

The Corporation of the Town of Ajax  
**GENERAL GOVERNMENT COMMITTEE**



Thursday, November 5, 2015  
**Open Meeting at 2:00 p.m.**  
River Plate Room, Town Hall  
65 Harwood Avenue South

## **PRESENTATIONS**

*Alternative formats available upon request by contacting:*  
[accessibility@ajax.ca](mailto:accessibility@ajax.ca) or 905-619-2529 ext. 3347

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Anything in **blue** denotes an attachment/link. By clicking the links on the agenda page, you can jump directly to that section of the agenda. To manoeuvre back to the agenda page use the **Ctrl + Home** keys simultaneously **OR** use the "Bookmark" icon to the left of your screen to navigate from one report to the next

### **6. Presentations**

- 6.1 **2016-2019 General Levy Forecast**  
~ Sheila Strain, Director of Finance/Treasurer



# 2016 – 2019 General Levy Forecast



# General Levy Forecast - Process

- First year of the forecast period, 2016, is based on a draft preliminary operating budget, resulting in numbers that are:
  - more detailed and accurate
  - reflective of the tax rate increase environment
- Subsequent three years of the forecast period, 2017 to 2019, are completed at a higher level, maintaining a consistent level and delivery of existing services and including costs related to growth

# Budget Pressures

- Some inflationary increases continue to significantly exceed tax rate increases and the Consumer Price Index (CPI) such as Hydro (6.7% to 7.1%) and Insurance (10%). The expectation is that these increases will remain high throughout the forecast period
- Infrastructure maintenance costs for both newly constructed and existing roads, playgrounds, sidewalks etc. continue to put pressure on the operating budget.

Budget Item	Budget Increase
Sidewalks, Curbs, Sweeping, Catch Basins, Storm Sewers	\$175,200
Winter control (roads and sidewalks)	59,500
Forestry, Boulevards, and Parks/Parkettes	<u>37,900</u>
Total	\$272,600

# 2016 Operating Budget

- The progression from the General Levy Forecast to the submission of the 2016 Operating Budget includes:
  - closing the gap between the forecasted tax rate impact and the approved tax rate increase
  - continued discussion and decisions on major issues, challenges, opportunities
  - identifying post forecast items, events, etc. that will affect the budget submission
  - consideration and decisions on new / expanded programs and initiatives

# New / Expanded Programs and Initiatives

## New/ Expanded Programs and Initiatives 2013 to 2015

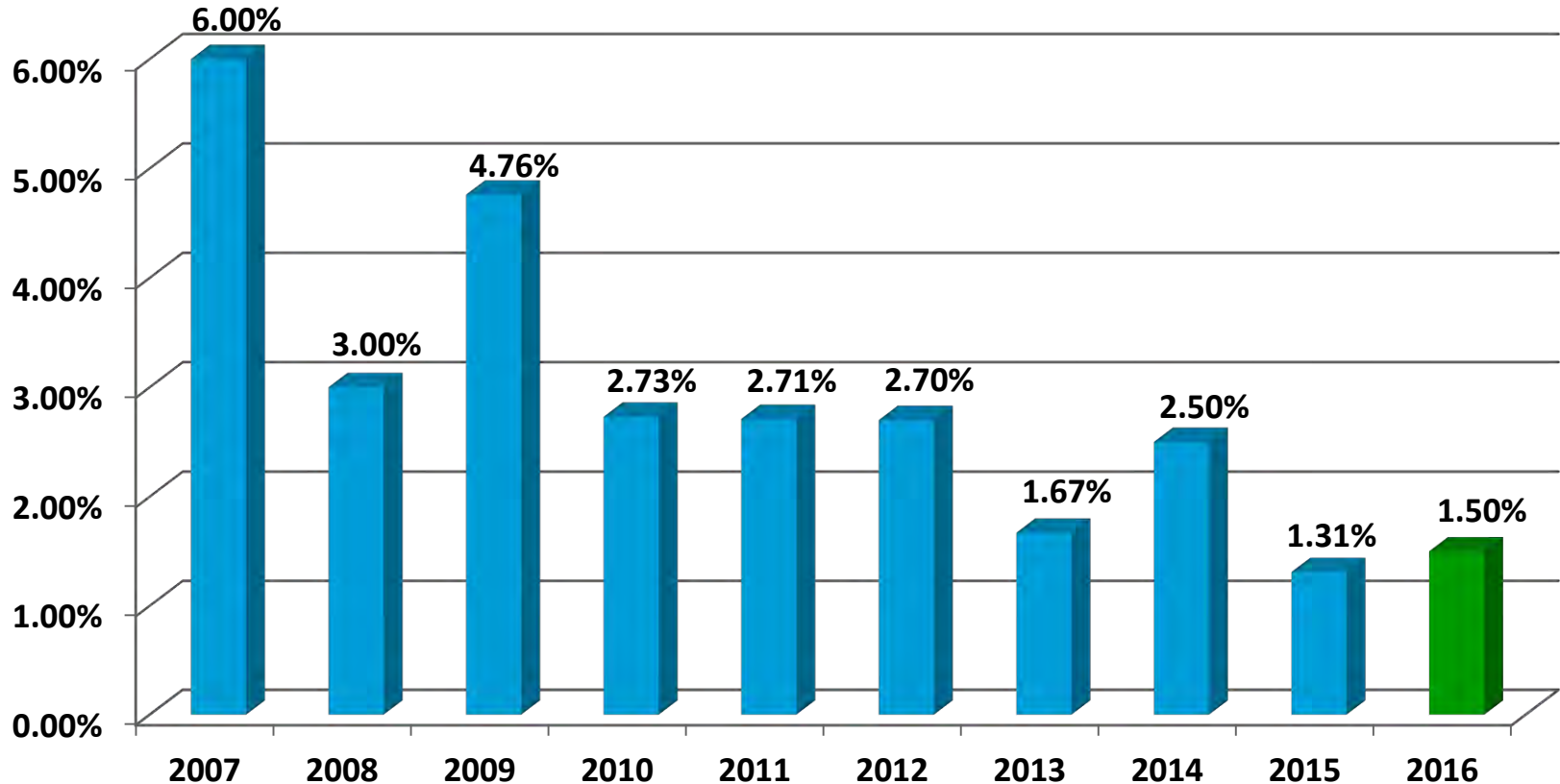
2013		2014		2015	
				Youth Entrepreneur & Employment Program	\$30,000
One Call Locates	\$178,600	Pan Am Games	\$55,500	Village CIP Façade & Grant Program	\$35,000
				Library Collection Expansion	\$40,000

- Identification begins during the general levy forecast process
- Not included in the forecasted tax rate impact
- Considered in the building of the 2016 operating budget, subject to funding and resources to implement and manage initiatives

# Assessment Growth

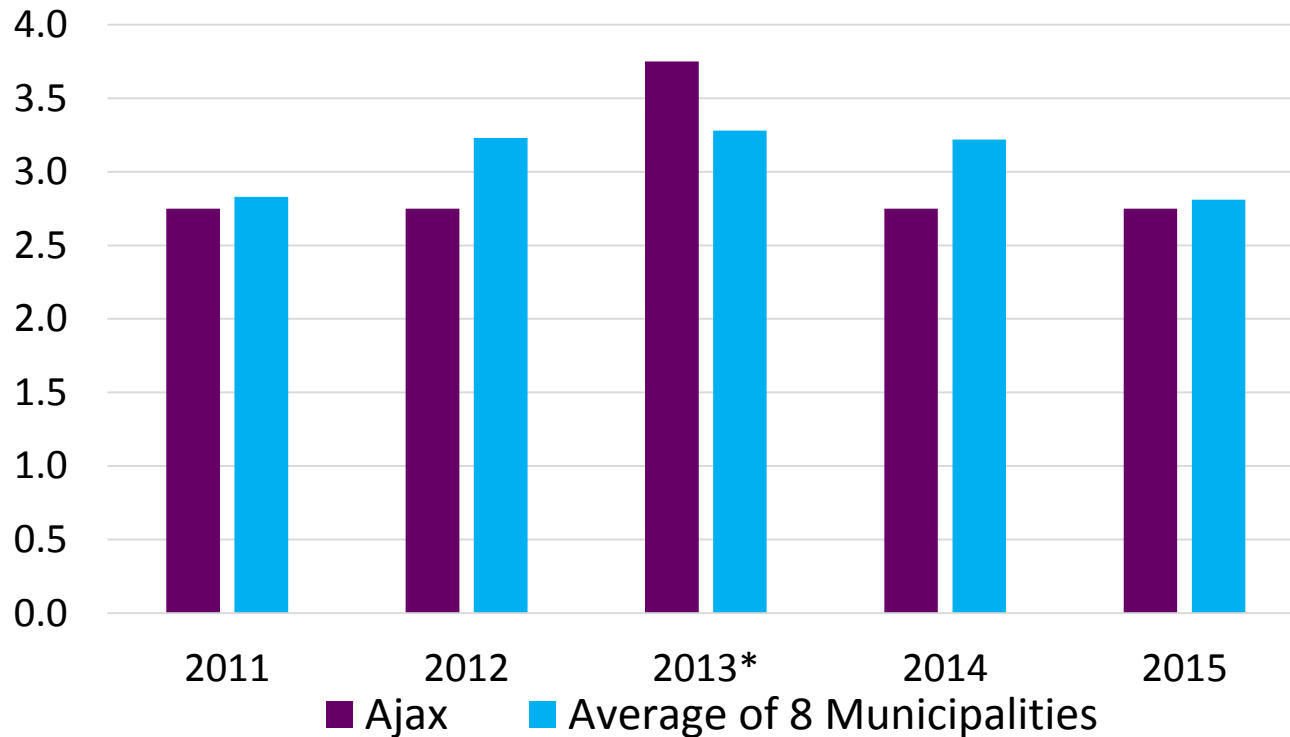
- Assessment growth helps to fund services required as the Town grows
- Predicting assessment growth is challenging and cannot be determined by a particular formula or model
- Future influences on assessment growth include legislative changes in assessment methodology and the tax deferral program under the Downtown CIP Rehabilitation Program
- A future declining trend is a reasonable expectation with fewer greenfield development sites, more efficient processing of assessment appeals by MPAC, and fewer retroactive assessments.

# Assessment Growth - Historical





# Region of Durham Municipalities Historical Tax Rate Increases



\*Opening of Audley Recreation Community Centre



Staff are recommending a 2.75% increase for the Town's portion of the property tax bill

# 2016 General Levy Forecast

Operating Budget Item	Budget Inc./ (Dec.)
Existing Full & Part Time Staff Costs	\$1,214,100
Inflation – Insurance and Hydro	273,300
Infrastructure Maintenance	272,600
Library Grant	157,700
Other Operating Budget Expenditures/Revenues	35,500
Total Operating Budget	\$1,953,200
General Levy Funded Reserve Allocations (25% of Growth)	240,600
Forecasted Additional Full & Part Time Staff Resources	294,600
Total General Levy	\$2,488,400
Forecasted tax rate impact before assessment growth	4.40%
Estimated assessment growth	(1.50%)
Net forecasted tax rate impact*	2.90%
*Excludes new/expanded programs and initiatives; subject to change as detailed budgets are finalized and submitted	