

The Corporation of the Town of Ajax
GENERAL GOVERNMENT COMMITTEE



2016 OPERATING BUDGET

Monday, February 1, 2016
7:00 p.m.
Council Chambers, Town Hall
65 Harwood Avenue South

PRESENTATIONS

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

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.

1. Opening Comments

Sheila Strain

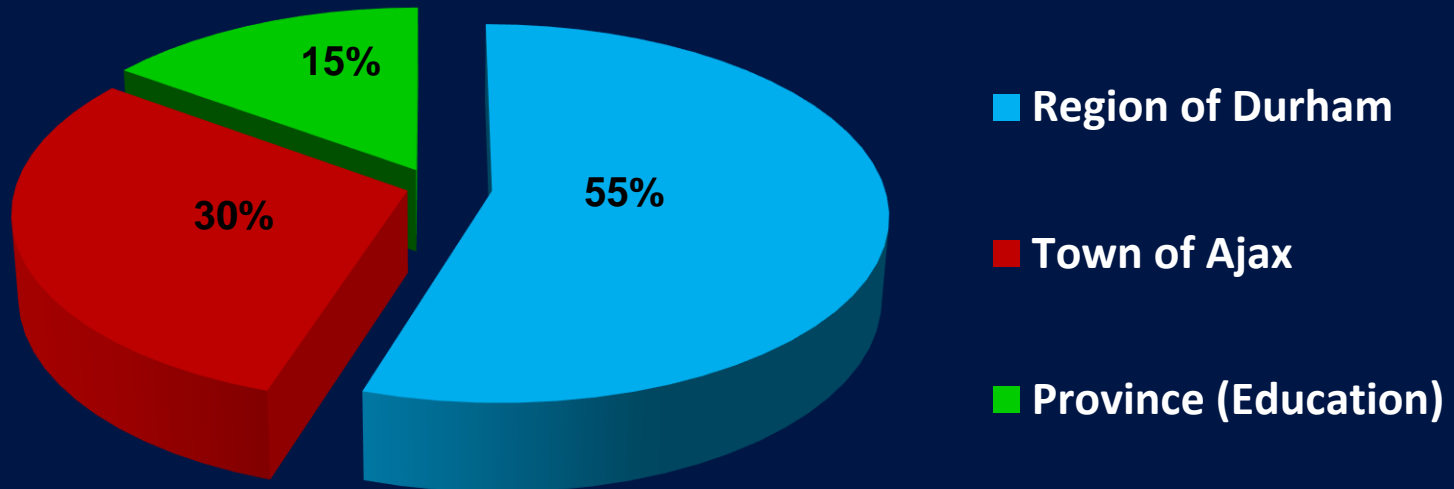
Director of Finance/Treasurer

TOWN OF AJAX

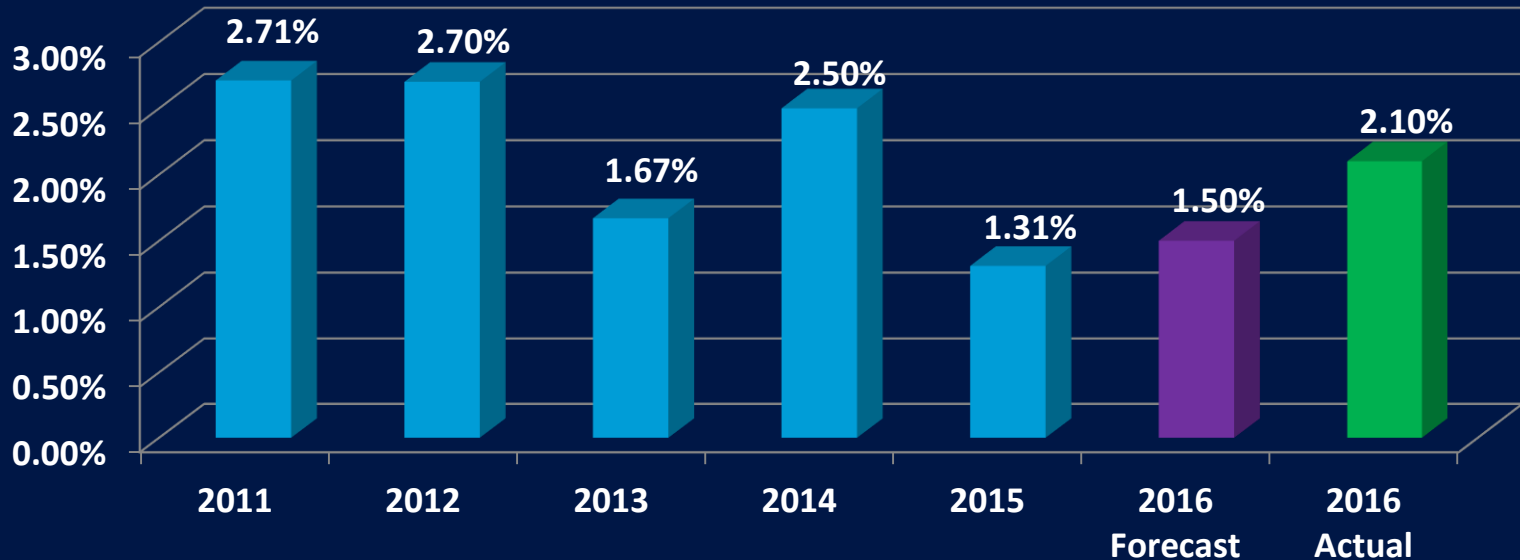
2016 Operating Budget



Residential Property Taxes



Assessment Growth



- Based MPAC updates assessment growth was forecasted to be higher than 2015, but 2.1% exceeded expectations
- Indicators continue to support lower future assessment growth with the slowing of development throughout the Region

Assessment Growth

- The 2016 assessment growth was a contributing factor to:
 - The lower tax increase of 2.52% from the target of 2.75%;
 - Enable recommendations for new/expanded programs & initiatives;
 - Maintaining service in our growing community

Impact of Reassessment

Town:

- Does not receive any additional tax revenue
- Tax rate is lowered to reflect the higher assessment values

Residential Taxpayer:

- Impact is a combination of two factors:
 - 1) Tax burden shifted from Non-Residential to Residential properties
 - creates an assessment related increase for all residential properties
 - 2) Individual Assessment % Increase Relative to Average
 - Average Town increase for 2016 is 3.50%
- Town, Region and Education each have different impacts



General Budget Items

General Levy Reserve Allocations:

- Were approved on December 14, 2015 with the Capital Budget
- FSP does not allow changes as part of Operating Budget

Veridian & Slots Revenues:

- Uses and allocations also approved on December 14

“Inflation”:

- Inflationary impacts exceeding 4% have directly led to budget increases of \$356,000
- This includes hydro and insurance costs with increases up to 10%

Supplementary Taxes and Payments in Lieu of Taxation (PIL's)

Supplementary Taxes:

- Difficult to budget, as trigger events are beyond Town's control
- 2016 budget unchanged at \$425,000; any surplus is transferred to Post Growth Capital Reserve as per the Financial Sustainability Plan

PIL's:

- Federal, Provincial and Regional governments make a payment that is equivalent to the property taxes payable
- Is a significant source of revenue (\$1,555,100) that directly reduces the General (Tax) Levy
- Budget increase of \$145,800 primarily from annualization of Metrolinx (GO Transit Parking Garage)

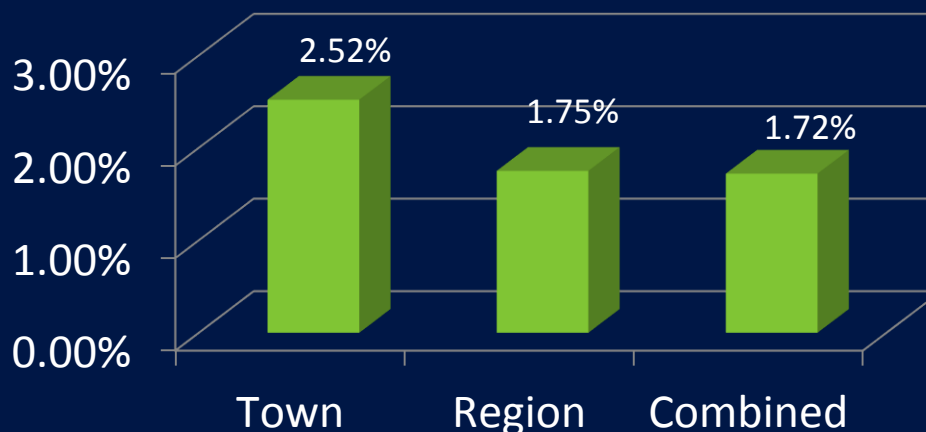


Impact on Average Residential Property

- Based on average assessment of \$363,000 and excluding reassessment

Increase	
Town of Ajax	\$35.62
Region of Durham	43.16
Province (Education)	0.00
Total	\$77.05

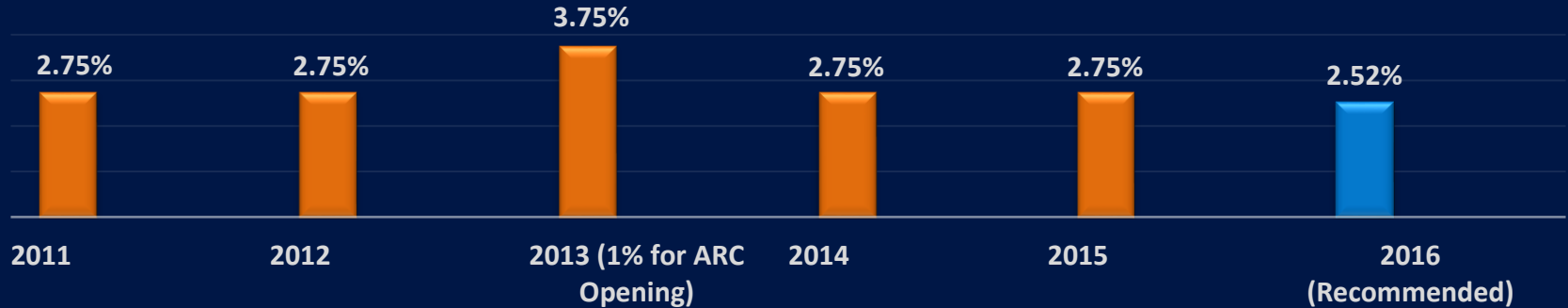
- Percentage increase, individual and combined



Tax Rates

Where we have been...

Historical Tax Rate Increases



Where we are ...

2016	
Recommended	Target
2.52%	2.75%

Where are we going ...

- Based on Council direction, staff will be reviewing and reporting, prior to summer recess, on reducing annual tax increases in future operating budgets