



**FIRST MEETING OF THE
2018 BUDGET COMMITTEE
COUNCIL CHAMBER, MARKHAM CIVIC CENTRE
May 9, 2017**

MINUTES

Attendance:

<p>Members Present: Councillor Logan Kanapathi, Chair Councillor Amanda Collucci, Vice-Chair Mayor Frank Scarpitti Deputy Mayor Heath (ex-officio) Regional Councillor Nirmala Armstrong Regional Councillor Jim Jones Councillor Alex Chiu Councillor Karen Rea</p> <p>Regrets: Councillor Don Hamilton</p>	<p>Staff Present: Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner of Corporate Services Brenda Librecz, Commissioner of Community & Fire Services Stephen Chait, Director of Culture & Economic Development Dave Decker, Fire Chief Biju Karumanchery, Director of Planning & Urban Design Brian Lee, Director of Engineering Joel Lustig, Treasurer Andrea Tang, Senior Manager of Financial Planning Mark Visser, Senior Manager of Financial Strategy & Investments Laura Gold, Council/Committee Coordinator</p>
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The Budget Committee convened at 5:10 pm with Councillor Logan Kanapathi presiding as Chair.

1. 2018 Budget

Joel Lustig, Treasurer, welcomed the Budget Committee to the first 2018 budget meeting.

2. Proposed 2018 Budget Schedule

Andrea Tang, Senior Manager of Financial Planning, presented the 2018 Budget Schedule.

The Budget Committee reviewed the 2018 Budget Schedule. It was noted that meetings are being reduced from nine to six meetings, as staff are proposing to eliminate the All Members of Council Budget Requests, which typically took three meetings to review the requests in past years.

Moved by Deputy Mayor Jack Heath

Seconded by Regional Councillor Jim Jones

That the Budget Committee approve the 2018 Budget Schedule.

Carried

3. All Members of Council Budget Requests

Andrea Tang presented staff's recommendation to eliminate the All Members of Council Budget Requests process. The recommendation was made for the following reasons:

- took considerable staff time to analyze, validate and assess the financial impact of each request;
- approved only 9 of the 167 submission (5%) over the past 3 years, with a total budget of \$151K;
- E3 opportunity as the process involved 9 Budget Committee meetings over the past 3 years, totaling over 25 hours, to discuss, review and deliberate on each request;
- Low dollar or nominal value requests by Council Members can be made to the respective departments throughout the year. Other funding requests should be addressed through Standing Committees.

The Budget Committee considered the following:

- Modifying/improving the existing process, suggestions included:
 - short-listing the requests at Budget Committee prior to the review by Staff
 - limit submissions from Ward Councillors only;
 - sort requests by categories to reduce the time it takes to review the requests;
 - hold a planning session with Members of Council to identify requests from Council as a whole.
- Other comments included:
 - If there are concerns/requests, they should be dealt with in a timely manner throughout the year and not to wait for the budget process;
 - The current process is not efficient for what it's worth given that only 5% of the requests were approved over the past 3 years

- Members of Council have the opportunity to raise concerns/requests through Standing Committees and the item can be referred to Staff for further review/analysis; therefore Members of Council Budget Requests during the budget process is redundant.

Moved by Mayor Frank Scarpitti

Seconded Councillor Amanda Collucci

That the Budget Committee approve the elimination of all Members of Council Budget Requests.

Carried

4. Lifecycle Replacement and Capital Reserve Fund Overview

Andrea Tang provided an overview of the Lifecycle Replacement and Capital Reserve Fund and its funding methodologies. Staff are forecasting that inflows into the Lifecycle Replacement and Capital Reserve Fund will need to be increased by 0.5% to ensure there is sufficient funds for the replacement of the City's capital assets for next 25 years (2018-2042) based on known inflows and outflows. The funding shortfall is due to inflation, past growth, and new assets. Staff will continue to investigate other potential funding/cost reduction options to optimize the reserve, including new revenue tools being introduced by the Province.

Discussion

Committee Members asked the following questions:

Does the City have a formula to consider the future value of a capital asset?

Staff awards are often used to determine the replacement cost plus an assumption of 2% per year for inflation.

Does the Lifecycle Reserve Study account for like with like replacement of assets only?

The reserve has sufficient funds for replacement of like with like capital assets for the next 25 years based on known inflows and outflows. The reserve does not include funds for upgrades or configuration changes to facilities.

Is the Lifecycle Reserve Study updated to reflect legislative changes which may impact capital assets?

Staff adjust the Lifecycle Reserve Study to reflect changes in legislation that impact the replacement cost of a capital asset.

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Can some of the stormwater related assets/programs currently included in the Lifecycle Reserve Study be potentially funded through the stormwater fee?

Staff agreed to take this into consideration in the next update of the stormwater fee.

Moved by Councillor Amanda Collucci

Seconded by Regional Councillor Nirmala Armstrong

That the status update on the 2017 Lifecycle Replacement and Capital Reserve study and the 2017 Operating Budget be tabled at the 2nd Budget Committee meeting on October 10th.

Carried

4. Adjournment

The Budget Committee adjourned at 6:37 pm.