY ADJUSTMENTS	(19,104)	-	-	-		19,104	-100.0%
UTILITIES	3,280,833	3,190,540	3,764,094	573,554	18.0%	483,261	14.7%
COMMUNICATIONS	463,937	451,947	388,527	(63,420)	-14.0%	(75,410)	-16.3%
TRAVEL EXPENSES	102,455	115,157	114,549	(608)	-0.5%	12,094	11.8%
TRAINING	222,153	242,092	248,023	5,931	2.4%	25,870	11.6%
CONTRACTS & SERVICE AGREEMENTS	5,069,978	4,612,468	5,114,828	502,360	10.9%	44,850	0.9%
MAINT. & REPAIR-TIME/MATERIAL	3,561,346	2,638,517	2,883,563	245,046	9.3%	(677,783)	-19.0%
RENTAL/LEASE	954,892	966,027	776,611	(189,416)	-19.6%	(178,281)	-18.7%
INSURANCE	11,963	13,262	13,262	0	0.0%	1,299	10.9%
PROFESSIONAL SERVICES	1,088,335	818,942	624,430	(194,512)	-23.8%	(463,905)	-42.6%
LICENCES, PERMITS, FEES	306,025	360,989	376,860	15,871	4.4%	70,835	23.1%
PROMOTION & ADVERTISING	589,066	614,469	640,959	26,490	4.3%	51,893	8.8%
CONTRACTED MUNICIPAL SERVICES	7,166,097	7,117,890	7,643,775	525,885	7.4%	477,678	6.7%
OTHER PURCHASED SERVICES	197,213	243,374	501,543	258,169	106.1%	304,330	154.3%
OFFICE FURNISHINGS & EQUIPMENT	5,642	11,410	11,876	466	4.1%	6,234	110.5%
WRITE-OFFS	(22)	-	-	-		22	-100.0%
OTHER EXPENDITURES	37,413	55,400	53,400	(2,000)	-3.6%	15,987	42.7%
TRANSFERS TO RESERVES	427,595	371,874	468,431	96,557	26.0%	40,836	9.6%
Total Expenses	\$78,722,977	\$75,830,445	\$82,161,943	\$6,331,498	8.3%	3,438,966	4.4%
Net Expenditures/ (Revenue)	60,043,557	58,247,112	63,452,315	5,205,203		\$3,408,758	5.7%

Fire & Emergency Services

Business Overview

Mission Statement

To provide the highest level of life safety and property protection to those who live, work and play in our community. We will perform in a sensitive and caring manner, through the provision of excellent preventative, educational and emergency services.

Fire & Emergency Services is Meeting 2005 Objectives

Fire & Emergency Services is a department of the Community & Fire Services Commission. In 2005, approved net budget was \$19,596,380 and 232 full-time employees. \$432,896 in revenue was achieved, resulting in a net actual cost per household of \$220.78.

Fire & Emergency Services is responsible for providing the following core services:

- **Fire Prevention** - Prevention activities include inspections, plans review, and public education. There were 3,003 inspections in 2005. Fire inspections are focused on the industrial commercial occupancies as well as other high risk areas such as hospitals/nursing homes. The Division reviewed 487 plans in 2005 to ensure compliance with the Ontario Building Code and life safety requirements under the Ontario Fire Code. The Learn-Not-to-Burn school program was delivered to 36 schools (5,500 students) in 2005.
- **Fire Suppression & Emergency Response** - The number of fires with greater than \$50,000 in damages has declined from 30 in 2004 to 16 in 2005. The number of emergencies increased by 7% to 7,452 incidents in 2005. There were no fire fatalities in the last three years. The average total response time to an emergency in 2005 is 6:34 (fire department goal is < 6 minutes).
- **Support Activities** - Internal training, alarm room operation, fire equipment maintenance, and facility development are services provided to support Fire Prevention and Fire & Emergency Response services. In 2004, the average monthly maintenance cost for each heavy truck vehicle was \$1,700 and 22 hours of average monthly down time.

This department also coordinates and oversees the Emergency Management Program for the Town and made significant progress in 2005.

Fire & Emergency Services' Direction in 2006

1) Build fire station; 2) Recruit 2006 fire station staff; 3) Truck purchase for new station; 4) Implementation of District Chiefs; 5) Smoke alarm program; 6) Share Fire Prevention manuals; 7) Building repairs (fire stations); 8) Live Fire training; 9) Partnership with Richmond Hill Training; 10) Command simulator; 11) Firefighter survival training; 12) Company Officer training; 13) Provincial Emergency Management Compliance; 14) Move to "Enhanced" level of Emergency Preparedness and continue with Public Education and in Town Department training and exercises; 15) Fire Safety Effective Model (Fire Prevention); 16) Implementation of Second Suite Strategy; 17) Full implementation and integration with AMANDA system; 18) Promotional process for Acting Captains; 19) Phase II of bunker gear replacement; 20) Replace Public Education Smoke House; 21) Conduct a Simplified Risk Assessment & Fire Safety Effectiveness Model and develop a five-year Master Plan for Fire Prevention Division; 22) Review various fees to maximize revenue generation; 23) Implement Captain's School, IT/Window Bail outs, and Drivewise; 24) Vaughan Communications Centre consolidation proposal, AVL/GPS; and 25) Policy development in the area of promotion and succession planning.

Service(s)	Customer(s)
Prevention of fires, emergencies through education & compliance Suppression - Control and extinguishment of fires; Protection of life and property from the adverse effects of fire/other Sudden medical emergencies Motor vehicle collisions Contain exposure to dangerous goods	Public

Fire & Emergency Services

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Operationalized Bur Oak Fire Station Opening (building, vehicles, firefighters, equipment)	✓	
2 Purchase Cornell property -- tender Cornell Fire Station for construction		✓
3 Implemented new Fire Prevention Programs, Press to Test, After the Heat	✓	
4 Implemented Process Improvements/Technological Improvements	✓	
5 Complete study on New Specialized Services		✓
6 Perform Critical Renovations - 2006 Budget		✓
7 Acquire New & Replacement Vehicles		✓
8 Complete Training Centre Study - held in abeyance until 2006		✓
2005 Emergency By-law approved, Emergency Management Committee established, 260 trained in Basic Emergency Management, EOC restructured, EOC mapping developed, Pandemic Flu Plan underway, recognition from Province for achieving the "essential" level program in Emergency Management Program, completed public awareness education program, updated risk profile & critical infrastructure & identification, identified Emergency Information Coordinator, Janet Carnegie, Corporate Communications, undertaken Emergency Mgmt. annual review, 2005 mapping system	✓	
10 Completed Staff Satisfaction Improvement project	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
11 Undertook plan for Dept. District Chiefs		✓
12 Opened John St. training centre	✓	
13 Diversity training pilot for recruits	✓	
14 CPAT - Candidate Physical Agility Test	✓	
15 New Customer Satisfaction Survey	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

- Continued growth of population and building stock
- Road congestion and speed humps
- Staff Satisfaction/Training Issues
- Increased response times due to several factors including concurrent emergencies
- Markham Centre development

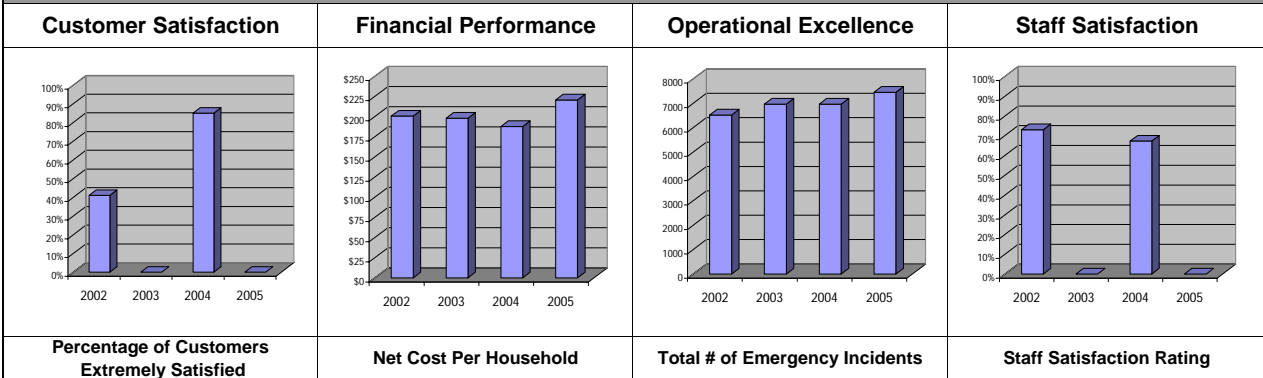
Opportunities

- Further use of flashover simulator
- Educational packages
- Partnerships with other communities
- Technology to streamline processes
- New Fire Stations will improve service



Fire & Emergency Services

KEY PERFORMANCE INDICATORS



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 BUDGET / YTD
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	-	-	-	1
Percentage of customers extremely satisfied (Citizen/service specific surveys)	41%	n/a	85%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	91%	n/a	100%	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ 200.67	\$ 198.17	\$ 187.64	\$ 220.78
Average monthly maintenance cost per heavy truck vehicle*	n/a	\$ 1,354	n/a	n/a
Average monthly vehicle down time (in hours)*	n/a	20	22	39
OPERATIONAL EXCELLENCE				
# of fires with greater than \$50,000 in damages*	20	21	30	16
# of inspections	3,800	4,181	2,534	3,003
# of schools in Learn-Not-to-Burn program as % of all qualified schools	3%	64%	57%	57%
Total # of emergency incidents	6,521	6,962	6,967	7,452
# of Vehicle activity per emergency incident	2.0	2.1	2.0	2.0
# of accidental fire deaths*	0	0	0	0
# of plans reviewed	576	657	485	487
STAFF SATISFACTION				
Completion rate for performance management*	n/a	100%	100%	100%
Average # of non-technical training sessions attended per employee*	0.3	0.2	0.2	0.3
Completion rate (%) for staff survey improvement	n/a	100%	n/a	100%
Recognition rating (from staff survey)	61%	n/a	56%	n/a
Staff Satisfaction rating (from staff survey)	73%	n/a	67%	n/a
High Performance Workgroup rating (from staff survey)	66%	n/a	78%	n/a
Staff absenteeism (average # of days per employee)*	7.0	7.0	6.6	6.5
Staff turnover rate*	1%	1%	3%	1%

NOTES: * Data is year to date as at June 2005.

Fire & Emergency Services

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities						
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction	
1	Purchase Fire Stn. Land	Land for Cornell & Catherdal		✓				✓							✓
2	Recruitment Staff	Hire, train staff by July		✓				✓							✓
3	Implement District Chiefs	Train and put in place by July 1		✓				✓							✓
4	Smoke Alarm Program	Reduce fire loss		✓											
5	Bunker Gear Implementation	Purchase and implement by July 1		✓											
6	Replace Smoke House	Fundraise & purchase in 06		✓										✓	✓
7	Master Plan Prevention	In place 06		✓				✓							
8	Review Fees/improve	Raise revenues in 2006						✓							
9	Driver Safety Program	Less accidents		✓			✓								
10	Revise SOP's/Improve	Complete Mar. 2006						✓		✓					✓
11	Revise Captains' Promotional Process/Improve	Process revised and improved												✓	✓
12	Vaughan Dispatch	Opportunity investigated		✓					✓						
13	New Performance Mgmt. System	New system put into place						✓		✓		✓	✓	✓	✓

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Fire Services

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
INCOME FROM INVESTMENTS	\$50,500	\$40,000	\$40,000	-	0.0%	(10,500)	-20.8%	
USER FEES & SERVICE CHARGES	46,928	207,000	119,000	(88,000)	-42.5%	72,072	153.6%	
RENTALS	-	10,000	10,000	-	0.0%	10,000		
SALES	383	6,000	6,000	-	0.0%	5,617	1466.6%	
RECOVERIES & CONTRIBUTIONS	295,044	275,000	275,000	-	0.0%	(20,044)	-6.8%	
OTHER INCOME	40,041	85,000	85,000	-	0.0%	44,959	112.3%	
Total Revenues	\$432,896	\$623,000	\$535,000	-\$88,000	-14.1%	\$102,104	23.6%	
Expenses								
SALARIES AND BENEFITS	\$19,827,868	\$19,235,354	\$21,015,444	\$1,780,090	9.3%	\$1,187,576	6.0%	
PRINTING & OFFICE SUPPLIES	39,163	33,010	33,835	825	2.5%	(5,328)	-13.6%	
PURCHASES FOR RESALE	5,077	3,883	3,883	-	0.0%	(1,194)	-23.5%	
OPERATING MATERIALS & SUPPLIES	336,027	256,410	319,308	62,898	24.5%	(16,719)	-5.0%	
VEHICLE SUPPLIES	-	2,913	2,913	-	0.0%	2,913		
UTILITIES	148,784	120,102	196,306	76,204	63.4%	47,522	31.9%	
COMMUNICATIONS	67,172	66,018	70,678	4,660	7.1%	3,506	5.2%	
TRAVEL EXPENSES	24,442	36,214	34,517	(1,697)	-4.7%	10,075	41.2%	
TRAINING	57,381	65,825	65,825	-	0.0%	8,444	14.7%	
CONTRACTS & SERVICE AGREEMENTS	21,981	11,845	13,445	1,600	13.5%	(8,536)	-38.8%	
MAINT. & REPAIR-TIME/MATERIAL	205,513	69,708	80,362	10,654	15.3%	(125,151)	-60.9%	
RENTAL/LEASE	182,493	183,383	4,660	(178,723)	-97.5%	(177,833)	-97.4%	
PROFESSIONAL SERVICES	35,065	11,359	4,359	(7,000)	-61.6%	(30,706)	-87.6%	
LICENCES, PERMITS, FEES	5,585	3,956	3,956	-	0.0%	(1,629)	-29.2%	
OFFICE FURNISHINGS & EQUIPMENT	81	3,400	3,866	466	13.7%	3,785	4672.8%	
TRANSFERS TO RESERVES	41,000	41,000	41,000	-	0.0%	-	0.0%	
Total Expenses	\$20,997,632	\$20,144,380	\$21,894,357	\$1,749,977	8.7%	\$896,725	4.3%	
Net Expenditures/ (Revenue)	\$20,564,736	\$19,521,380	\$21,359,357	\$1,837,977	9.4%	\$794,621	3.9%	



Markham Public Libraries

Business Overview

Mission Statement

Our higher purpose is to advance civil society and offer life-long nourishment for the mind. We strive together to: Enrich the human spirit; Inform people to make better sense of the world; Create destinations where people come together as individuals or as a community; Enhance literacy across the community; Provide a marketplace for the exchange of ideas; Champion inclusivity; Celebrate community diversity.

Markham Public Libraries is Meeting 2005 Objectives

The Library operates within the Community & Fire Services Commission and has a direct reporting relationship with the Town of Markham Public Library Board. In 2005, it had an approved net budget of \$8,607,258 and 62 full-time employees. \$443,890 in revenue was achieved, resulting in a net actual cost per household of \$92.77 in 2005.

- **Service Transactions** - In 2005, the Library handled over 5.3 million transactions, an increase of 40% from 2004. Service Transactions included: a) Items Circulated; b) Information Questions; c) In-Library Item Use; and d) Database Search Results. Volume of activities include: 4,006,950 items were borrowed by customers, 52.5% more than the 2,627,901 items borrowed in 2004; 483,325 Information Questions were answered; 784,750 items were used In-Library; and database searches provided results 95,883 times. In 2005, the Library had nearly 3.4 million Visits or a 47% increase from 2004. This included in-person and electronic visits. During the same time period (2004-2005), Markham's population increased by 1.98% and its number of households increased by 4.19%. In a context of slow but steady population growth, the extraordinary increases in library use rates during 2005 appear to indicate a pre-2005 pent-up demand for library services, as well as the popularity of the customer-focused design of the Angus Glen Library and the positive community response to its new collection.
- **Program Delivery & Planning** - The Library Board approved a new strategic plan for the Library in 2003. Implementation of the plan will be completed during 2006. 2005 strategic plan accomplishments in this area can be found on page 2. A new strategic plan will be developed in 2007.
- **Facility Planning & Maintenance** - In 2005, the Library had 119,102 sq.ft. of facility space, including the new Angus Glen Library, which opened in December 2004. Renovation and expansion of the Markham Village Library began in December 2005, with completion projected for spring 2007. Long-term facility planning moved forward through Library participation in the Parks, Recreation, Culture and Library Master Plan update process.

Markham Public Libraries' Direction in 2006

- Develop Civic Corner in each Library & a civic issues webpage ("Hot Topics")
- Inform Newcomers and position MPL as the place to go
- Engage and better serve teens, including a teen webpage
- Improve services to businesses, including a business webpage
- Improve staff work areas at Thornhill Community and Village Libraries
- Implement community outreach strategy
- Complete staff roles, responsibilities and authorities/Revise job descriptions
- Develop service models and train staff to implement full self-service concept at Markham Village Library
- Implement new programming & room rental fee structure
- Develop focused sponsor strategy
- Implement new annual report to citizens
- Implement balanced scorecard
- Develop a consistent visual identity package and visual merchandizing process for improved customer experience
- Redesign and improve website
- Implement online program registration
- Implement book purchasing revenue strategy

Service(s)	Customer(s)
Access to resources for lifelong learning	Markham residents, businesses, schools, students
Circulation of materials for home and workplace use	Town of Markham staff
Free public access to Internet and digital information	Internet users, both internal and external
Information services, instruction and training	Visitors
Programs for all ages in support of literacy and learning	
Public space for meeting, gathering and study	

Markham Public Libraries

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed by Year End
1 Operationalize Angus Glen Community Centre Library	✓	
2 Adopt recommendations of the Parks, Recreation, Culture & Library Master Plan (Subject to Council approval)		✓
3 Implement an enhanced marketing and programming function for Markham Public Libraries	✓	
4 Work with Strategic Services to develop a redesigned, customer-focused library program guide	✓	
5 Develop a Teen Advisory Group to support planning for teen services and programs	✓	
6 Develop the "Baby Goose" infant literacy program, sponsored by Telus	✓	
7 Information Services review to develop organizational infrastructure to support related Library action plans	✓	
8 Complete Staff Satisfaction Improvement projects - Opening Authentic Communications, staff values, and staff recognition	✓	
9 Complete Markham Village Library expansion/renovation project design & have contract awarded	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed by Year End
11 Improve staff workroom space at Milliken Mills Library for increased staff efficiency	✓	
12 Implement phase 1 of Collection Management project that will benefit 4 key stakeholders (Museum, Art Galley , Heritage Department, Library Services) and their customers	✓	
13 Develop virtual civic corner for Library system	✓	
14 Institute an electronic customer survey	✓	
15 Implement staff values through building partnerships across the Library system	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

- Provide appropriate library facilities and services for existing communities and new growth areas
- Respond to increased demand for services by introducing new technologies & more efficient service models
- Improve service to currently under-served groups (i.e. teens, seniors, disabled)
- Improve ability to attract and retain high-quality staff
- Enhance proactivity in terms of direct customer service, community outreach, and marketing

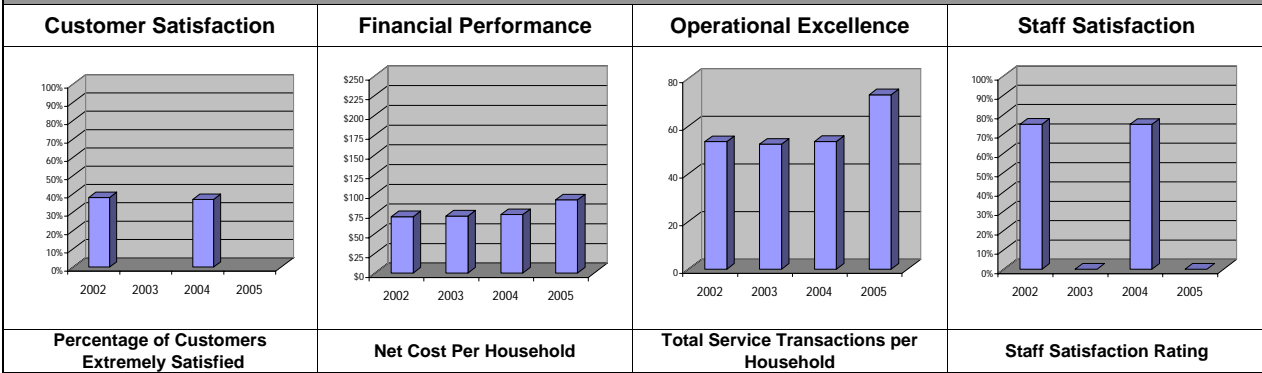
Opportunities

- Partnerships (e.g. with Markham Stouffville/Grace Hospital York Region to provide library services for residential & hospital communities)
- Sponsorships



Markham Public Libraries

KEY PERFORMANCE INDICATORS¹



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	-	-	1	2
Percentage of customers extremely satisfied (Citizen/service specific surveys)	38%	n/a	37%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	85%	n/a	79%	n/a
Number of complaints	17	18	22	32

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
FINANCIAL PERFORMANCE				
Net cost per household	\$ 71.49	\$ 72.21	\$ 74.13	\$ 92.77
Gross cost per household	\$ 98.91	\$ 99.64	\$ 101.55	\$ 121.92
Gross cost per registered borrower	\$ 55.30	\$ 46.81	\$ 48.91	\$ 56.22

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
OPERATIONAL EXCELLENCE				
# of Households per FTE ²	705	723	766	661
Total Service transactions per Household	54	52	54	72
Total Visits (in-person and electronic) per Household	32	31	32	46
Circulation per Household	37	37	37	54
Circulation per Circulation Staff FTE ²	93,722	96,865	102,134	121,607
Information questions per Information Staff FTE ²	19,165	18,702	18,897	14,108
Information questions per Household	8.1	7.0	6.7	6.5
Library Space (sq. ft.) per Household	1.4	1.3	1.7	1.6
Registered Borrowers as % of Population	59%	59%	61%	62%
Holdings per Household	9	8	9	9

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
STAFF SATISFACTION				
Completion rate for performance management*	n/a	100%	100%	100%
Average # of non-technical training sessions attended per employee*	1.8	1.5	1.0	0.7
Completion rate (%) for staff survey improvement	n/a	100%	n/a	100%
Recognition rating (from staff survey)	74%	n/a	66%	n/a
Staff Satisfaction rating (from staff survey)	75%	n/a	75%	n/a
High Performance Workgroup rating (from staff survey)	74%	n/a	76%	n/a
Staff absenteeism (average # of days per employee)*	7.6	7.8	7.8	9.7
Staff turnover rate*	4%	11%	6%	5%

NOTES:
¹ There might be discrepancies between indicators quoted in this document and that of other Library documents or comparisons due to differences in base assumptions such as population estimates, etc.
² The full-time equivalent (including full-time, part-time and other staff) was 91.1 in 2002, 92.7 in 2003, and 93.4 in 2004. The opening of the Angus Glen Library resulted in an upward spike in FTEs--in order to prevent a statistical skew, the Angus Glen FTEs are included only for the post-opening months, Nov and Dec.
 * Data is year to date as at June 2005.

Markham Public Libraries

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities					Organizational Priorities							
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction	
1	Launch mobile Civic Corner vehicle in each Library	Mobile Civic Corner vehicle implemented in all branches, Civic Displays supporting Corporate Priorities(#), Civic Meetings/ Programs (#)	✓	✓	✓	✓	✓								
2	Create content for civic issues webpage ("Hot Topics")	Civic webpage usage, Hot Topics created by staff (#)	✓	✓	✓	✓	✓						✓	✓	
3	Inform Newcomers and position MPL as the place to go	Newcomers strategy developed, outreach to ESL and newcomer organizations developed, customer guides translated (#)		✓											
4	Engage and better serve teens, including a teen webpage	Teen webpage launched, Teen webpage usage (#), Teen Advisory Group input for MV Teen Area acted upon, Teen programs (#)		✓											
5	Improve services to businesses, including a business webpage	Business webpage usage (#), MSBEC pilot project, MBOT outreach, YMCA outreach, Business programs (#), Business collection improvement plan implemented, Staff trained re business resources (#)		✓											
6	Improve staff work areas at Thornhill Community and Village Libraries	Design and budgeting completed, capital project funded		✓									✓	✓	✓
7	Implement community outreach strategy	Markham Village Summer Reading Program outreach to SE Markham, Info Literacy Outreach to schools		✓											
8	Complete staff roles, responsibilities and authorities/Revise job descriptions	Job descriptions revised, Staff satisfaction, staff turnover rate												✓	✓
9	Develop service models and train staff to implement full self-service concept at Markham Village Library	Staff satisfaction, staff turnover rate, Customer satisfaction rate, Staff redeployed, Material Handling minimized		✓										✓	✓
10	Implement new programming & room rental fee structure	Increased revenue generated from new fee structure, net cost per household													
11	Develop focused sponsor strategy	Sponsorships approved (#)													
12	Implement new annual report to citizens	New annual report published		✓									✓		
13	Implement balanced scorecard	Balanced scorecard implemented and reported to citizens		✓											
14	Develop a consistent visual identity package and visual merchandizing process for improved customer experience	Consistent visual identity and merchandizing implemented in all branches, New format customer service guide rolled out, Customer satisfaction (%)		✓				✓					✓	✓	✓
15	Redesign and improve website	Redesigned website rolled out, Customer satisfaction (%), Increased usage #)		✓											✓
16	Implement online program registration	Online program registration implemented, Customer satisfaction (%)		✓				✓							✓
17	Implement book purchasing revenue strategy	Improved Revenue targets achieved													
18	Implement Internet access to heritage records	New product (Mobius) launched and marketed, sustainable funding achieved, Customer usage (#), Customer Satisfaction		✓											
19	Improve Information Services	Information Services Review implemented, Staff Training re electronic databases and communication (#), Customer Satisfaction (#), Staff Satisfaction (#)		✓											✓
20	Plan operationalization of expanded Markham Village Library in 2007	Interior design completed, furnishings selected, Service Models developed, Occupancy process planned		✓				✓							✓
21	Improve Workplace Environment	Opening Authentic Communication and staff values process completed, Staff Satisfaction (#)													✓

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Libraries

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
GRANTS AND SUBSIDIES	\$235,089	\$228,778	\$228,778	-	0.0%	(6,311)	-2.7%	
USER FEES & SERVICE CHARGES	441,454	495,229	495,229	-	0.0%	53,775	12.2%	
RENTALS	20,110	31,800	31,800	-	0.0%	11,690	58.1%	
SALES	40,612	45,800	45,800	-	0.0%	5,188	12.8%	
RECOVERIES & CONTRIBUTIONS	(296,400)	(296,400)	-	296,400	-100.0%	296,400	-100.0%	
OTHER INCOME	3,025	-	10,000	10,000	0.0%	6,975	230.6%	
Total Revenues	\$443,890	\$505,207	\$811,607	\$306,400	60.6%	\$367,717	82.8%	
Expenses								
SALARIES AND BENEFITS	\$5,898,571	\$5,871,663	\$6,123,496	\$251,833	4.3%	\$224,925	3.8%	
PRINTING & OFFICE SUPPLIES	61,034	57,515	51,553	(5,962)	-10.4%	(9,481)	-15.5%	
OPERATING MATERIALS & SUPPLIES	1,985,656	2,011,814	2,051,778	39,964	2.0%	66,122	3.3%	
UTILITIES	67,022	71,347	91,181	19,834	27.8%	24,159	36.0%	
COMMUNICATIONS	175,927	168,668	102,843	(65,825)	-39.0%	(73,084)	-41.5%	
TRAVEL EXPENSES	18,013	15,398	19,545	4,147	26.9%	1,532	8.5%	
TRAINING	20,231	14,117	18,817	4,700	33.3%	(1,414)	-7.0%	
CONTRACTS & SERVICE AGREEMENTS	27,295	31,600	31,600	-	0.0%	4,305	15.8%	
MAINT. & REPAIR-TIME/MATERIAL	136,276	156,512	133,612	(22,900)	-14.6%	(2,664)	-2.0%	
RENTAL/LEASE	298,389	304,378	304,378	-	0.0%	5,989	2.0%	
INSURANCE	11,963	11,963	11,963	-	0.0%	-	0.0%	
PROFESSIONAL SERVICES	117,141	140,619	40,619	(100,000)	-71.1%	(76,522)	-65.3%	
LICENCES, PERMITS, FEES	6,170	1,699	1,699	-	0.0%	(4,471)	-72.5%	
PROMOTION & ADVERTISING	29,174	30,254	30,254	-	0.0%	1,080	3.7%	
OTHER PURCHASED SERVICES	226,908	226,908	523,308	296,400	130.6%	296,400	130.6%	
OFFICE FURNISHINGS & EQUIPMENT	5,561	8,010	8,010	-	0.0%	2,449	44.0%	
Total Expenses	\$9,085,331	\$9,122,465	\$9,544,656	\$422,191	4.6%	\$459,325	5.1%	
Net Expenditures/ (Revenue)	\$8,641,441	\$8,617,258	\$8,733,049	\$115,791	1.3%	\$91,608	1.1%	

Asset Management

Business Overview

Mission Statement

The Asset Management Team develops and implements asset management strategic plans that address growth, risk management and sustainability. Our objective is to optimize the life cycle value and performance of assets while continuously improving service delivery and customer satisfaction. The AM Division has three key areas of responsibility. 1) Asset Management: We manage asset inventories, conduct life cycle and condition assessments. 2) Data Warehouse: Asset inventories are maintained through IT applications: Hansen (Infrastructure), Fleet Anywhere (Fleet Management), Facility Centre (Facility Management), GIS (relating to public works infrastructure). 3) Facility Management: We manage 113 buildings totalling 1.6 million sq. ft. of built space.

Asset Management is Meeting 2005 Objectives

Asset Management Division reports to the Asset Management Department in the Community & Fire Services Commission. In 2005, it had an approved net budget of \$1,418,598 and 9 full-time employees. \$244,236 in revenue was achieved, resulting in a net actual cost per household of \$15.88 in 2005. The Asset Management Department is responsible for providing the following core services:

- 1) Develop and manage strategic plans that consider growth, risk management and sustainability: Completed GAP analysis providing a high level review of the current asset management environment including data management, IT applications and business processes. Completed / coordinated 40 YTD Operations and Asset Management IT projects.
- 2) Conduct infrastructure assessments (inventory, age, condition): Prepared business case, acquired and currently implementing Hansen Pavement Management module and Geo Administrator. Completed Town-wide pavement condition data collection. Completed Building Condition Assessments for all Fire Stations. Updated all Recreation and Culture Facility Life Cycle Data.
- 3) Implement life cycle management programs: In 2005, Asset Management staff has processed 4,445 work orders in Hansen and the Facility Management Information System.
- 4) Facility Management: Asset Management manages certain buildings within the current inventory of 120 facilities with the Markham Civic Centre as a key responsibility. The current mandate extends to input for new buildings and rehabilitation of existing ones. Asset Management maintains the Facility Management Information System which maintains all facility attributes, life cycle and building condition data, and a preventive and demand response work order system. Complied with the requirements of the Safe Drinking Water Act (inc. the Box Grove C.C. conversion from well water). Completed various accommodation / space planning projects and capital improvement / replacement projects.

Asset Management's Direction in 2006

- Implement Phase One of the Asset Management Strategic Plan including the implementation of the Hansen Pavement Management module
- Manage Markham's participation in the National Water & Wastewater Benchmarking Initiative (year 2)
- Coordinate the Corporate Strategic Accommodation Planning Project
- Manage Facilities including initiating a Facility Security Program
- Manage Town-owned Well Water Sites in compliance with Safe Drinking Water Act
- Manage / Coordinate IT Project requirements for the Operations and Asset Management Department

Service(s)	Customer(s)
Asset management of public works, bridges, data and lifecycle management.	Civic Centre employees / visitors
Facility maintenance of satellite community centre, fire stations and libraries	Construction and Utilities Division (Waterworks, Capital Const.)
Management of Markham Civic Centre facility	Fire Services
Corporate facility programs (i.e. Roof replacement program)	Markham Public Libraries
	Operations Division (Roads, Parks, Fleet)
	Recreation & Culture Services

Asset Management

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Develop and implement Asset Management Strategic Plan: Complete high level assessment necessary to permit strategic planning, policy formulation and determine the resources necessary to maintain asset sustainability.		✓
2 Building on the Reserve Fund Study, present to Council an 'Asset Overview' detailing asset inventories, condition data and values.		✓
3 Pursued the implementation of best practices and performance measurement (i.e. Waterworks Benchmarking Initiative)	✓	
4 Continued to assist the Waterworks Dept. in meeting legislative requirements (QA Program and full cost recovery)	✓	
5 Assisted in the development of the Environmental Management Plan as it relates to facilities (i.e. energy management, MDE)	✓	
6 Continued to enhance and develop the implementation of Hansen (Pavement Management, Business Process Improvement)	✓	
7 Initiated Electrical Safety Authority (ESA) Continuous Safety Services Program	✓	
8 Responded to revised Ontario Disabilities Act by initiating an accessibility audit and developing a multi-year work plan	✓	
9 Completed Staff Satisfaction Improvement project	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
10 Civic Centre Accommodation Strategic Plan. Project assigned to CAO's office, undertake supporting role.		✓
11 Public Works Facility Master Plan. RFP going out April 2006.		✓

FUTURE CONSIDERATIONS

Issues/Pressures

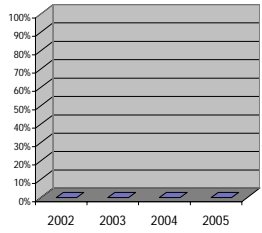
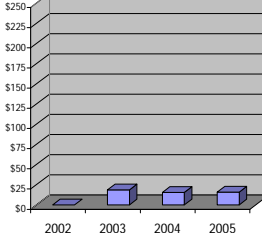
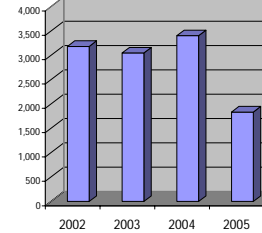
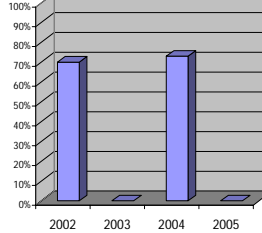
- Support Waterworks in meeting the requirements of the Safe Drinking Water Act
- Continued evaluation and implementation of IT solutions geared to improving departmental performance (e.g. Job Costing)
- Environmental Management Plan - Evaluation of project requirements / impacts required
- Growing inventory and aging infrastructure (new infrastructure, facilities)

Opportunities

- Opportunities to obtain infrastructure and energy management grants (GMEF, CBIP)
- Business process improvement (new assets from development, roll out of Hansen W/O's, parks classification)
- Acquire and utilize leading edge IT technology (field computing, process automation. i.e. GPS for Street Signs)
- Ensure Environmental Management Plan supports energy management program initiatives (Demand Side Mgmt, retrofits)
- Corporate facilities standardization - Improve operational effectiveness

Asset Management

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction	
				
Percentage of Customers Extremely Satisfied	Net Cost Per Household	# of Work Orders Generated by Facility Centre	Staff Satisfaction Rating	
			2002¹	2003
			ACTUAL	ACTUAL
				2004
				ACTUAL
				2005
				ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed			-	-
Percentage of customers extremely satisfied (Citizen/service specific surveys)			n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)			n/a	n/a
FINANCIAL PERFORMANCE				
Net cost per household			\$ -	\$ 18.66
Net operating cost per gross sq.ft. of Civic Centre facility			\$ 7.55	\$ 6.56
OPERATIONAL EXCELLENCE				
Facility Maintenance - # of facilities maintained ²			110	110
Estimated total value of public works assets (facilities/fleet/infrastructure)			n/a	n/a
# of work orders generated by Facility Centre ³			3,184	3,049
# of work orders generated by Hansen (excluding Waterworks)			n/a	3,403
# km of watermains and sewers digitized			n/a	1,837
STAFF SATISFACTION				
Completion rate for performance management*			n/a	100%
Average # of non-technical training sessions attended per employee*			n/a	3.6
Completion rate (%) for staff survey improvement			n/a	3.2
Recognition rating (from staff survey)			n/a	100%
Staff Satisfaction rating (from staff survey)			61%	n/a
High Performance Workgroup rating (from staff survey)			70%	75%
Staff absenteeism (average # of days per employee)*			n/a	n/a
Staff turnover rate*			n/a	78%
			n/a	n/a
			n/a	73%
			n/a	78%
			n/a	n/a
			n/a	5.6
			n/a	6.1
			n/a	3.7
			n/a	0%
			n/a	0%
			n/a	0%
NOTES:				
¹ This business unit was created in 2003. Therefore, some 2002 data are not available.				
² Number does not include 14 tennis clubhouse that have been constructed and maintained on Town property by third party tennis clubs. Number does include the Pomona Valley clubhouse owned by the Town.				
³ Includes work orders generated for the Civic Centre and at other facilities directly maintained by Asset Management. New in summer of 2005 - elimination of work orders for meeting requests.				
* Data year to date as at June 2005.				

Asset Management

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction
1	Develop and implement Asset Management Strategic Plan.	<ul style="list-style-type: none"> Plan adopted High level assessment completed Resources needed to maintain asset sustainability identified 		✓				✓	✓		✓			
2	Building on the Reserve Fund Study, present to Council an 'Asset Overview' detailing asset inventories, condition data and values.	<ul style="list-style-type: none"> Presentation received by Council 		✓				✓			✓			
3	Support Civic Centre Accommodation Strategic Plan being led at the CAO's Office.	<ul style="list-style-type: none"> Plan completed 						✓	✓		✓			
4	Public Works Facility Master Plan.	<ul style="list-style-type: none"> RFP process completed Plan approved by Council 						✓	✓		✓			
5	Implement the Hansen Pavement Management Module.	<ul style="list-style-type: none"> Module implemented Improvements achieved over current practice 						✓	✓			✓		
6	Manage Markham's participation in the National Water & Wastewater Benchmarking Project (Year 2).	<ul style="list-style-type: none"> Participate in national project Received benchmarking data 						✓	✓			✓		
7	Initiate a Facility Security Program.	<ul style="list-style-type: none"> Program adopted 						✓	✓					✓
8	Manage Town-owned well water sites in compliance with the Safe Drinking Water Act.	<ul style="list-style-type: none"> Sites in compliance 		✓				✓						
9	Manage / Coordinate IT projects for the Commission.	<ul style="list-style-type: none"> # of projects coordinated User group feedback 						✓	✓		✓			✓
10	Implement staff satisfaction survey improvements in the department.	<ul style="list-style-type: none"> Identified improvement projects are completed Sense of accomplishment felt by staff 						✓			✓	✓		✓
11	Implement corporate customer satisfaction survey in the department.	<ul style="list-style-type: none"> Complete customer satisfaction survey Implement improvement arising from survey 						✓				✓		
12	Monitor and control department cost centres and relevant capital accounts.	<ul style="list-style-type: none"> Meet / exceed year end targets Provide explanation for over- and under-expenditures 						✓						
13	Meet the process requirements identified for performance management.	<ul style="list-style-type: none"> 100% completion rate for all full time staff Adhere to corporate principles and process 						✓			✓		✓	

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Asset Management

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
<u>Revenue</u>								
RENTALS	\$83,530	\$83,450	\$109,081	\$25,631	30.7%	\$25,551	30.6%	
SALES	1,050	-	-	-	-	(1,050)	-100.0%	
RECOVERIES & CONTRIBUTIONS	9,656	7,400	7,400	-	0.0%	(2,256)	-23.4%	
OTHER INCOME	150,000	150,000	150,000	-	0.0%	-	0.0%	
Total Revenues	\$244,236	\$240,850	\$266,481	\$25,631	10.6%	\$22,245	9.1%	
<u>Expenses</u>								
SALARIES AND BENEFITS	\$656,108	\$690,886	\$602,744	(88,142)	-12.8%	(53,364)	-8.1%	
OPERATING MATERIALS & SUPPLIES	94,188	54,098	54,098	-	0.0%	(40,090)	-42.6%	
CONSTRUCTION MATERIALS	749	2,330	1,964	(366)	-15.7%	1,215	162.2%	
UTILITIES	295,375	304,555	338,116	33,561	11.0%	42,741	14.5%	
COMMUNICATIONS	2,640	2,878	2,878	-	0.0%	238	9.0%	
CONTRACTS & SERVICE AGREEMENTS	380,928	389,684	418,978	29,294	7.5%	38,050	10.0%	
MAINT. & REPAIR-TIME/MATERIAL	292,039	209,788	193,696	(16,092)	-7.7%	(98,343)	-33.7%	
LICENCES, PERMITS, FEES	1,050	427	427	-	0.0%	(623)	-59.3%	
OTHER PURCHASED SERVICES	-	4,802	-	(4,802)	-100.0%	-	-	
Total Expenses	\$1,723,077	\$1,659,448	\$1,612,901	(46,547)	-2.8%	(110,176)	-6.4%	
Net Expenditures/ (Revenue)	\$1,478,841	\$1,418,598	\$1,346,420	(72,178)	-5.1%	(132,421)	-9.0%	

Utilities & Capital Works

Business Overview

Mission Statement

We provide technical services and project management services to internal departments to achieve cost effective engineering solutions and project delivery for new and replacement infrastructure.

There are 3 distinct and separate sections combined in this Business Unit Profile:

- 1) Utilities & Contracts; 2) Capital Works, Facilities; and 3) Capital Works, ROW.

Utilities & Capital Works is Meeting 2005 Objectives

This business unit reports to Asset Management Department in the Community & Fire Services Commission. In 2005, it had an approved net budget of \$2,215,014 and 11 full-time employees. The net actual cost per household is \$22.18 in 2005.

This workgroup is responsible for providing the following core services:

1. Utilities & Contracts - Maintaining streetlighting system and recovering Town's costs for works done for development related projects; Review, approval, inspection and recovery of Town's costs for Utility installations; MAA administration; Providing survey services to Town Departments and contract review services. Also worked with Capital Works, ROW on the Light Pollution Policy in 2005.

2. Capital Works, Facilities - Providing project management services for the construction of new Town-owned facilities and additions and renovations of existing ones. The estimated value of projects managed in 2005 was \$9.5 million.

3. Capital Works, ROW - Providing project management and technical services for municipal infrastructure projects. In 2005, this unit provided project management for: 12 water and sanitary sewer related projects; 6 bridges and culverts improvement projects; 2 intersection improvement projects; and Settlers Park landfill site management project.

Utilities & Capital Works' Direction in 2006

In addition to maintaining it's current core services, the key focus areas for 2006 are:

1. Utilities & Contracts:

- Contract Section/Review with Finance, Process Mapping to determine priorities for 2007
- Review & finalize: 1) policies and procedures for Park Pathways & Facilities illumination; 2) 2006 streetlight maintenance contract; and 3) requirements due to 2005 Utility Consent revisions & MAA recovery costs
- Coordinate survey requirements/staff training to accommodate Capital Works ROW Design-change to AutoCAD environment
 - Light Pollution Implementation/Phase 1 - Public Awareness program/Energy efficiency review

2. Capital Works, Facilities:

- Start Cornell Fire Station and Complete Markham Village Library and Phase 1 of Centennial CC expansion
- Provide project management services for 2006 project identified by master plan and customer depts
- Improve and document administrative and project management practices and implement accessibility audit

3. Capital Works, ROW:

- Implementation of the aerobic landfill technology at the Settlers Park landfill site
- Implementation of the bridges and culverts improvement program
- Implementation of the Main St Markham Streetscape and Traffic Management Program - Phase 1

Service(s)	Customer(s)
Bridges assessment Capital project management, including Town facilities and municipal infrastructure (roads, water, sewers, bridges, etc.) Contract administration	Markham residents Departments, namely Fire & Emergency Services, Legal Services, Markham Public Libraries, Operations & Asset Management, Recreation & Culture Services, Waterworks
Streetlighting	Utility Groups
Survey	Surveyors
Utility approvals	

Utilities & Capital Works

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Finalized Municipal Access Agreements (MAA) with all utility providers. MAA being reviewed by Legal Department.	✓	
2 Developed utility approval/inspection procedures based on YDUCG procedure manual.	✓	
3 Developed policy and procedures and standards for the Capital Works, Facilities section.	✓	
4 Established and managed the Bridges & Culverts Management Program to maintain infrastructure efficiently.	✓	
5 Implement Phase I and V of Markham Main Street project. Delayed by MTO approval with additional funding required.		✓
6 Continued to deliver project management services for infrastructure projects	✓	
7 Completed Staff Satisfaction Improvement projects	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
8 ROW - Completed the Settlers Park Landfill Site Management Study including detail design using aerobic landfill technology, cost estimate & solicit external partnerships/funding contribution and submit application to COMRIF Intake II	✓	
9 ROW - Completed in-house design for emergency slope stabilization at Bay Thorn Dr due to Aug 19 storm damage	✓	
10 Utilities - Coordinated Motorola Pilot Project for High Speed data transmission Utilities - Coordinated Communication Pole agreement	✓	
11 Utilities - Coordinate review of Streetlight Maintenance Contract with PowerStream		✓
12 Utilities - Coordinated Light Pollution Report and implement recommendations into 2006 budget	✓	
13 Facilities - Reconstructed foundation at McKay House	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

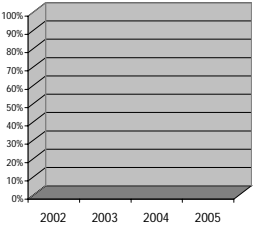
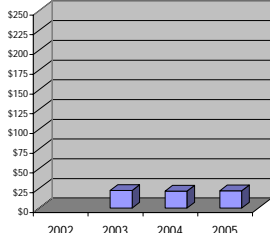
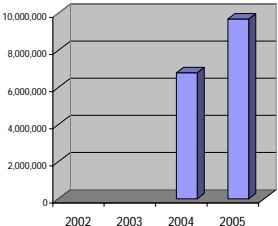
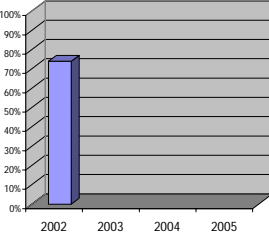
- Additional services from this group are required due to growth and aging of infrastructure as the community grows
- Develop working relationship with new Power Stream Corporation and review streetlighting services
- Light pollution and Parks illumination policy implementation / Energy efficiency review coordination with MECO group
- Appropriate funding to meet construction requirements for facilities -- noting increasing construction costs as well
- Increased demand for technical services and project management in the Capital Works, ROW area & the Survey section

Opportunities

- Fee revenues from MAA & utility permits based on causal costs (opportunity to recover all related admin costs)
- Funding for additional Capital Works, ROW resources is provided in the client departmental capital project funding
- Review of administration fees for recoveries from developers
- Energy efficiency review / implementations for future savings / PowerStream billing review for streetlighting energy costs
- Process mapping to better understand quotes on a comparative basis / ultimate data base for comparisons

Utilities & Capital Works

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction
			
Percentage of Customers Extremely Satisfied	Net Cost Per Household	Est. Value of ROW Construction Work Managed	Staff Satisfaction Rating

CUSTOMER SATISFACTION	2002	2003	2004	2005
	ACTUAL	ACTUAL	ACTUAL	ACTUAL
# of customer satisfaction surveys completed	-	-	-	1
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a

FINANCIAL PERFORMANCE				
Net cost per household	\$ -	\$ 22.41	\$ 21.73	\$ 22.18
Streetlighting costs per light standard(*est. to end of Nov.)	\$ 84.13	\$ 120.00	\$ 108.00	\$85*
Amount of utility revenue(*MAA Annuals fees for 2005 + \$25,000 not included)	\$ 24,228	\$ 111,037	\$ 161,501	\$105,000*
Average \$ value of right-of-way projects completed	\$ 305,000	\$ -	\$ 600,000	\$ 743,000
Estimated value of construction projects managed - ROW	n/a	n/a	\$6.8 million	\$9.7 million
Est. value of construction & renovation projects managed - Facilities	n/a	n/a	\$12.5 million	\$9.5 million

OPERATIONAL EXCELLENCE				
# of Committee & CAO reports authored	n/a	9	9	19
# of survey requests	n/a	n/a	388	384
# of capital right-of-way projects completed	6	0	3	5
# of new light standards (*to end of Nov.)	750	932	368	893*
# of utility permits issued (*revised permit tracking in 2005)	63	241	198	2717*

STAFF SATISFACTION				
Completion rate for performance management*	n/a	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	n/a	1.5	3.3	1.0
Completion rate (%) for staff survey improvement	n/a	n/a	n/a	100%
Recognition rating (from staff survey)	63%	n/a	n/a	n/a
Staff Satisfaction rating (from staff survey)	74%	n/a	n/a	n/a
High Performance Workgroup rating (from staff survey)	n/a	n/a	65%	n/a
Staff absenteeism (average # of days per employee) ^{2*}	n/a	2.7	14.3	0.6
Staff turnover rate*	n/a	0%	0%	9%

NOTES:
¹ This business unit was created in 2003. Therefore, some 2002 data are not available.
² 2004 figure is higher due to occurrence of extended sick leave.
 • Data year to date as at June 2005.

Utilities & Capital Works

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities					Organizational Priorities				
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality
A. Utilities & Contracts Section												
1	Light Pollution a) Public Awareness Program	Review and recommend Implementation program in 2006		✓	✓							
2	Light Pollution b) Energy Conservation Review	Streetlighting 2006 review with MECO		✓	✓			✓				
3	Light Pollution c) Facilities Implementation Strategy	Consultant review and report to Council for 2007 to support 2007 Budget		✓	✓			✓				
4	MAA Execution with Utilities	Execute agreements with utilities consistent with 2005 negotiations/implement new fee structure						✓	✓			
5	Communication Pole Agreements/execute	Execute pole agreements in early 2006 as negotiated in 2005		✓	✓			✓				
6	AutoCad Survey Implementation	Education and upgrading of equipment and staff to provide in-house Autocad survey for design of capital projects		✓				✓			✓	✓
7	New Fee By-law-Update	Update fee by-law per MAA fees and Recovery Admin. fees						✓				
8	Review of Streetlight Maintenance Contract	Review options to existing PowerStream agreement in 2006 for 2007 budgeting		✓				✓				
B. Capital Works, ROW Section												
1	Settlers Park - design and implement aerobic landfill technology	Complete by year end		✓	✓							
2	Construction of Main St markham streetscape and traffic management Phase 1 at 16th Ave/ Hwy 48 / Markham Rd	Complete construction in November										
3	Update and improve the bridges and culvert improvement program	Complete list of projects and cost estimates for 2007 budget by July										
C. Capital Works, Facilities Section												
1	Complete construction of major building projects	Complete by year end		✓	✓			✓			✓	✓
2	Provide ongoing support for deficiency rectification and warranty repairs on completed projects	Number of completed projects and satisfaction of facility manager(s)		✓				✓			✓	✓
3	Provide for planning and approval support for future projects	Number of new projects and satisfaction of department project managers		✓	✓			✓			✓	✓
4	Complete Civic Centre Improvement Projects	All planned projects completed by year end		✓	✓			✓			✓	✓
5	Complete various building audits	All planned audits completed by year end		✓	✓			✓			✓	✓
6	Complete Town wide Projects	All planned projects completed by year end		✓	✓			✓			✓	✓
7	Complete various projects for other departments	All projects completed by year end		✓	✓			✓			✓	✓
8	Continuous improvement of purchasing documents, contract documents, and payment processes	Number of improved documents by year end		✓				✓	✓	✓		✓
9	Develop an energy conservation/sustainability strategy for Town owned buildings	Complete strategy by year end		✓	✓			✓			✓	✓

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Utilities & Capital Works

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
GRANTS AND SUBSIDIES	\$1,567	\$0	\$0	-		(1,567)	-100.0%
USER FEES & SERVICE CHARGES	90,000	50,000	50,000	-	0.0%	(40,000)	-44.4%
SALES	635	2,000	2,000	-	0.0%	1,365	215.0%
RECOVERIES & CONTRIBUTIONS	30,000	50,000	50,000	-	0.0%	20,000	66.7%
Total Revenues	\$122,202	\$102,000	\$102,000	\$0	0.0%	(20,202)	-16.5%
Expenses							
SALARIES AND BENEFITS	\$649,318	\$820,869	\$787,019	(33,850)	-4.1%	\$137,701	21.2%
PRINTING & OFFICE SUPPLIES	-	5,340	5,340	-	0.0%	5,340	
OPERATING MATERIALS & SUPPLIES	2,072	2,054	2,054	-	0.0%	(18)	-0.9%
CONTRACTS & SERVICE AGREEMENTS	(56,317)	(54,278)	(56,317)	(2,039)	3.8%	-	0.0%
MAINT. & REPAIR-TIME/MATERIAL	600,684	420,097	798,058	377,961	90.0%	197,374	32.9%
PROFESSIONAL SERVICES	17,128	8,932	23,932	15,000	167.9%	6,804	39.7%
CONTRACTED MUNICIPAL SERVICES	973,011	1,114,000	1,211,000	97,000	8.7%	237,989	24.5%
OTHER EXPENDITURES	2,014	-	-	-		(2,014)	-100.0%
Total Expenses	\$2,187,910	\$2,317,014	\$2,771,086	\$454,072	19.6%	\$583,176	26.7%
Net Expenditures/ (Revenue)	\$2,065,708	\$2,215,014	\$2,669,086	\$454,072	20.5%	\$603,378	29.2%



Operations

Business Overview

Mission Statement

Operations subscribes to the mission statement of the Operations & Asset Management Department, as outlined below.

We deliver safe, high quality, and affordable services through leadership and sensitivity to the community and the environment. We foster an atmosphere for continuous improvement through interactions with our customers and benchmarking with our colleagues to meet the demands of our growing community.

Operations is Meeting 2005 Objectives

The Operations Division reports to the Operations Department in the Community & Fire Services Commission. In 2005, it had an approved net budget of \$14,405,070 and 89 full-time employees. \$2,586,395 in revenue was achieved, resulting in a net actual cost per household of \$151.02 in 2005.

Operations Division is responsible for providing the following core services:

- Fleet Maintenance - In 2005, maintained 694 units, managed \$1.75 million operating budget, and a \$1.1 million replacement program budget.
- Parks Maintenance & Horticulture - In 2005, this group maintained approximately 7.64 hectares of parkland. In 2005, it cost \$7,069 to maintain a hectare of park. The cost to maintain a tree was \$3.15. In 2005, Parks Maintenance and Horticulture accounted for 34% of the approved net budget for the department.
- Roads Maintenance - In 2005, the Town maintained 1,760 lane kilometres of road. 83.0% of paved roads were rated as 'good condition' or higher in 2005. 100% of all winter responses in 2005 met or exceeded road maintenance standards. The operating cost to maintain paved roads was \$709.88 per lane km in 2004. The operating cost for winter maintenance in 2004 was \$3,662.75 per lane km. The cost to maintain unpaved roads was \$5,542.21 per lane km in 2004. In 2005, Road Maintenance accounted for 48% of the approved net departmental budget.
- Admin & Financial Support - Windrow removal assistance was provided, in partnership with the Contact Centre, to 1,302 residents. Provided assistance to manage 8,667 Roads / Parks service requests. Conducted variance analysis for capital accounts with \$14.5 million funding and Operating accounts with \$14.4 million plus in funds, including year-end projections. Processed 2,414 GSO/Cheque Requisitions, 3,735 AMEX transactions, 2,270 Fleet work orders, and 3,803 Fleet stockroom transactions in 2005.

Operations' Direction in 2006

- Continue implementation of Green Fleet Transition Plan
- AVL program for Corporate Fleet
- Communities in Bloom, National Competition
- IPM Program
- Public Drinking Fountains
- Continue Implementation of Salt Management Plan
- Concrete Fence Replacement Program
- Staff Training
- Job Costing System/Process
- Staff Satisfaction Improvement Projects
- Customer Service Surveys/Improvements

Service(s)	Customer(s)
Development review	All user departments
Drainage - streams, channels, stormwater mgmt, etc.	Development Services Commission
Fleet Management - repair and replacement	Town businesses
Horticulture and forestry services	Town residents
Parks, sportsfields and facility maintenance	Special Events Groups/Coord.
Roads - asphalt repair, winter control, traffic systems, special events	

Operations

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Supported the Communities in Bloom program.	✓	
2 Public Drinking Fountains Policy.		✓
3 Continued to address the Norway Maple tree decline.	✓	
4 Pesticide Reduction & Service Level Review - Phase 1.	✓	
5 Operations Review - Continued to improve efficiencies through the integration of Fleet/Parks/Roads resources.	✓	
6 Implement recommendations from the Salt Management Plan.	✓	
7 Implemented recommendations of Green Fleet Transition Plan.	✓	
8 Fence replacement program for rail lines abutting public roads.	✓	
9 Introduction of Automatic Vehicle Locators (AVL's) for corporate fleet (IT project).		✓
10 Completed Staff Satisfaction Improvement projects.	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
11 Expanded streetscape program in Ward 7 - additional baskets and barrels.	✓	
12 Public Outdoor Ice Rink Program.	✓	
13 Dog off Leash Policy and Program - Report to Council in Jan/06 - further information requested and submitted to Council in May/06.		✓
14 Corporate Operator/Driver Permits (training/testing to operate Town vehicles and equipment).		✓
15 Council approval of Town wide concrete fence replacement program (ongoing).	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

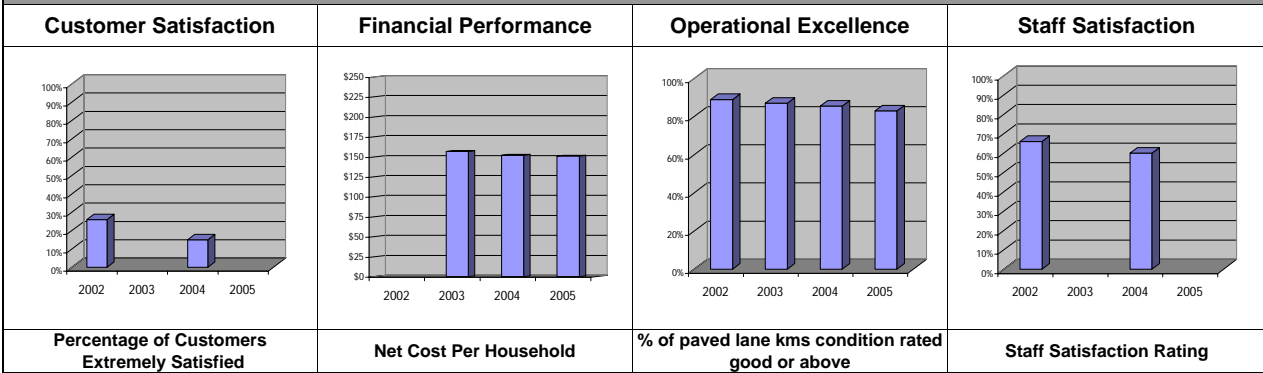
- Legislated requirements as well as health/safety and environmental changes
- Tree Decline as a result of climactic changes and continually evolving environmental stresses (i.e. Asian Long Horn Beetle and Emerald Ash Borer)
- Resources required to address growing/aging infrastructure
- Meeting Kyoto targets
- Increased maintenance/replacement costs
- Light Pollution/Parks Illumination Policy Implementation

Opportunities

- Partnership with Community Volunteer Groups, Ratepayer Groups, Developers, etc. to enhance the Communities in Bloom program
- Implementation of staffing plan as identified in the Operations Review
- Partnership with Industry for Alternative Fuels & Green Fleet
- Operations & Asset Management Facilities Master Plan

Operations

KEY PERFORMANCE INDICATORS



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	-	-	-	-
Percentage of customers extremely satisfied (Citizen/service specific surveys)	26%	n/a	15%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	86%	n/a	74%	n/a
Number of work order/requests	3,792	4,332	7,835	4,468
FINANCIAL PERFORMANCE				
Net cost per household	\$ -	\$ 156.93	\$ 152.03	\$ 151.02
Cost per hectare of parks maintained ¹	\$ 6,200.00	\$ 6,270.42	\$ 6,758.00	\$ 7,069.00
Cost per tree maintained ²	\$ 2.68	\$ 2.69	\$ 2.87	\$ 3.15
Operating cost for paved roads per lane kilometre (MPMP) ³	\$ 649.08	\$ 612.20	\$ 709.88	n/a
Operating costs of road winter maintenance per lane kilometre maintained (MPMP) ³	\$ 1,798.56	\$ 2,776.69	\$ 3,662.75	n/a
OPERATIONAL EXCELLENCE				
Hectares of park per 100,000 population	258	284	274	344
Parkland hectares as % of total hectares in municipality ⁴	2.9%	3.2%	3.2%	3.6%
% of paved lane kms where condition is rated good or above (MPMP) ³	89%	87%	86%	83%
% of winter responses that meet or exceed road maintenance standards (MPMP) ³	98%	100%	100%	100%
Number of work orders completed per division/mechanic	2150 / 307	2207 / 315	2389 / 311	4334 / 454
STAFF SATISFACTION				
Completion rate for performance management*	n/a	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	n/a	0.7	1.0	18.3
Completion rate (%) for staff survey improvement	n/a	100%	n/a	100%
Recognition rating (from staff survey)	62%	n/a	57%	n/a
Staff Satisfaction rating (from staff survey)	66%	n/a	60%	n/a
High Performance Workgroup rating (from staff survey)	n/a	n/a	70%	n/a
Staff absenteeism (average # of days per employee)*	n/a	5.5	8.7	4.3
Staff turnover rate*	n/a	2%	2%	0%

NOTES:
¹ 763.85 hectares Parkland; increased cost due to CIB funding
² 283,000 Trees - estimate only.
³ MPMP refers to the provincial Municipal Performance Measurement Program. Some of the 2005 data not available until May.
⁴ Total hectares in municipality - 21,200
* Data is year to date as at June 2005.

Operations

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities							
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction		
1	Public Drinking Fountains Policy	<ul style="list-style-type: none"> Policy developed Policy adopted 		✓				✓								
2	Continue to implement recommendations from the Salt Management Plan	<ul style="list-style-type: none"> Recommendations implemented 			✓			✓			✓					
3	Introduction of Automatic Vehicle Locators (AVL's) for corporate fleet (IT project)	<ul style="list-style-type: none"> AVL product selected AVL program implemented 						✓	✓		✓					
4	Dog off Leash Policy and Program - Report to Council in Jan/06 - further information requested and submitted to Council in May/06.	<ul style="list-style-type: none"> Departmental guidelines approved Volunteer Dog Off-leash Program established Overall program finalized 		✓				✓								
5	Corporate Operator/Driver Permits (training/testing to operate Town vehicles and equipment)	<ul style="list-style-type: none"> # of staff trained # of staff tested 						✓						✓		
6	Continue to implement Green Fleet Transition Plan	<ul style="list-style-type: none"> Plan implemented 			✓			✓								
7	Support Communities in Bloom – National Competition	<ul style="list-style-type: none"> Participate and support competition as needed 		✓												
8	Concrete Fence Replacement Program	<ul style="list-style-type: none"> Make replacement as approved by Council 		✓				✓								
9	Job Costing System/Process	<ul style="list-style-type: none"> Process monitored and improved 						✓	✓							
10	Staff Satisfaction Improvement Projects	<ul style="list-style-type: none"> Communicate results to staff # of improvements completed 										✓	✓	✓		
11	Customer Service Surveys/Improvements	<ul style="list-style-type: none"> # of survey undertaken Survey results # of improvements completed 		✓				✓			✓					

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Operations

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
GRANTS AND SUBSIDIES	\$5,605	\$0	\$0	-		(5,605)	-100.0%	
RENTALS	165,050	130,000	130,000	-	0.0%	(35,050)	-21.2%	
SALES	85,237	65,000	65,000	-	0.0%	(20,237)	-23.7%	
RECOVERIES & CONTRIBUTIONS	1,674,628	326,500	346,500	20,000	6.1%	(1,328,128)	-79.3%	
OTHER INCOME	655,875	338,276	463,276	125,000	37.0%	(192,599)	-29.4%	
Total Revenues	\$2,586,395	\$859,776	\$1,004,776	\$145,000	16.9%	(1,581,619)	-61.2%	
Expenses								
SALARIES AND BENEFITS	\$7,820,573	\$7,702,043	\$8,902,372	\$1,200,329	15.6%	\$1,081,799	13.8%	
PRINTING & OFFICE SUPPLIES	1,301	-	1,000	1,000		(301)	-23.1%	
PURCHASES FOR RESALE	2,427	-	-	-		(2,427)	-100.0%	
OPERATING MATERIALS & SUPPLIES	98,362	120,331	108,738	(11,593)	-9.6%	10,376	10.5%	
VEHICLE SUPPLIES	1,152,145	931,525	923,742	-7,783	-0.8%	(228,403)	-19.8%	
SMALL EQUIPMENT SUPPLIES	11,255	13,591	13,591	-	0.0%	2,336	20.8%	
BOTANICAL SUPPLIES	333,077	330,606	357,827	27,221	8.2%	24,750	7.4%	
CONSTRUCTION MATERIALS	1,115,523	941,320	1,033,603	92,283	9.8%	(81,920)	-7.3%	
INVENTORY ADJUSTMENTS	(19,086)	-	-	-		19,086	-100.0%	
UTILITIES	266,991	219,535	292,946	73,411	33.4%	25,955	9.7%	
COMMUNICATIONS	19,250	17,475	17,974	499	2.9%	(1,276)	-6.6%	
TRAVEL EXPENSES	73	-	-	-		(73)	-100.0%	
TRAINING	358	-	-	-		(358)	-100.0%	
CONTRACTS & SERVICE AGREEMENTS	3,865,144	3,454,678	3,809,184	354,506	10.3%	(55,960)	-1.4%	
MAINT. & REPAIR-TIME/MATERIAL	1,505,223	1,026,528	927,538	(98,990)	-9.6%	(577,685)	-38.4%	
RENTAL/LEASE	243,611	247,365	261,511	14,146	5.7%	17,900	7.3%	
PROFESSIONAL SERVICES	37,034	8,738	8,956	218	2.5%	(28,078)	-75.8%	
LICENCES, PERMITS, FEES	239,836	242,553	248,178	5,625	2.3%	8,342	3.5%	
PROMOTION & ADVERTISING	187	10,000	10,012	12	0.1%	9,825	5254.0%	
OTHER PURCHASED SERVICES	(42,965)	(7,645)	(42,965)	(35,320)	462.0%	-	0.0%	
OTHER EXPENDITURES	3,140	6,200	6,200	-	0.0%	3,060	97.5%	
Total Expenses	\$16,653,459	\$15,264,843	\$16,880,407	\$1,615,564	10.6%	\$226,948	1.4%	
Net Expenditures/ (Revenue)	\$14,067,064	\$14,405,067	\$15,875,631	\$1,470,564	10.2%	\$1,808,567	12.9%	

Waste Management

Business Overview

Mission Statement

To provide responsible waste management services for our community. We do this by providing efficient and effective collection services while developing and promoting innovative waste reduction programs.

Waste Management is Meeting 2005 Objectives

Waste Management reports to the Operations Department in the Community & Fire Services Commission. In 2005, it had an approved net budget of \$6,118,496 and 4 full-time staff. \$834,337 was achieved, resulting in a net budgeted cost per household of \$66.76. The major objective for 2005 was the implementation of Mission Green 3-stream collection.

- Waste Collection - Services provided to 74,516 households in 2005, an increase of 3,000 from 2004. Continued to administer the collection contract, respond to customer requests, and establish and enforce policies and by-laws related to waste. Waste collection operating cost was \$57.35 per tonne in 2004.
- Recycling Collection - Services provided to 74,516 households in 2005, 4 year-round recycling depots, and special events. The operating cost for this service was \$135.71 per tonne in 2004. The waste diversion rate was 52% in 2005, an increase from 37% in 2004. In 2005, the new Mission Green 3-stream organics collection system was launched town-wide. For its Home Composting Program, Waste Management sold about 1,200 home composters through its recycling depots and at 5 sale events.
- Public Education and Program Planning - Proactive program and policy planning are key to the Town's success in waste diversion. "Mission Green", a program to recycle 70% of Markham's waste, was unanimously approved by Council in 2004 and will be supported by an aggressive public education program. The implementation of Phase 1 and the development of Phase II of 3-stream collection and a litter prevention strategy were key objectives for 2005.

Waste Management's Direction in 2006

- Waste Management services will continue to expand to achieve 70% waste diversion
- Plan for and begin implementation of Phase 3 of 3-Stream collection program to Markham's apartment and condominium residences, and BIA areas
- Implement Mission Green @ Work to all Town facilities, including community centres, arenas, fire halls, libraries and parks
- Continue 3-Stream education program to all Markham residents
- Conduct a resident survey about new 3-Stream system
- Conduct audit to measure effectiveness of new 3-Stream collection program
- Home composting program
- Litter Program

Service(s)	Customer(s)
Collection services: garbage, recycling, yard waste, organics and special events collection services; Recycling depot management	Markham residents
Waste Management Inspections and Enforcement	Markham businesses
Monthly scrap metal / large appliance collection	School and community groups
Public Education Program-development of newsletters, brochures, fact sheets, web page, video, Environment Book on waste management	Developers
Blue Box, home composter, and green bin distribution	Development Services Commission
Site Plan & Development Agreement review	Development Services Commission

Waste Management

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Implemented Phase II of 3-Stream collection program to 55,000 households by September 2005.	✓	
2 Implement a Litter Prevention Strategy and hire a one-year contract Litter Coordinator.		✓
3 Prepared multi-residential recycling strategy and education program for leaf and yard waste plastic bag ban .	✓	
4 Develop a waste management strategy for Markham Centre.		✓
5 Streamlined Development Review process.	✓	
6 Expanded the School Education Program.	✓	
7 Completed Staff Satisfaction Improvement projects.	✓	
8 Implemented 20-minute Makeover Project.	✓	
9 Implemented Mission Green@Work at Civic Centre, Rouge River Community Centres and all Fire stations in Markham.	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
10 Implemented a battery recycling program at Civic Centre.	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

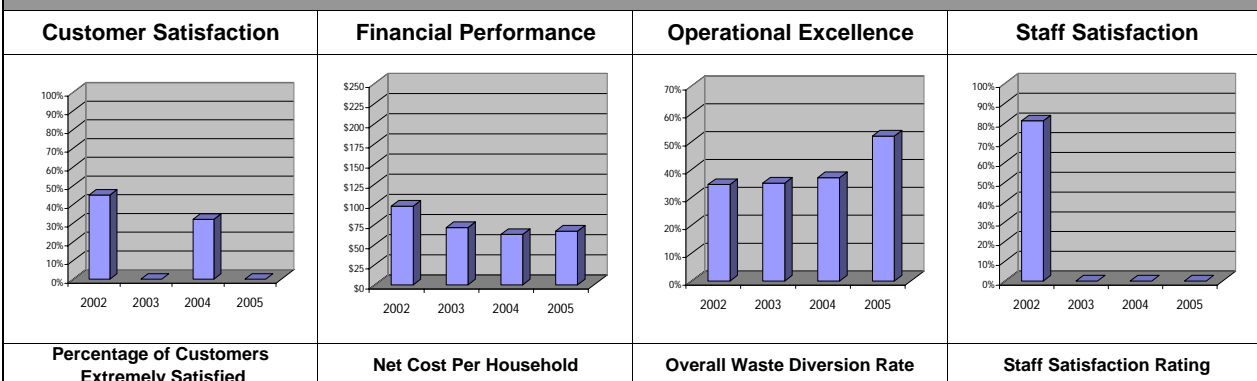
Waste Management services for Markham Centre
Expansion of curbside recycling program with addition of new materials may require curbside collection in small carts as alternative to blue boxes
Potential closure of Michigan border to flow of Canadian garbage
Continued communication and education to ensure continued compliance with every-other-week garbage collection and to prevent illegal dumping and improper set-outs and obtain 70% waste diversion target
Waste reduction programs for apartment buildings and schools

Opportunities

Negotiate diversion credit with Region
User Pay / Bag Tag Enforcement

Waste Management

KEY PERFORMANCE INDICATORS



	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 BUDGET / YTD
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	-	-	-	-
Percentage of customers extremely satisfied (Citizen/service specific surveys)	45%	n/a	32%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	85%	n/a	70%	n/a
Number of service requests	2,867	4,037	1,621	5,587
FINANCIAL PERFORMANCE				
Net cost per household ¹	\$ 97.65	\$ 70.91	\$ 62.48	\$ 66.76
Operating cost for waste collection per tonne (MPMP) ²	\$ 62.32	\$ 57.03	\$ 57.35	n/a
Operating cost for waste disposal per tonne (MPMP) ²	\$ 55.74	\$ 2.84	\$ -	\$ -
Operating cost for waste diversion per tonne (MPMP) ²	\$ 216.21	\$ 142.80	\$ 135.71	n/a
Average cost for waste management - integrated (MPMP) ²	\$ 152.20	\$ 88.95	\$ 86.40	n/a
OPERATIONAL EXCELLENCE				
Overall waste diversion rate (MPMP) ²	34.6%	35.1%	37.1%	52.0%
# of waste pick-ups per week	64,245	67,050	70,050	74,516
# visits to recycling depots per year	30,112	31,719	43,507	44,232
# of recycling pickups per week	64,245	67,245	70,050	74,516
# of white goods pickups per month	100	477	125	648
STAFF SATISFACTION				
Completion rate for performance management*	100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	3.8	1.3	2.8	16.5
Completion rate (%) for staff survey improvement	n/a	100%	n/a	100%
Recognition rating (from staff survey)	67%	n/a	n/a	n/a
Staff Satisfaction rating (from staff survey)	81%	n/a	n/a	n/a
High Performance Workgroup rating (from staff survey)	73%	n/a	n/a	n/a
Staff absenteeism (average # of days per employee)*	2.8	2.8	3.3	2.5
Staff turnover rate*	50%	0%	0%	0%

NOTES:

¹ Much of the change between 2002 and 2003 was the result of transferring the waste disposal function to York Region. Work is underway to back out the tipping, disposal, and revenue numbers from the 2002 figure to arrive at a number that can be compared to the 2003 figure.

² MPMP refers to the provincial Municipal Performance Measurement Program. Data not available until May.

* Data is year to date as at June 2005.

Waste Management

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities								
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction			
1	Implement 3-Stream Phase 3 to apartments and condominiums.	3-Stream expanded to 10 buildings		✓	✓			✓									
2	Expand Mission Green @ Work to all Town facilities.	Expanded to all community centres, arenas, and libraries		✓	✓			✓			✓		✓				
3	Continue 3-Stream education program to all residents.	1 schedule, 2 newsletters, web site updated, apartment recycling guide, small business recycling guide		✓	✓	✓		✓									
4	Conduct 3-Stream resident survey.	Completed		✓	✓			✓									✓
5	Conduct 3-Stream effectiveness waste audit.	Completed		✓	✓			✓						✓			✓
6	Implement a multi-year Litter Prevention Strategy.	Strategy developed and approved by Council for implementation		✓	✓			✓	✓								
7	Develop a waste management strategy for Markham Centre.	Strategy developed			✓	✓		✓	✓	✓			✓				
8																	
9																	
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TOWN OF MARKHAM - 2006 OPERATING BUDGET

Waste

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>							
GRANTS AND SUBSIDIES	\$671,788	\$457,609	\$457,609	-	0.0%	(214,179)	-31.9%
USER FEES & SERVICE CHARGES	35,700	25,000	50,000	25,000	100.0%	14,300	40.1%
SALES	124,921	63,500	63,500	-	0.0%	(61,421)	-49.2%
OTHER INCOME	1,928	-	-	-	-	(1,928)	-100.0%
Total Revenues	\$834,337	\$546,109	\$571,109	\$25,000	4.6%	(263,228)	-31.5%
<u>Expenses</u>							
SALARIES AND BENEFITS	\$497,712	\$451,769	\$428,911	(22,858)	-5.1%	(68,801)	-13.8%
PRINTING & OFFICE SUPPLIES	27,215	17,476	17,476	-	0.0%	(9,739)	-35.8%
PURCHASES FOR RESALE	213,081	38,835	38,835	-	0.0%	(174,246)	-81.8%
OPERATING MATERIALS & SUPPLIES	7,433	2,622	2,622	-	0.0%	(4,811)	-64.7%
UTILITIES	1,903	2,157	1,864	(293)	-13.6%	(39)	-2.0%
COMMUNICATIONS	-	485	1,805	1,320	272.2%	1,805	
TRAVEL EXPENSES	44	-	-	-	-	(44)	-100.0%
MAINT. & REPAIR-TIME/MATERIAL	4,054	3,635	3,635	-	0.0%	(419)	-10.3%
RENTAL/LEASE	-	981	981	-	0.0%	981	
PROFESSIONAL SERVICES	6,478	26,214	26,214	-	0.0%	19,736	304.7%
LICENCES, PERMITS, FEES	(23,590)	-	-	-	-	23,590	-100.0%
PROMOTION & ADVERTISING	130,488	122,141	107,219	(14,922)	-12.2%	(23,269)	-17.8%
CONTRACTED MUNICIPAL SERVICES	6,187,728	5,998,290	6,427,175	428,885	7.2%	239,447	3.9%
Total Expenses	\$7,052,546	\$6,664,605	\$7,056,737	\$392,132	5.9%	\$4,191	0.1%
Net Expenditures/ (Revenue)	\$6,218,209	\$6,118,496	\$6,485,628	\$367,132	6.0%	\$267,419	4.3%



Waterworks

Business Overview

Mission Statement

- To provide high quality and sufficient quantity of water supply to all system users with the highest affordable level of service.
- To carry out efficient operation and maintenance of the Town's sanitary sewer system to minimize hazards to public health, safety and property.
- To protect our natural resources, specifically, to conserve the fresh water.

Waterworks is Meeting 2005 Objectives

Waterworks Division reports to the Operations Department in the Community & Fire Services Commission. In 2005, it had an approved balanced budget of \$47.7 million and 48 full-time employees. Expenditures are fully allocated to their users and the average cost per household in 2005 was \$640. Waterworks is independently funded through water fees and it is the general corporate practice to segregate the operating budget numbers from other departments.

Waterworks is responsible for providing the following core services:

- Water Distribution Operations - Water consumption was approximately 33.3 million cubic metres in 2005. The operating cost per km of water distribution system is estimated at \$5,218. The number of watermain breaks per 100 km is 3.4. The number of reportable water quality samples as percentage of all samples taken was 0.4% in 2005.
- Wastewater Collection Operations - The operating cost per km of wastewater distribution system is estimated at \$2,237. Complaints about sewer backup was 0.27 per 100 km of mainline in 2005, compared to 0.74 in 2004. Satisfaction surveying conducted by the department indicated a current satisfaction rating of 88%.

Waterworks' Direction in 2006

Waterworks has an ongoing Operating Program and Capital Works Program. In addition, Waterworks is implementing the 3rd year of a three-year staffing program & reorganization.

- Waterworks Operating Program direction in 2006 includes initiatives to increase the service level standard of maintenance for sanitary sewers, improve training for Waterworks Operators, improved emergency preparedness and operational control. Improvements to the Waterworks Operations include programs related to backflow prevention, sanitary sewer by-law enforcement, SDWA Quality Management System (QMS) implementation, water quality records management, Hansen upgrades and integrated Data Acquisition Repository & Tracking Strategy (DARTS).
- Waterworks Capital Program direction in 2006 includes pilot programs for the installation of District Metering Areas (DMA) and Automated Meter Reading (AMR). Other initiatives include condition assessment of sanitary sewer & water distribution system infrastructure, Supervisory Control and Data Acquisition (SCADA) & instrumentation improvements, improvements to the Woodbine Ave sanitary sewer siphons, Ninth Line water & sewer improvements, replacement of the sewer flusher truck and purchase of other equipment.

Service(s)	Customer(s)
Water distribution system operations	<u>Primary</u>
Wastewater collection system operations	<ul style="list-style-type: none"> • Town businesses
Respond to customer needs	<ul style="list-style-type: none"> • Town residents
Development review	<u>Secondary</u> <ul style="list-style-type: none"> • Development Services Commission

Waterworks

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Developed training plan for Operators & Office staff	✓	
2 Continue to develop & implement plan for Delcan recommendations	✓	
3 Prepare strategy for MOE Quality Management System (QMS)		✓
4 Develop hydraulic model of water & wastewater system for Quality Assurance		✓
5 Address operational & financial issues related to aging infrastructure		✓
6 Completed Staff Satisfaction Improvement projects	✓	
7 Implemented Phases 1 & 2 of the 3-year staffing plan	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
8 Develop & implement Service Level Agreements (SLAs) with supporting departments		✓
9 Develop & implement valve maintenance program		✓
10 Completed Capital Project for the installation of pedestal water quality sampling stations	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

Aging system & lifecycle requirements, reserves adequacy with respect to Bill 175/03 (SWSA) and future Regulations; Increased construction costs

Impact of provincial legislations, Bill 195/03 (SDWA), O.Reg. 170/03, 128/04 and 129/04 and Quality Management System (QMS); System accreditation & licensing

System and growth management

Inability to attract licensed Operators - it takes up to 3 years to bring Operators to required licensed level

Continue implementation of Delcan recommendations

DMA instrumentation & SCADA

Opportunities

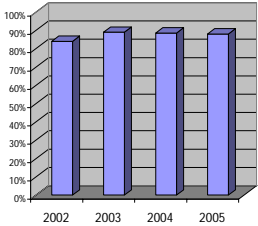
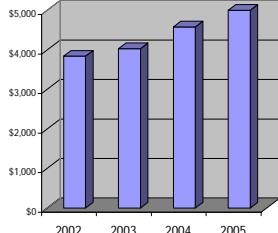
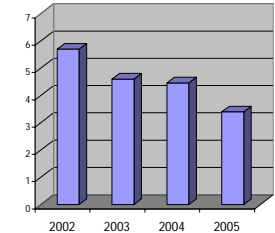
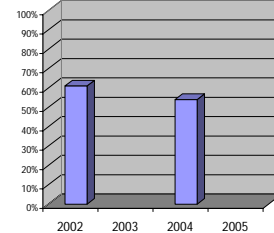
Service fees for new development inspection and sampling

Meter installation & recovery of unmetered revenues

Incorporate cost of Automated Meter Reading (AMR) into all new development agreements

Waterworks

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction
			
Service Satisfaction Rating (%)	Operating Cost per km - Water Distribution	Annual # of watermain breaks per 100km of distribution pipe	Staff Satisfaction Rating

	2002 ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
Service Satisfaction Rating (%)	84%	89%	89%	88%
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
# of sewer backup complaints per 100km of mainline (MPMP) ¹	1.68	1.19	0.74	0.27
FINANCIAL PERFORMANCE				
Operating cost per km - water distribution system (MPMP) ¹	\$ 3,840.64	\$ 4,031.04	\$ 4,578.37	\$ 5,218.12
Operating cost per km - wastewater collection system (MPMP) ¹	\$ 2,437.92	\$ 1,946.69	\$ 2,040.27	\$ 2,237.71
OPERATIONAL EXCELLENCE				
Annual # of watermain breaks per 100km of distribution pipe (MPMP) ¹	5.7	4.6	4.5	3.4
# of households per FTE	1,971	2,057	1,770	1,552
# of reportable water quality samples as % of all samples taken	0.10%	0.07%	0.10%	0.36%
Cubic metres of water consumed annually	31.6 million	31.3 million	30.4 million	33.3 million
STAFF SATISFACTION				
Completion rate for performance management*	100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	0.20	0.03	0.80	1.00
Completion rate (%) for staff survey improvement	n/a	87%	n/a	95%
Recognition rating (from staff survey)	55%	n/a	49%	n/a
Staff Satisfaction rating (from staff survey)	61%	n/a	54%	n/a
High Performance Workgroup rating (from staff survey)	n/a	n/a	68%	n/a
Staff absenteeism (average # of days per employee) ^{2*}	6.7	6.5	4.5	3.6
Staff turnover rate*	17%	3%	3%	0%

NOTES: ¹ MPMP refers to the provincial Municipal Performance Measurement Program. 2005 MPMP figures to be confirmed / finalized in May 2006.
² Data is year to date as at June 2005.

Waterworks

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities						
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction	
1	Implement 3rd year of the three-year staffing program and reorganization.	• Plan implemented, subject to appropriate approval		✓	✓			✓						✓	✓
2	Increase service level standard of maintenance for sanitary sewers.	• Monitor service level changes						✓							
3	Enhance training for operators.	• Feedback from trainees						✓						✓	
4	Improve emergency preparedness and operational contract.	• Improvements made and documented			✓			✓							
5	Enforce Backflow Prevention and Sanitary Sewer By-law.	• Enforcement plan in place • # of enforcements made		✓	✓			✓							
6	SDWA Quality Management System Implementation and water quality records management.	• System implemented • Record management in place		✓	✓			✓							
7	Pilot Projects: District Metering Areas and Automated Meter Reading.	• Pilot implemented • Results reviewed		✓				✓	✓						
8	Improve Woodbine Avenue sanitary sewer siphons.	• Improvements made		✓	✓										
9	9th Line water and sewer improvements.	• Improvements made		✓	✓										

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Waterworks Consolidated

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>		
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	
Revenue								
TAX LEVIES	\$92,463	\$91,199	\$0	(91,199)	-100.0%	(92,463)	-100.0%	
FINES/ BILLINGS	43,732,989	43,393,018	46,239,542	2,846,524	6.6%	2,506,553	5.7%	
USER FEES & SERVICE CHARGES	641,987	607,585	607,585	-	0.0%	(34,402)	-5.4%	
SALES	194,522	126,000	126,000	-	0.0%	(68,522)	-35.2%	
RECOVERIES & CONTRIBUTIONS	4,402	3,000	3,000	-	0.0%	(1,402)	-31.8%	
OTHER INCOME	3,448,870	3,448,020	-	(3,448,020)	-100.0%	(3,448,870)	-100.0%	
Total Revenues	\$48,115,233	\$47,668,822	\$46,976,127	-\$692,695	-1.5%	-\$1,139,106	-2.4%	
Expenses								
SALARIES AND BENEFITS	\$3,052,647	\$3,394,145	\$4,243,998	\$849,853	25.0%	\$1,191,351	39.0%	
PRINTING & OFFICE SUPPLIES	39,576	28,446	40,946	12,500	43.9%	1,370	3.5%	
OPERATING MATERIALS & SUPPLIES	123,505	93,465	98,500	5,035	5.4%	(25,005)	-20.2%	
CONSTRUCTION MATERIALS	524,097	708,045	622,885	(85,160)	-12.0%	98,788	18.8%	
INVENTORY ADJUSTMENTS	42,254	-	-	-	-	(42,254)	-100.0%	
UTILITIES	29,405	29,374	29,961	587	2.0%	556	1.9%	
COMMUNICATIONS	27,996	23,874	38,174	14,300	59.9%	10,178	36.4%	
TRAVEL EXPENSES	25,243	32,956	32,956	-	0.0%	7,713	30.6%	
TRAINING	30,083	37,125	40,000	2,875	7.7%	9,917	33.0%	
CONTRACTS & SERVICE AGREEMENTS	3,219,122	2,649,043	3,567,376	918,333	34.7%	348,254	10.8%	
MAINT. & REPAIR-TIME/MATERIAL	156,577	208,864	226,528	17,664	8.5%	69,951	44.7%	
RENTAL/LEASE	4,078	4,854	4,854	-	0.0%	776	19.0%	
PROFESSIONAL SERVICES	39,648	170,679	171,174	495	0.3%	131,526	331.7%	
LICENCES, PERMITS, FEES	12,149	2,913	2,913	-	0.0%	(9,236)	-76.0%	
PROMOTION & ADVERTISING	-	5,000	8,000	3,000	60.0%	8,000		
CONTRACTED MUNICIPAL SERVICES	30,632,339	32,201,949	33,018,085	816,136	2.5%	2,385,746	7.8%	
OTHER PURCHASED SERVICES	105,704	110,723	135,521	24,798	22.4%	29,817	28.2%	
TRANSFERS TO RESERVES	7,967,367	7,967,367	4,694,256	(3,273,111)	-41.1%	(3,273,111)	-41.1%	
Total Expenses	\$46,031,790	\$47,668,822	\$46,976,127	-\$692,695	-1.5%	\$944,337	2.1%	
Net Expenditures/ (Revenue)	(2,083,443)	-	-	\$0	0.0%	\$2,083,443	-100.0%	

Recreation

Business Overview

Mission Statement

To build a healthy, vibrant community through the provision of well-maintained facilities and high quality recreation and cultural services that meet the customers' expectations.

Recreation is Meeting 2005 Objectives

Recreation reports to the Recreation & Culture Services Department in the Community & Fire Services Commission. In 2005, it had an approved budget of \$15,647,285 in expenditures and \$11,723,574 in revenues, resulting in a net budget of \$3,923,711 and 83 full-time employees. The net actual cost per household in 2005 was \$40.24.

Recreation is responsible for providing the following core services:

- Program Delivery - In 2004, registrations in the areas of aquatics, aerobic classes, general programs and camps totalled 74,309, an increase of 10.5% from 2004. During the same period of time the number of classes in these areas increased from 7,628 in 2004 to 12,646 in 2005. The average fill rate for all programs remained stable at 77% in 2005. Fitness membership at year end 2005 totalled 1,962. For the first time in 2005, Recreation staff implemented CPAT testing for firefighters recruits and tested 499 applicants and generated \$74,850 in gross revenue. The new RLSS swim program was implemented in Markham.
- Community Centre Operations - Recreation looks after 17 facilities, totalling 771,422 sq.ft. of space. In 2005, there were 3.6 sq.ft. of community centre space per capita. Rentals are comprised of three major areas: ice, soccer and halls, accounting for \$4,567,953 in revenues in 2005. The final phase of Angus Glen Community Centre & Library (175,000 sq.ft. complex) officially opened in February 2005. Pingle House was opened in September 2005 to support the Corporate Training Centre. Facility construction worked on in 2005 included: Phase 2 of Thornhill expansion (21,507 sq.ft.) at a cost of \$4,682,709; and Centennial Community Centre expansion (50,580 sq.ft.) at a cost of \$11,918,000; Thornhill Lower Floor Feasibility Study is underway; and 40 capital repairs and replacement projects totalling \$1,130,600 were approved in 2005.
- Planning & Community Development - Planning activities in 2005 included: Update of Parks, Recreation, Culture & Library Master Plan; Update the ice, hall and alcohol policy; and Develop facility operating agreements for seniors centres. Community development activities included: Develop Sports Council; Develop youth, older adults and active living strategies; Coordinate Milliken Mills Children Festival; Rolled out 3 new AEDs to bring the total of AEDs in our community facilities to 19; and accommodated 169 families in its financial assistance programs to improve access to recreation opportunities.

Recreation's Direction in 2006

In addition to maintaining its current core services, they key focus areas proposed for 2006 include:

Program Delivery

- 1) Implement approved hours of operations and age restrictions at the fitness centres to coincide with the expansion;
- 2) Complete a review of part-time wage with Human Resources and Financial Services, including an analysis of the impact on the wage scale;
- 3) Develop promotional material for financial assistance programs;
- 4) Expand core program to meet growth needs;
- 5) Conduct customer satisfaction surveys for programs and camps;
- 6) Coordinate the Milliken Mills Children Festival;
- 7) Complete 3-year planning document for Youth and Adult Services;
- 8) Complete 5-year Active Living Strategy;
- 9) Implement the operation of a Sports Council, i.e. websitedevelopment, Trillium funding;
- 10) Operationalize recommendations of the 2005-2021 Parks, Recreation, Culture & Library Master Plan, subject to Council approval;
- 11) Complete User Fee Review;
- 12) Assist IT in developing business case for a POS system in the community centres; and
- 13) Organizational Review

Community Centre Operations

- 1) Construct and operate Centennial Centre expansion, subject to funding;
- 2) Develop designs for Thornhill Lower Floor restoration;
- 3) Reduce the deficiency lists for Angus Glen, Centennial, and Thornhill community centre expansions;
- 4) Assist Communities in Bloom initiatives, subject to approval;
- 5) Review private-public partnership opportunities with Strategic Services regarding indoor soccer; and
- 6) Assist corporate revenue team in implementing revenue strategies identified for 2006

Initiatives subject to funding include: 1) 55 R&R capital projects totalling \$1,890,100; and 2) Centennial Arena retrofit at \$854,800.

Service(s)	Customer(s)
Admissions	Markham and York Region residents and businesses
Community Development	
Direct Programs	
Memberships	
Rentals	
Facility Operations	

Recreation

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Operationalized Angus Glen Community Centre Phase 2 and Pingle House, totalling 177,000 sq.ft.	✓	
2 Operationalized Phase 2 Thornhill CC expansion, totalling 21,507 sq.ft. at a capital cost of \$4,682,709		✓
3 Completed the design and tender and commence construction on Centennial expansion totalling 50,500 sq.ft. at a capital cost of \$11,918,000	✓	
4 Received approval for 40 capital repair and replacement projects totalling \$1,130,600	✓	
5 Operationalize recommendations supporting the Parks, Recreation, Culture & Library Master Plan - Subject to Council approval		✓
6 Received funding to conduct a feasibility on Thornhill Community Centre lower level reconfigurations	✓	
7 Developed planning documents: 5-year Active Living Strategy, 3-year Youth Services, and 3-year Adult Services	✓	
8 Revised the Ice, Hall & Alcohol Policy and to finalize facility operating agreement at senior centres in 2006.	✓	✓
9 Established a Sports Council for Markham	✓	
10 Operationalized skateboard park	✓	
11 Coordinated Milliken Mills Children Festival	✓	
12 Completed Staff Satisfaction Improvement projects	✓	
13 Completed Performance Management reviews for all staff with final review scheduled for November	✓	
14 Implemented CPAT testing for 499 fire recruitment generating gross revenue of \$74,850	✓	
15 Rolled out 3 AED to bring the total to 19 available in community centre operations	✓	
16 Markham Aquatic staff was awarded the Royal Life Saving Society David Pretty Cup for the 10th year for the largest swim program	✓	
17 Hosted the Annual Lifesaving Society AGM and introduced new swim programs to the community	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
18 Completed an information report on bocce	✓	
19 Assisted Urban Design in Parking Studies for Angus Glen CC and Centennial CC	✓	
20 Revised and streamlined departmental budgets process	✓	

FUTURE CONSIDERATIONS

Issues/Pressures

- When user fees reach market rates, the rate of growth for this revenue stream might decline and would rely on the increase in the number of users to drive the revenues
- Lack of infrastructure funding plan for existing facilities - reconstruction & rehabilitation
- Growing community with growing community centre infrastructure places pressure on existing staffing resources and the need to fund for additional staff
- Capital funding for new projects and restorations (eg. Development charges) lags behind the 'wants' of the community
- Lack reserve fund to address the portion of capital costs not funded by Development Charges

Opportunities

- Increase user fees, sponsorships, and/or partnership opportunities
- Explore alternative service delivery opportunities

Recreation

KEY PERFORMANCE INDICATORS



	2002 ¹ ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	2	3	2	2
Percentage of customers extremely satisfied (Citizen/service specific surveys)	22%	n/a	24%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	79%	n/a	73%	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ 33.25	\$ 21.95	\$ 35.45	\$ 40.24
Revenue as % of total Recreation expenditures (actual)	76%	83%	75%	75%
Revenue as % of total non-tax Town revenues	22%	20%	21%	22%
Net cost of recreation per capita	\$ 9.24	\$ 6.10	\$ 9.85	\$ 10.99
OPERATIONAL EXCELLENCE				
Average fill rate for all programs	79%	78%	77%	77%
Sq.ft. of community centre space per capita	n/a	2.8	3.1	3.6
Annual # of all direct program registrations ¹	54,682	58,843	67,276	74,309
Annual # of all direct program classes ¹	7,308	7,586	7,628	12,646
# of fitness memberships at year end	2,071	2,138	1,825	1,962
STAFF SATISFACTION				
Completion rate for performance management*	100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	2.1	1.1	0.7	2.5
Completion rate (%) for staff survey improvement	n/a	100%	n/a	100%
Recognition rating (from staff survey)	70%	n/a	65%	n/a
Staff Satisfaction rating (from staff survey)	77%	n/a	74%	n/a
High Performance Workgroup rating (from staff survey)	75%	n/a	77%	n/a
Staff absenteeism (average # of days per employee)*	6.3	3.4	2.9	2.7
Staff turnover rate*	6%	4%	8%	1%

NOTES: ¹ This measure does not include recreational swim and skate programs.
* Data is year to date as at June 2005.

Recreation

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities					Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development
1	Assist Strategic Services in implementing the Environmental Management Plan related to the Recreation portfolio.	• Meet corporate requirements as specified in the Environmental Management Plan		✓			✓	✓	✓				
2	Execute regular financial management commitments and implement / support initiatives in the areas of 3-year annual budget forecasts, reserve study update, corporate revenue strategy, and review impact of minimum part-time wage increase.	<ul style="list-style-type: none"> • Actual vs. budgeted data • 3-year forecasts developed for operating and capital budgets • Reserve study updated with latest recreation data • Corporate revenue strategy concluded • Council report on part-time wage increase 					✓						
3	Work in co-operation with Asset Management to eliminate the deficiency list and ensure warranties are adhered to at the Angus Glen community centre.	<ul style="list-style-type: none"> • # of deficiency remaining vs total # of deficiencies • \$ of deficiency remaining vs total # of deficiencies 					✓						
4	Research, develop and document facility standards or specifications to be used as a reference tool/template for future capital construction projects	• Documented standards					✓		✓				
5	Work in co-operation with Asset Management and conduct a feasibility study to address accessibility issues in our community centres and develop a report for Council endorsement.	<ul style="list-style-type: none"> • Endorsement by Council • Implementation of annual plan 		✓			✓						
6	Operationalize Centennial expansion and Phase 2 expansion at Thornhill community centre.	• Appropriate level of staffing, budget resources and programs are in place		✓			✓						
7	Conduct Thornhill Lower Floor Feasibility Study.	• Report received by Council		✓									
8	Work with other departments to develop two future community centres being planned for in Markham.	<ul style="list-style-type: none"> • Community centres developed • Maintain DC provision levels • Meet direction of draft master plan 		✓			✓	✓	✓				
9	Implement Council approved strategies in the areas of Older Adults, Youth, Active Living, and Sports Council.	• Execute plans as endorsed by Council		✓			✓					✓	
10	Increase accessibility to programs for those with financial or special needs requirements.	• Actual vs targeted program opportunities					✓	✓				✓	
11	Conduct customer satisfaction surveys for Camps and Programs.	<ul style="list-style-type: none"> • # of surveys conducted • Results communicated to staff, customers, and Council • # of improvements made to programs/services 					✓			✓			
12	Coordinate the Milliken Mills Children's festival.	<ul style="list-style-type: none"> • Program approved by Ward Councillor • Attendance at the event compared to prior year 		✓								✓	
13	Review programs based on target markets and identify target community benefits	• Document target markets and related benefits		✓			✓					✓	
14	Provide staff training in the areas of special needs training and health and safety policy revisions.	• # of staff trained		✓			✓					✓	
15	Implement strategic plan for the department, including an organizational review.	• Report and endorsement by Council on the re-design options and related financial costs					✓					✓	✓
16	Implement staff satisfaction survey improvements in the department	• Improve Staff Satisfaction Survey results					✓		✓	✓		✓	✓
17	Meet the process requirements identified for performance management	<ul style="list-style-type: none"> • 100% completion rate for all full time staff • Adhere to corporate principles and process 					✓		✓		✓		
18	Support various corporate initiatives, eg. Emergency plan, pandemic flu preparation, NQI, etc.	• Participate fully as required					✓		✓		✓		

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Recreation Services

Description	2005 Actuals	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.		2006 Bud. Vs. 2005 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
GRANTS AND SUBSIDIES	\$42,050	\$43,000	\$41,000	(2,000)	-4.7%	(1,050)	-2.5%
USER FEES & SERVICE CHARGES	6,221,153	6,439,144	6,859,914	420,770	6.5%	638,761	10.3%
RENTALS	4,416,835	4,472,869	4,855,331	382,462	8.6%	438,496	9.9%
SALES	134,214	181,853	173,430	(8,423)	-4.6%	39,216	29.2%
RECOVERIES & CONTRIBUTIONS	523,308	523,308	523,308	-	0.0%	-	0.0%
OTHER INCOME	104,607	63,400	92,975	29,575	46.6%	(11,632)	-11.1%
Total Revenues	\$11,442,167	\$11,723,574	\$12,545,958	\$822,384	7.0%	\$1,103,791	9.6%
Expenses							
SALARIES AND BENEFITS	\$9,505,005	\$10,020,596	\$10,769,151	\$748,555	7.5%	\$1,264,146	13.3%
PRINTING & OFFICE SUPPLIES	77,318	96,751	98,186	1,435	1.5%	20,868	27.0%
PURCHASES FOR RESALE	64,036	75,681	71,244	(4,437)	-5.9%	7,208	11.3%
OPERATING MATERIALS & SUPPLIES	776,959	801,628	851,363	49,735	6.2%	74,404	9.6%
VEHICLE SUPPLIES	23,336	33,680	33,680	-	0.0%	10,344	44.3%
UTILITIES	2,346,877	2,292,771	2,646,347	353,576	15.4%	299,470	12.8%
COMMUNICATIONS	89,696	110,634	103,515	(7,119)	-6.4%	13,819	15.4%
TRAVEL EXPENSES	7,935	5,488	5,550	62	1.1%	(2,385)	-30.1%
TRAINING	96,259	114,830	114,661	(169)	-0.1%	18,402	19.1%
CONTRACTS & SERVICE AGREEMENTS	791,314	730,365	846,159	115,794	15.9%	54,845	6.9%
MAINT. & REPAIR-TIME/MATERIAL	745,495	685,630	686,265	635	0.1%	(59,230)	-7.9%
RENTAL/LEASE	161,459	186,174	190,340	4,166	2.2%	28,881	17.9%
INSURANCE	-	1,299	1,299	-	0.0%	1,299	
PROFESSIONAL SERVICES	54,747	63,400	63,600	200	0.3%	8,853	16.2%
LICENCES, PERMITS, FEES	33,936	68,206	77,578	9,372	13.7%	43,642	128.6%
PROMOTION & ADVERTISING	565	1,971	1,471	(500)	-25.4%	906	160.4%
CONTRACTED MUNICIPAL SERVICES	5,358	5,600	5,600	-	0.0%	242	4.5%
OTHER PURCHASED SERVICES	8,968	1,007	4,000	2,993	297.2%	(4,968)	-55.4%
WRITE-OFFS	30	-	-	-		(30)	-100.0%
OTHER EXPENDITURES	25,146	44,200	44,200	-	0.0%	19,054	75.8%
TRANSFERS TO RESERVES	376,031	307,374	397,431	90,057	29.3%	21,400	5.7%
Total Expenses	\$15,190,470	\$15,647,285	\$17,011,640	\$1,364,355	8.7%	\$1,821,170	12.0%
Net Expenditures/ (Revenue)	\$3,748,303	\$3,923,711	\$4,465,682	\$541,971	13.8%	\$717,379	19.1%



Culture

Business Overview

Mission Statement

To build a healthy, vibrant community through the provision of well-maintained facilities and high quality recreation and cultural services that meet the customers' expectations.

Culture is Meeting 2005 Objectives

Culture reports to the Recreation & Culture Services Department in the Community & Fire Services Commission. It is made up of three distinct operations, namely Markham Museum, Markham Theatre, and the Varley Art Gallery, and is supported by its respective advisory board, appointed by Council. In 2005, they had a combined approved net budget of \$\$1,193,030 and 19 full-time employees. \$2,221,343 was achieved in revenue, resulting in a net actual cost per household of \$13.52 in 2005. Total attendance for the cultural venues was 185,258 in 2004.

Culture is responsible for providing the following core services:

- Exhibits/Collection Development - In 2005, there was a total of 30,335 items in the combined collection held by the Gallery and Museum. The insured value of the collection increased from \$1.99 million to \$3.61 million. The total number of in-house exhibitions was 14 in 2005. The total number of curated exhibitions was 9.
- Program Delivery - For the Theatre, the percentage of attendance at professional programs rose in 2005 to 94%. The fill rate for Theatre drama camps was 65%, compared to 62% in 2004. The number of memberships for the Museum and Theatre accounted for a combined total of 513 in 2005.
- Rentals & Special Events - Volunteer support for special events and other operations in the Museum and Gallery totalled 8,775 hours in 2005.
- Planning & Development - 2005 activities included: Phase 1 of Museum Master Plan; MOU agreement for the Art Gallery governance; Art collection policy development; and development of a two-year exhibition schedule.
- Facility Operations - 2005 activities included: Opening of the Museum Reception Centre; Restoration of the McKay House; and the completion of 12 Capital repairs and replacement projects totalling \$366,700.

Culture's Direction in 2006

In addition to maintaining its current core services, the key focus areas proposed for 2006 include:

- Develop plans for the Art Gallery 10th Anniversary
- Review Theatre sponsorship package
- Governance review for the Museum
- Complete McKay House Gardens fundraising and restoration
- Conduct customer satisfaction surveys geared at Art Gallery programs
- All venues to assist Strategic Services in hosting Mayor's Dinner for the Arts
- Host 16 exhibits in 2006
- Assist Communities in Bloom initiative with projects such as Echo Art
- Complete review of part-time wages with Human Resources and Financial Services, including impact on wage scale
- Submit for various grants, such as OAC and MAP, subject to Council approval
- Assist Urban Design, subject to funding, in developing a landscaping plan for the Museum to integrate with the Museum Master Plan
- Assist the Knowledge Community Task Force, subject to funding, in implementing its three key objectives
- Assist Development Services and Public Art Advisory Committee, subject to funding, in developing more opportunities to display art in public spaces

Initiatives subject to funding include:

- Implement 2006 Museum Master Plan Initiatives:
 - Submit a Cultural Space Grant for the Ward Building reconstruction
 - Reconstruction of Ward Building (Museum Master Plan)
 - Capital Costs - \$2.78 M
 - New Staffing - Collections Coordinator
- New Staffing - Director of Culture
- Culture capital repair and replacement projects \$428,000
- Implement Phase 2 of Collections Management System for Museum and Art Gallery

Service(s)	Customer(s)
Exhibits Gallery and Museum - Education / Collections development and management Programs Rentals Special events Facility Operation	<u>Generally</u> • Markham and York Region residents, school boards, local and regional businesses <u>Museum and Gallery</u> • Tourists, donors <u>Museum</u> • Other historical institutions, researchers <u>Gallery</u> • Art-related institutions, artists

Culture

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Assisted Construction & Utilities in completing and opening the new Museum Reception Centre	✓	
2 Developed a 2-year exhibition schedule for the Museum and the Art Gallery	✓	
3 Completed Museum Master Plan and Phase 1 Implementation Plan	✓	
4 Operated the carousel at the Museum	✓	
5 Conduct governance review for the Art Gallery and developed a draft MOU agreement for approval		✓
6 Complete the McKay House restoration and fundraising; achieved \$80,000 in fundraising by working with the Unionville Gala Committee		✓
7 Conduct customer satisfaction survey geared at Museum programs		✓
8 Revised Museum User Fees and received Council approval	✓	
9 Acquired donations: baby grand piano valued at \$40,000 and 2 AY Jackson paintings to add to Varley Art Gallery collection	✓	
10 Completed Staff Satisfaction Improvement projects	✓	
11 Received approval for 12 capital Restoration & Rehabilitation projects totalling \$366,700	✓	
12 Completed a Facility Audit and Redevelopment Plan for the Ward Building Reconstruction at the Museum	✓	
13 Made attempt to reach annual sponsorship target	✓	
14 Delivered 23 exhibits in 2005	✓	
15 Developed a Tactile Lounge as part of a hands-on children's program at the Museum	✓	
16 Received designation at the Museum as the first Family Math Site in Ontario	✓	
17 Implemented Can Design, a science-based program, with York Region Board of Education targeting high risk students	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006
18 Implemented Echo Art Program in conjunction with Communities in Bloom	✓	
19 Implement Phase 1 of the Collection Management Software application that will benefit 4 key stakeholders the Museum, Art Galley , Heritage Markham, Library Services		✓
20 Assisted Legal Services and Construction & Utilities in MLT Agreement and site development	✓	
21 Revised Art Collections Policy	✓	
22 Implement POS (Point-of-Sale) for the Museum Reception Centre		✓

FUTURE CONSIDERATIONS

Issues/Pressures

Operating deficit; staff resources; fund-raising capacity; sponsorship capacity

Governance

Capital funding for new projects and renovations

Life cycle planning of infrastructure

Museum need for programming space to support growth

Corporate dollars for sponsorships are declining

Opportunities

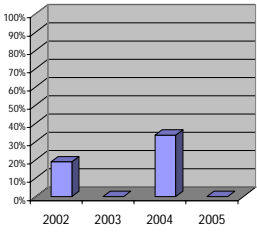
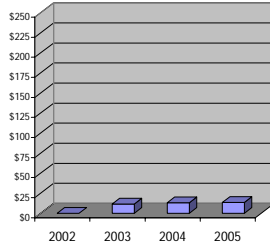
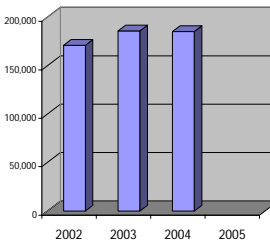
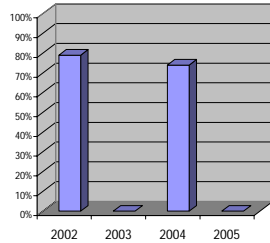
Generally - Access funding programs; set up foundation to access funds, where applicable

Theatre - Sell naming rights

Museum - Partnerships; Increase programming and events; Movie productions

Culture

KEY PERFORMANCE INDICATORS

Customer Satisfaction	Financial Performance	Operational Excellence	Staff Satisfaction
			
Percentage of Customers Extremely Satisfied	Net Cost Per Household	Total Attendance for All Venues	Staff Satisfaction Rating

	2002 ¹ ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	-	-	1	2
Percentage of customers extremely satisfied (Citizen/service specific surveys)	19%	n/a	34%	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	77%	n/a	78%	n/a
FINANCIAL PERFORMANCE				
Net cost per household	\$ -	\$ 11.72	\$ 13.12	\$ 13.52
Revenue as % of total gross Culture expenditures ²	n/a	67%	63%	64%
Revenue as % of total Town revenues ²	n/a	4%	4%	4%
Total expenditure per attendee	n/a	\$16.41	\$17.86	n/a
Net operating cost per square foot of facility space	n/a	\$ 7.90	\$ 9.43	\$ 9.53
OPERATIONAL EXCELLENCE				
Total attendance for all cultural venues	171,017	185,788	185,258	n/a
Insured value of collection at the Art Gallery	\$1,490,000	\$1,990,000	\$2,070,000	\$ 3,605,002
# of memberships (Museum & Art Gallery)	359	357	396	513
Total Items in Collection (Gallery & Museum)	30,147	30,199	30,288	30,335
# of in-house exhibitions (Gallery & Museum)	n/a	9	14	14
# of exhibitions curated (Gallery & Museum)	n/a	2	10	9
Total Volunteer Hours (Gallery & Museum)	3,327	7,255	7,790	8,775
% of attendance at professional programs (Theatre)	89%	89%	83%	94%
Average fill rate for Theatre drama camps	97%	100%	62%	65%
STAFF SATISFACTION				
Completion rate for performance management*	100%	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	0.8	0.8	2.0	8.9
Completion rate (%) for staff survey improvement	n/a	100%	n/a	100%
Recognition rating (from staff survey)	73%	n/a	65%	n/a
Staff Satisfaction rating (from staff survey)	79%	n/a	74%	n/a
High Performance Workgroup rating (from staff survey)	76%	n/a	77%	n/a
Staff absenteeism (average # of days per employee)*	1.3	2.2	6.5	2.3
Staff turnover rate*	5%	0%	5%	0%

NOTES: ¹ The Culture business unit profile represents three divisions reporting independently to the Director of Recreation & Culture Services.

² Some 2002 figures not available due to the transfer of cultural facilities to the Recreation Department in 2003.

³ Measures include full- and part-time hours.

• Data is year to date as at June 2005.

Culture

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities								
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction			
1	Assist Strategic Services in implementing CIB program initiatives relative to this portfolio.	• Projects are completed by designated timeline		✓													
2	Execute regular financial management commitments and implement / support initiatives in the areas of 3-year annual budget forecasts, reserve study update, corporate revenue strategy, and review impact of minimum part-time wage increase.	• Actual vs. budgeted data • 3-year forecasts developed for operating and capital budgets • Reserve study updated with latest recreation data • Corporate revenue strategy concluded • Council report on part-time wage increase															
2	Achieve sponsorship target set out for each culture venue, including support of Mayor's Dinner for the Arts.	• Actual vs. budget on targets		✓													
3	Pursue grant applications for the Art Gallery and Museum.	• Endorsement by Council • Submission completed according to designated time lines															
4	Work in cooperation with Urban Design in developing a landscape site plan for the Museum.	• Plan endorsed by Council		✓								✓					
5	Implement Phase 1 of Museum Master Plan	• Endorsement by Council		✓												✓	
6	Implement strategic plan for the department, including an organizational review and evolving the advisory boards into a foundation function.	• Report and endorsement by Council on the re-design options and related financial costs, if any.														✓	✓
7	Develop a report for Council approval to reconstruct the Ward Building at the Museum.	• Report and endorsement by Council on the components of the building		✓								✓		✓			
8	Complete the McKay Gardens Restoration and Fundraising Project.	• Report endorsed by Council • Landscape project completed		✓													
9	Implement Phase II of Collection Management System for the Art Gallery and Museum, along with other stakeholders.	• Endorsement of the application by senior management • System goes live		✓												✓	
10	Deliver 2006 exhibition schedules for the Museum and the Gallery.	• # of exhibits per years • Attendance per exhibit compared to previous year		✓												✓	
11	Develop the plans and related financial forecast for the Art Gallery's 10th Anniversary in 2007 and submit a report for Council endorsement.	• Program approved by Council		✓												✓	
12	Provide staff training in the areas of special needs training and health and safety policy revisions.	• # of staff trained		✓												✓	
13	Assist the Knowledge Committee Task Force, subject to funding in implementing its three key objectives.	• Program approved by Council		✓												✓	
14	Policy Development - Assist Public Art Policy and Committee Structure, develop collections policy in the Gallery, CMOG policy work.	• Policies developed • Council endorsement, where appropriate		✓								✓				✓	
15	Marketing & Programming - Marketing plan for Museum, Art Gallery brochures, After school programs, etc.	• Plans / Brochures created / updated • Programs created and registration data collected															
16	Implement staff satisfaction survey improvements in the department	• Improve Staff Satisfaction Survey results												✓	✓		✓
17	Meet the process requirements identified for performance management	• 100% completion rate for all full time staff • Adhere to corporate principles and process												✓		✓	
18	Support various corporate initiatives, eg. Emergency plan, pandemic flu preparation, NQI, etc.	• Participate fully as required												✓		✓	

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Culture

Description	2005 Actuals	2005 Budget	2006 Budget	2006 Bud. vs. 2005 Bud.		2006 Bud. Vs. 2005 Act.		
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change	
Revenue								
GRANTS AND SUBSIDIES	\$83,598	\$73,250	\$53,000	(20,250)	-27.6%	(30,598)	-36.6%	
USER FEES & SERVICE CHARGES	1,608,621	1,549,177	1,462,052	(87,125)	-5.6%	(146,569)	-9.1%	
RENTALS	284,148	299,199	281,659	(17,540)	-5.9%	(2,489)	-0.9%	
SALES	137,655	156,925	161,320	4,395	2.8%	23,665	17.2%	
RECOVERIES & CONTRIBUTIONS	49,101	53,100	52,500	(600)	-1.1%	3,399	6.9%	
OTHER INCOME	58,220	27,000	27,000	-	0.0%	(31,220)	-53.6%	
Total Revenues	\$2,221,343	\$2,158,651	\$2,037,531	(121,120)	-5.6%	(183,812)	-8.3%	
Expenses								
SALARIES AND BENEFITS	\$1,764,192	\$1,769,674	\$1,840,942	\$71,268	4.0%	\$76,750	4.4%	
PRINTING & OFFICE SUPPLIES	57,467	55,020	55,100	80	0.1%	(2,367)	-4.1%	
PURCHASES FOR RESALE	49,457	39,845	43,000	3,155	7.9%	(6,457)	-13.1%	
OPERATING MATERIALS & SUPPLIES	225,005	176,730	179,727	2,997	1.7%	(45,278)	-20.1%	
VEHICLE SUPPLIES	167	250	250	-	0.0%	83	49.7%	
SMALL EQUIPMENT SUPPLIES	338	1,000	700	(300)	-30.0%	362	107.1%	
INVENTORY ADJUSTMENTS	(18)	-	-	-	-	18	-100.0%	
UTILITIES	153,881	180,073	197,334	17,261	9.6%	43,453	28.2%	
COMMUNICATIONS	40,337	43,472	45,917	2,445	5.6%	5,580	13.8%	
TRAVEL EXPENSES	11,208	11,990	11,276	(714)	-6.0%	68	0.6%	
TRAINING	2,153	3,565	4,965	1,400	39.3%	2,812	130.6%	
CONTRACTS & SERVICE AGREEMENTS	98,307	107,248	110,453	3,205	3.0%	12,146	12.4%	
MAINT. & REPAIR-TIME/MATERIAL	72,062	66,619	60,397	(6,222)	-9.3%	(11,665)	-16.2%	
RENTAL/LEASE	61,204	43,746	14,741	(29,005)	-66.3%	(46,463)	-75.9%	
PROFESSIONAL SERVICES	658,052	559,680	456,750	(102,930)	-18.4%	(201,302)	-30.6%	
LICENCES, PERMITS, FEES	24,996	28,031	28,905	874	3.1%	3,909	15.6%	
PROMOTION & ADVERTISING	244,056	222,436	231,336	8,900	4.0%	(12,720)	-5.2%	
OTHER PURCHASED SERVICES	5,819	13,802	12,700	(1,102)	-8.0%	6,881	118.3%	
WRITE-OFFS	(52)	-	-	-	-	52	-100.0%	
OTHER EXPENDITURES	1,337	5,000	3,000	(2,000)	-40.0%	1,663	124.4%	
TRANSFERS TO RESERVES	10,564	23,500	30,000	6,500	27.7%	19,436	184.0%	
Total Expenses	\$3,480,532	\$3,351,681	\$3,327,493	(24,188)	-0.7%	(153,039)	-4.4%	
Net Expenditures/ (Revenue)	\$1,259,189	\$1,193,030	\$1,289,962	\$96,932	8.1%	\$30,773	2.4%	



Strategic Services

Business Overview

Mission Statement

Leading, developing, and delivering business planning, environmental leadership, marketing and partnerships, and special initiatives to strategically position the Community & Fire Services Commission and the Town of Markham.

Strategic Services is Meeting 2005 Objectives

Strategic Services is a department of the Community & Fire Services Commission. In 2005, it had approved net expenditures of \$633,658 and 10 full-time employees. Revenue is estimated at \$552,166 (including \$400,000 in unallocated revenues), resulting in a net actual cost per household of \$12.13 in 2005.

Strategic Services is responsible for providing the following core services:

- Environmental Leadership - This portfolio leads, researches, supports and develops strategic environmental initiatives including Clean Air Initiatives, West Nile Virus management, and a presence on the Markham website. In 2005, the anti-idling campaign was completed and the Environmental Management Plan commenced development. The Markham Energy Conservation Office was added to this department's operations.

- Community Partnerships, Marketing and Special Events - This portfolio generates 100% of the gross revenue impact / influence for the Strategic Services group. There are three inter-related revenue streams, namely 1) advertising in the Recreation & Culture Guide, 2) rink board and back lit signs, and 3) partnerships that generated \$351,954 in 2005. The marketing group produces various publications such as the Recreation Guide, the Fire Department annual report and about 50 other publications within the organization. In 2005, the net cost per household for the Recreation Guide was \$0.82, compared to \$1.56 in 2004. Special Events co-ordinated 180 events in 2005, acting as a central clearing house for external customers.

- Strategic Planning & Special Initiatives - Strategic Services facilitates the completion of 10 annual Business Unit Profiles for the Commission or 45% of all profiles in the organization. The business planning process continue to evolves, this year with the integration of the budgeting process. Since 2003, this group has organized the annual planning workshop for the Commission. The Parks, Recreation, Culture & Library Master Plan document has been drafted and finalization is anticipated in 2005. Since acquiring the sportsfield permitting function in 2004, current activities include scheduling of over 38,000 games in 2005. Additional high profile initiatives in 2005 included the Communities in Bloom program and the startup of the Markham Energy Conservation Office for Markham.

Strategic Services' Direction in 2006

In addition to maintaining the current core service focus, it is anticipated that the following projects will continue to be priorities in 2006:

1) Complete the Environmental Management Plan; 2) Establish the MECO office and associated programs; 3) Complete the pesticide policy process; 4) Implement the Parks, Recreation, Culture and Library master plan; 5) Grow the Partnership and Marketing revenue stream; 6) Adjust Special Event processes; 7) Develop Sportsfield Allocation policy; and 8) Continue to build the Communities in Bloom program.

Service(s)	Customer(s)
Policy and Program Development; Business Planning	Business Community
Environmental Leadership; Innovative Practices	Community & Fire Services Departments
Marketing; Partnership Development; Special Events	Council & CAO
Special & Strategic Initiatives (incl. Sportsfields)	Other Commissions
	Residents and External Stakeholders
	Service Level Agreement Signatories

Strategic Services

2005 PROGRESS REPORT

2005 BUSINESS PLAN OBJECTIVES / ACCOMPLISHMENTS

	Completed	To be Completed in 2006
1 Participated in partnership with Markham Stouffville Hospital to develop joint facility. Approved in concept. Additional reports and details to Council are required.	✓	
2 Implemented 2006 corporate business planning process, including new enhancements, and facilitate completion of Business Unit Profiles in Commission.	✓	
3 Plan and organize Council work sessions to discuss the draft Parks, Recreation, Culture and Library master plan. Report and additional work session to be planned in Q4 2005.		✓
4 Assumed a leadership role to plan and organize the Town of Markham corporate and community-based 2005 Communities in Bloom project, placing first in the population category.	✓	
5 Environmental leadership has worked with staff across the organization to develop the idle free by-law, participate in the idle free challenge, monitor WNV, administer MESF and develop an approach to consider a pesticide by-law.	✓	
6 Retained consultant to develop the Environmental Management Plan and organize a corporate work team to participate in the plan development process.	✓	
7 Established the Markham Energy Conservation Office and launch two of six strategic objectives (Cool Shops and EEMS software).	✓	
8 MECO Cool Shops program visited over 500 small businesses and identified potential energy conservation savings of \$285,000.	✓	
9 Acquired the Energy and Environmental Management System software (through MECO funding) and completed data entry.	✓	
10 Implemented an integrated approach to advertising sales in the Recreation & Culture Guide, rink boards and back lit signs that exceeded gross revenue projections.	✓	
11 Established new partnerships with Telus, Mercedes Benz and Angus Glen Library Children's reading area and to renew agreements with Bell for Canada Day and Longo's for special events.	✓	
12 Managed the production and delivery of the Recreation & Culture Guide and worked across the organization to deliver on 40 other advertising projects.	✓	
13 Administered and co-ordinate services for special events.	✓	
14 Adjusted sport field user fees and co-ordinated the scheduling of over 30,000 games in 2005. Established skate park booking policy and fees.	✓	
15 Completed staff satisfaction improvement project plans and commence implementation.	✓	
16 Completed RFP process to explore partnerships for indoor tennis and indoor soccer.	✓	

2005 ADDITIONAL OBJECTIVES

	Completed	To be Completed in 2006

FUTURE CONSIDERATIONS

Issues/Pressures

Upfront investment of policy development time prior to meaningful results

Requirement of a just-in-time approach to resource allocation

Partnership development process needs to be process mapped and adjusted to meet partner expectations.

Opportunities

Enhance the planned giving and donations revenue stream

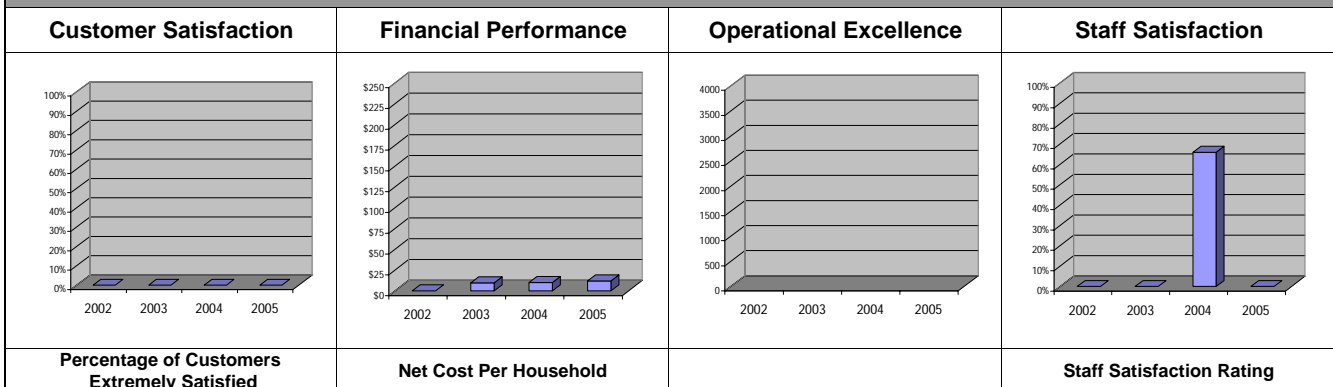
Product development & business intelligence to maximize satisfaction and sales

Capital campaign

Education and communication with public and stakeholders

Strategic Services

KEY PERFORMANCE INDICATORS



	2002 ¹ ACTUAL	2003 ACTUAL	2004 ACTUAL	2005 ACTUAL
CUSTOMER SATISFACTION				
# of customer satisfaction surveys completed	-	-	-	-
Percentage of customers extremely satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Percentage of customers satisfied (Citizen/service specific surveys)	n/a	n/a	n/a	n/a
Willingness to use Business Planning & Innovation service for BUPs	n/a	n/a	n/a	4.7 out of 5
FINANCIAL PERFORMANCE				
Net cost per household	\$ -	\$ 9.86	\$ 10.16	\$ 12.13
Net cost per household of Recreation Guide	\$ 1.84	\$ 1.65	\$ 1.56	\$ 0.82
Gross revenue impact/influence of Strategic Services	\$ 317,400	\$ 334,100	\$ 316,861	\$ 351,954
OPERATIONAL EXCELLENCE				
# of special events registered ²	n/a	233	275	180
# of environmental initiatives implemented	n/a	4	3	4
Annual Commission plan developed/updated	n/a	1	1	1
Communities in Bloom - # of Performance Targets Met or Exceeded	n/a	n/a	n/a	7 out of 9
# of Games Registered (Sportsfield)	n/a	n/a	n/a	38,817
STAFF SATISFACTION				
Completion rate for performance management*	n/a	100%	100%	n/a
Average # of non-technical training sessions attended per employee*	n/a	1.9	2.6	1.3
Completion rate (%) for staff survey improvement	n/a	n/a	n/a	100%
Recognition rating (from staff survey)	n/a	n/a	68%	n/a
Staff Satisfaction rating (from staff survey)	n/a	n/a	66%	n/a
High Performance Workgroup rating (from staff survey)	n/a	n/a	60%	n/a
Staff absenteeism (average # of days per employee)*	n/a	1.4	4.8	1.1
Staff turnover rate*	n/a	0%	22%	10%

NOTES:

¹ This business unit was created in 2003. Therefore, some 2002 data are not available.

² The criteria requiring an event to be registered by this department was changed and streamlined in 2005.

* Data is year to date as at June 2005.

Strategic Services

2006 Business Plan Objectives

#	Objective	Performance Measures for Success	Council Priorities						Organizational Priorities					
			Gridlock and Rapid Transit	Quality Community	Environmental Protection	Implement Markham Centre	Safe Streets	Service Standards & Delivery	Improve Cross Commission Processes	Clarify Financial Authorities	Enhance Internal Communication	Re-energize Quality	Support Staff Development	Build Employee Satisfaction
1	Develop, support and track a Commission-wide planning effort	<ul style="list-style-type: none"> Deliver annual session - Q1 Priority areas for upcoming year(s) are established Overall participant satisfaction >= 75% Track action plan arising from planning session 						✓			✓			✓
2	Update the 2007 corporate business planning process, including 2007 BUP form update and completion of BUPs by this Commission	<ul style="list-style-type: none"> 2007 process is approved and adhered to by CCC 100% completion of BUPs BUPs are used in budgeting process 		✓				✓	✓		✓			✓
3	Develop and recommend a Commission approach regarding customer satisfaction measurements	<ul style="list-style-type: none"> Approach is recommended to Commission by Q4 						✓				✓		
4	Conclude Recreation, Culture, and Library Facilities Master Plan	<ul style="list-style-type: none"> Master plan document is approved by Council Master plan guides the work of the stakeholder departments New facility recommendations are a balance of provision standards and financial achievability 		✓	✓			✓	✓					
5	Complete Communities in Bloom national competition in 2006	<ul style="list-style-type: none"> Implement CIB program Receive assessment by visiting judges Assess against Measures for Success 		✓	✓				✓					
6	Facilitate the development of an Environmental Management Plan for Markham	<ul style="list-style-type: none"> EMP adopted by Council, June 2006 Implement governance recommendations, Q3 2006 Implement EMP recommendations 		✓	✓			✓	✓					
7	Support and/or implement environmentally focused initiatives, such as pesticide-free, WNV, Idle free, green roof, MECO, Kyoto	<ul style="list-style-type: none"> Develop necessary supportive policy, practice and/or program Aligns to the draft Environmental Management Plan Measures for Success are developed for the relevant policy and program 		✓	✓			✓	✓					✓
8	Establish the Markham Energy Conservation Office (MECO) and lead it to achieve the energy conservation/energy avoidance objectives outlined in the MECO Business Plan	<ul style="list-style-type: none"> Implement 6 approved MECO programs and ensure that the energy savings targets associated with each program are met Measure and track the kWh savings per project as well as the associated cost savings 			✓			✓	✓			✓		
9	Policy development to support core service work, e.g. special events and sportsfields	<ul style="list-style-type: none"> Develop Special Events policy for Council consideration Determine outdoor field allocation policy needs 		✓				✓			✓			
10	Deliver on a select list of special events endorsed by the Town of Markham	<ul style="list-style-type: none"> Events implemented on time and on budget Events meets minimum requirements # of visitors or profile created 		✓										
11	Execute revenue generation activities, primarily through community partnerships, rinkboards and backlits, and recreation guide advertising.	<ul style="list-style-type: none"> Achieve targets Contribute any earmarked funds toward the Revenue Strategy 												
12	Coordinate and produce advertising and marketing material for this department and others	<ul style="list-style-type: none"> Print and distribute Rec Guide on time and on budget Other projects are completed on time and on budget Measure customer satisfaction 		✓				✓			✓			
13	Implement staff satisfaction survey improvements in the department	<ul style="list-style-type: none"> Identified improvement projects are completed Sense of accomplishment felt by staff 						✓			✓	✓		✓
14	Implement corporate customer satisfaction survey in the department	<ul style="list-style-type: none"> Complete customer satisfaction survey Implement improvement arising from survey 						✓				✓		
15	Monitor and control department cost centres and relevant capital accounts	<ul style="list-style-type: none"> Meet / exceed year end targets Provide explanation for over- and under-expenditures 						✓						
16	Meet the process requirements identified for performance management	<ul style="list-style-type: none"> 100% completion rate for all full time staff Adhere to corporate principles and process 						✓			✓		✓	

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Strategic Services

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
USER FEES & SERVICE CHARGES	\$219,004	\$152,166	\$173,166	21000	13.8%	(45,838)	-20.9%
RECOVERIES & CONTRIBUTIONS	132,702	-	-	-		(132,702)	-100.0%
OTHER INCOME	248	-	400,000	400,000	0.0%	399,752	161190.3%
Total Revenues	\$351,954	\$152,166	\$573,166	\$421,000	276.7%	\$221,212	62.9%
Expenses							
SALARIES AND BENEFITS	\$1,014,800	\$936,318	\$1,137,225	\$200,907	21.5%	\$122,425	12.1%
PRINTING & OFFICE SUPPLIES	22,394	11,000	11,000	-	0.0%	(11,394)	-50.9%
OPERATING MATERIALS & SUPPLIES	139,338	500	22,500	22,000	4400.0%	(116,838)	-83.9%
COMMUNICATIONS	3,192	2,830	2,830	-	0.0%	(362)	-11.3%
TRAVEL EXPENSES	10,964	5,000	4,888	(112)	-2.2%	(6,076)	-55.4%
TRAINING	2,860	4,417	4,417	-	0.0%	1,557	54.4%
PROFESSIONAL SERVICES	96,898	-	-	-		(96,898)	-100.0%
LICENCES, PERMITS, FEES	2,430	-	-	-		(2,430)	-100.0%
PROMOTION & ADVERTISING	184,361	221,259	254,259	33,000	14.9%	69,898	37.9%
OTHER PURCHASED SERVICES	(1,517)	4,500	4,500	-	0.0%	6,017	-396.6%
OTHER EXPENDITURES	5,776	-	-	-		(5,776)	-100.0%
Total Expenses	\$1,481,496	\$1,185,824	\$1,441,619	\$255,795	21.6%	(39,877)	-2.7%
Net Expenditures/ (Revenue)	\$1,129,542	\$1,033,658	\$868,453	(165,205)	-16.0%	(261,089)	-23.1%

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Operations & Asset Management

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
<u>Revenue</u>							
OTHER INCOME	\$0	\$0	\$0	-		-	
Total Revenues	\$0	\$0	\$0	\$0		\$0	
<u>Expenses</u>							
SALARIES AND BENEFITS	\$377,591	\$370,324	\$380,210	\$9,886	2.7%	\$2,619	0.7%
PRINTING & OFFICE SUPPLIES	48,434	44,513	44,513	-	0.0%	(3,921)	-8.1%
OPERATING MATERIALS & SUPPLIES	3,215	5,638	5,638	-	0.0%	2,423	75.4%
COMMUNICATIONS	65,305	38,516	39,116	600	1.6%	(26,189)	-40.1%
TRAVEL EXPENSES	20,666	37,961	35,759	(2,202)	-5.8%	15,093	73.0%
TRAINING	37,847	38,853	38,853	-	0.0%	1,006	2.7%
CONTRACTS & SERVICE AGREEMENTS	(38,707)	(38,707)	(38,707)	-	0.0%	-	0.0%
RENTAL/LEASE	7,736	-	-	-		(7,736)	-100.0%
LICENCES, PERMITS, FEES	15,287	15,534	15,534	-	0.0%	247	1.6%
PROMOTION & ADVERTISING	235	6,408	6,408	-	0.0%	6,173	2626.8%
Total Expenses	\$537,609	\$519,040	\$527,324	\$8,284	1.6%	(10,285)	-1.9%
Net Expenditures/ (Revenue)	\$537,609	\$519,040	\$527,324	\$8,284	1.6%	(10,285)	-1.9%

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Community & Fire Services Commissioner's Office - Commission Support (799-999)

<u>Description</u>	<u>2005 Actuals</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Bud. vs. 2005 Bud.</u>		<u>2006 Bud. Vs. 2005 Act.</u>	
				<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>	<u>\$ Incr./ (Decr.)</u>	<u>% Change</u>
Revenue							
OTHER INCOME	\$0	\$672,000	\$262,000	(410,000)	-61.0%	\$262,000	
Total Revenues	\$0	\$672,000	\$262,000	(410,000)	-61.0%	\$262,000	
Expenses							
SALARIES AND BENEFITS	\$269,240	(33,843)	\$106,112	\$139,955	-413.5%	(163,128)	-60.6%
PRINTING & OFFICE SUPPLIES	2,188	-	-	-		(2,188)	-100.0%
OPERATING MATERIALS & SUPPLIES	745	777	777	-	0.0%	32	4.3%
VEHICLE SUPPLIES	-	1,748	1,748	-	0.0%	1,748	
COMMUNICATIONS	418	971	971	-	0.0%	553	132.3%
TRAVEL EXPENSES	9,110	3,106	3,014	(92)	-3.0%	(6,096)	-66.9%
TRAINING	5,064	485	485	-	0.0%	(4,579)	-90.4%
CONTRACTS & SERVICE AGREEMENTS	(19,967)	(19,967)	(19,967)	-	0.0%	-	0.0%
PROFESSIONAL SERVICES	65,792	-	-	-		(65,792)	-100.0%
LICENCES, PERMITS, FEES	325	583	583	-	0.0%	258	79.4%
Total Expenses	\$332,915	(46,140)	\$93,723	\$139,863	-303.1%	(239,192)	-71.8%
Net Expenditures/ (Revenue)	\$332,915	(718,140)	(168,277)	\$549,863	-76.6%	(501,192)	-150.5%

TOWN OF MARKHAM - 2006 OPERATING BUDGET

Corporation Consolidated (excluding Waterworks)

Description	2005 Actuals	2005 Budget	2006 Budget*	2006 Bud. vs. 2005 Bud.		2006 Bud. Vs. 2005 Act.	
				\$ Incr./ (Decr.)	% Change	\$ Incr./ (Decr.)	% Change
Revenue							
TAX LEVIES	\$86,293,406	\$84,964,025	\$92,349,313	\$7,385,288	8.7%	\$6,055,907	7.0%
GRANTS-IN-LIEU OF TAXES	1,341,617	1,268,845	1,268,845	-	0.0%	(72,772)	-5.4%
GRANTS AND SUBSIDIES	1,113,197	863,081	840,831	(22,250)	-2.6%	(272,366)	-24.5%
LICENCES & PERMITS	11,230,037	9,854,116	10,306,255	452,139	4.6%	(923,782)	-8.2%
INTEREST & PENALTIES	15,136,543	14,607,494	4,832,925	-9,774,569	-66.9%	(10,303,618)	-68.1%
INCOME FROM INVESTMENTS	1,488,764	1,182,500	11,671,836	10,489,336	887.0%	10,183,072	684.0%
USER FEES & SERVICE CHARGES	14,622,294	13,535,243	18,790,161	5,254,918	38.8%	4,167,867	28.5%
RENTALS	5,016,513	5,082,318	5,469,371	387,053	7.6%	452,858	9.0%
SALES	535,017	533,578	523,050	(10,528)	-2.0%	(11,967)	-2.2%
RECOVERIES & CONTRIBUTIONS	3,743,155	964,447	1,285,347	320,900	33.3%	(2,457,808)	-65.7%
OTHER INCOME	13,950,707	14,426,362	4,696,743	(9,729,619)	-67.4%	(9,253,964)	-66.3%
Total Revenues	\$154,471,250	\$147,282,009	\$152,034,677	\$4,752,668	3.2%	(2,436,573)	-1.6%
Expenses							
SALARIES AND BENEFITS	\$78,482,011	\$78,654,914	\$86,341,739	\$7,686,825	9.8%	\$7,859,728	10.0%
PRINTING & OFFICE SUPPLIES	684,151	681,028	720,002	38,974	5.7%	35,851	5.2%
PURCHASES FOR RESALE	408,478	218,244	216,962	(1,282)	-0.6%	(191,516)	-46.9%
OPERATING MATERIALS & SUPPLIES	3,765,995	3,381,522	3,645,387	263,865	7.8%	(120,608)	-3.2%
VEHICLE SUPPLIES	1,178,103	971,116	963,333	-7,783	-0.8%	(214,770)	-18.2%
SMALL EQUIPMENT SUPPLIES	11,593	14,591	14,291	(300)	-2.1%	2,698	23.3%
BOTANICAL SUPPLIES	333,077	330,606	357,827	27,221	8.2%	24,750	7.4%
CONSTRUCTION MATERIALS	1,116,272	943,650	1,035,567	91,917	9.7%	(80,705)	-7.2%
INVENTORY ADJUSTMENTS	(19,323)	-	-	-	-	19,323	-100.0%
UTILITIES	3,280,833	3,192,157	3,774,211	582,054	18.2%	493,378	15.0%
COMMUNICATIONS	1,311,330	1,327,503	1,333,743	6,240	0.5%	22,413	1.7%
TRAVEL EXPENSES	335,500	345,271	399,131	53,860	15.6%	63,631	19.0%
TRAINING	575,795	675,296	729,009	53,713	8.0%	153,214	26.6%
CONTRACTS & SERVICE AGREEMENTS	5,530,370	5,153,343	5,896,085	742,742	14.4%	365,715	6.6%
MAINT. & REPAIR-TIME/MATERIAL	3,627,181	2,707,909	2,976,318	268,409	9.9%	(650,863)	-17.9%
RENTAL/LEASE	1,236,695	1,209,236	992,693	(216,543)	-17.9%	(244,002)	-19.7%
INSURANCE	1,498,905	1,199,113	1,424,613	225,500	18.8%	(74,292)	-5.0%
PROFESSIONAL SERVICES	2,516,961	2,149,369	2,146,051	(3,318)	-0.2%	(370,910)	-14.7%
LICENCES, PERMITS, FEES	572,684	573,090	626,080	52,990	9.2%	53,396	9.3%
CREDIT CARD SERVICE CHARGES	154,636	143,595	143,595	-	0.0%	(11,041)	-7.1%
PROMOTION & ADVERTISING	1,623,385	1,432,489	1,513,970	81,481	5.7%	(109,415)	-6.7%
CONTRACTED MUNICIPAL SERVICES	7,166,097	7,117,890	7,643,775	525,885	7.4%	477,678	6.7%
OTHER PURCHASED SERVICES	1,414,024	487,137	813,304	326,167	67.0%	(600,720)	-42.5%
OFFICE FURNISHINGS & EQUIPMENT	6,296	20,410	17,276	(3,134)	-15.4%	10,980	174.4%
WRITE-OFFS	577,471	500,600	500,600	-	0.0%	(76,871)	-13.3%
OTHER EXPENDITURES	1,019,978	1,770,876	2,080,992	310,116	17.5%	1,061,014	104.0%
TRANSFERS TO RESERVES	35,109,193	32,081,054	25,728,123	(6,352,931)	-19.8%	(9,381,070)	-26.7%
Total Expenses	\$153,517,691	\$147,282,009	\$152,034,677	\$4,752,668	3.2%	(1,483,014)	-1.0%
Net Expenditures/ (Revenue)	(953,559)	-	-	-	-	\$953,559	-100.0%

* Excludes prior year's surplus

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
CARe	Customer Action Request Forms are a way to monitor customer responses to the services provided by the Town.
CCC	CAO & Commissioners' Committee
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.
DHF	Department Head Forum
GST	Goods and Services Tax – Federal Government Levy on all purchases of goods and services, which is currently 7%.
ISCM	Innovation Synergy Centre in Markham
ITS	Information Technology Services
KPI	Key Performance Indicators (Performance Measures)
L.I.A.	Local Improvement Act. The Act defines the roles of Municipal and Regional Governments in undertaking, administering and managing requests by property owners for extending water, sanitary sewer services or the building of a noise wall.
MEC	See Markham Enterprises Corporation
MARKHAM ENTERPRISES 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.
MPFFA	Markham Professional Firefighter's Association – An association of Firefighter's formed for protecting the rights of its members in their workplace environment.

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.
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.
PST	Provincial Services Tax –Provincial Government Levy on all purchases of goods and services, which is currently 8%.
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.

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.														
Assessment	<p>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="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Tax Year</u></th> <th style="text-align: left;"><u>Base Year</u></th> </tr> </thead> <tbody> <tr> <td>1998, 1999, 2000</td> <td>June 1996</td> </tr> <tr> <td>2001, 2002</td> <td>June 1999</td> </tr> <tr> <td>2003</td> <td>June 2001</td> </tr> <tr> <td>2004</td> <td>June 2003</td> </tr> <tr> <td>2005</td> <td>June 2003</td> </tr> <tr> <td colspan="2">2006 onwards, preceding years values will be used.</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	June 2003	2005	June 2003	2006 onwards, preceding years values will be used.	
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1998, 1999, 2000	June 1996														
2001, 2002	June 1999														
2003	June 2001														
2004	June 2003														
2005	June 2003														
2006 onwards, preceding years values will be used.															
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.
Donations in Kind	Represents the value of a commercial service received from external customers without any payment for the same.
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.
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>
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.
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).



IVARKHAM