

The Corporation of the Town of Ajax

GENERAL GOVERNMENT COMMITTEE

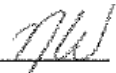
Thursday, May 9, 2013

Open Meeting at 2:00 p.m.

River Plate Room, Town Hall

65 Harwood Avenue South



Confirmed by: 

AGENDA

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

M. Crawford, Chair
R. Ashby, Vice Chair

Open Meeting

1. **Call To Order**

2. **Disclosure of Pecuniary Interest**

3. **Adoption of In-Camera Minutes – April 4, 2013** (circulated separately)
 - *Any discussion will be held in the In-Camera Session*

4. **Consent Agenda** – *Considered to be routine, these items may be approved by one motion. Items may be separated and referred to the Discussion Agenda*
 - 4.1 **2013 BIA Levy - Downtown BIA**, R. Ford, Director of Finance/Treasurer / C. James, Manager of Taxation 3
 - 4.2 **2013 BIA Levy – Pickering Village BIA**, R. Ford, Director of Finance/Treasurer / C. James, Manager of Taxation 6
 - 4.3 **Contract Award – Material Testing, Geotechnical and Environmental Investigation Services**, R. Ford, Director of Finance/Treasurer / L. Morel, Buyer 9
 - 4.4 **Contract Award – Top Asphalt Ravenscroft Road and Kerrison Drive**, P. Allore, Director of Planning & Development Services / H. Doucette, Capital Projects Technologist 11
 - 4.5 **Status Update – Environmental Assessment Carruthers Creek Flood Management and Analysis**, P. Allore, Director of Planning & Development Services / R. Corby, Site Plan Coordinator 19

- 4.6 **Assumption of Subdivision – Carruthers Forest Subdivision and Elm Subdivision**, P. Allore, Director of Planning & Development Services / G. Gibson, Development Coordinator 22
- 4.7 **Assumption of Subdivision – Nottingham Subdivision Phase 4**, P. Allore, Director of Planning & Development Services / G. Gibson, Development Coordinator..... 28
- 4.8 **Contract Award ~ Boulevard Grounds Maintenance**, D. Meredith, Director of Operations and Environmental Services / G. Durnan, Area Supervisor, Operations..... 32

5. Presentations / Discussion

- 5.1 **Highway 2 Transit Priority Measures Class EA and Design Update on Class EA and Planned 2013 Construction in the Town of Ajax**
- Brian Ruck, P. Eng. C.V.S. Certified Value Specialist, Associate Vice-President, Transportation East District, Canada Central Region Manager, Value Engineering..... verbal
- 5.2 **Appeal of Revocation of a Taxicab Driver’s Licence, M. S. Bakshi – Appellant**, M. de Rond, Director of Legislative & Information Services/Town Clerk / D. Hannan, Manager of By-law Services..... 40
- 5.3 **Revised General Levy Forecast Process**, R. Ford, Director of Finance/Treasurer..... 43
- 5.4 **Financial Sustainability Draft Plan Recommendations**, R. Ford, Director of Finance/Treasurer..... 46

6. Departmental Updates

In-Camera

7. Authority to Hold a Closed Meeting and Related In-Camera Session

- *A matter pertaining to labour relations or employee negotiations [Sec. 239 (2)(d), Municipal Act, 2001, as amended]*
- *A matter pertaining to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board [Sec. 239 (2)(e), Municipal Act, 2001, as amended]*

7.1 **Confidential Legal Matter – Interest Award**

8. Adjournment

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Rob Ford, CMA, AMCT
Director of Finance/Treasurer

PREPARED BY: Carol James, CMO, CMTP, CMM III
Manager of Taxation

SUBJECT: **2013 BIA Levy - Downtown BIA**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE:

RECOMMENDATION:

That the 2013 budget of \$28,000.00 for the Downtown BIA be approved and that the amount of \$17,684.00 be raised by taxation from its members.

BACKGROUND:

In order to add the BIA levy to the final tax bill, Council must approve the BIA budget and set the amount to be raised by taxation. A copy of the 2013 budget approved and submitted by the BIA Board of Management is attached.

DISCUSSION:

In order to determine the amount to be raised by taxation, the surplus from the prior year must be deducted from the approved budget for the current year. In 2012 the Downtown BIA had a \$10,316.00 surplus, which has decreased the amount to be raised by taxation.

	Amount
2013 Net Budget	\$28,000.00
Less: 2012 Surplus	\$10,316.00
Amount To Be Raised	\$17,684.00

FINANCIAL IMPLICATIONS:

The BIA Levy will be added to the final tax bill which will be issued in July. As in previous years, the Town will advance any funds that the BIA requires for their on-going operations prior to billing.

CONCLUSION:

Council's approval of the Downtown BIA's 2013 budget and the setting of the amount to be raised by taxation will allow the BIA levy to be added to the final tax bill.

ATTACHMENTS:

ATT-1: Budget

Carol James, CMO, CMTP, CMM III
Manager of Taxation

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

Downtown Ajax BIA - 2013 Budget

EXPENDITURES

Sign Hydro and Maintenance	\$ 2,500.00
Audit	\$ 2,500.00
Maintenance/Landscaping	\$ 22,000.00
Advertising	\$ 2,000.00

Total Expenditures \$ 29,000.00

REVENUES

Sign Revenue	\$ 1,000.00
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NET BUDGET \$ 28,000.00

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Rob Ford, CMA, AMCT
Director of Finance/Treasurer

PREPARED BY: Carol James, CMO, CMTP, CMM III
Manager of Taxation

SUBJECT: **2013 BIA Levy – Pickering Village BIA**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE:

RECOMMENDATION:

- 1. That the 2013 budget of \$50,000.00 for the Pickering Village BIA be approved, and that the amount of \$47,108.00 be raised by taxation from its members.**
- 2. That the Pickering Village BIA's \$18,750.00 contribution towards street furniture and related amenities on Old Kingston Rd. be allocated to the Capital Projects Reserve.**

BACKGROUND:

In order to add the BIA levy to the final tax bill, Council must approve the BIA budget and set the amount to be raised by taxation. A copy of the 2013 budget approved and submitted by the BIA Board of Management is attached.

DISCUSSION:

In order to determine the amount to be raised by taxation, the surplus from the prior year must be deducted from the approved budget for the current year. In 2012 the Pickering Village BIA had a \$2,892.00 surplus, which has decreased the amount to be raised by taxation.

	Amount
2012 Net Budget	\$50,000.00
Less: 2012 Surplus	\$2,892.00
Amount To Be Raised By Taxation	\$47,108.00

FINANCIAL IMPLICATIONS:

The BIA Levy is added to the final tax bill which will be issued in July. As in previous years, the Town will advance any funds that the BIA requires for their on-going operations prior to billing.

CONCLUSION:

Council's approval of the Pickering Village BIA's 2013 budget and the setting of the amount to be raised by taxation will allow the BIA levy to be added to the final tax bill.

ATTACHMENTS:

ATT-1: Budget

Carol James, CMO, CMTP, CMM III
Manager of Taxation

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

Pickering Village BIA 2013 Budget

		Budget Detail	Budget Column
		<u>Expense Detail</u>	<u>Expense Total</u>
Admin			\$ 6,100.00
	Miscellaneous	\$ 2,500.00	
	Mailbox	100.00	
	Audit	2,300.00	
	Hired Help	1,200.00	
Website			1,000.00
	H1 (Maintenance & Hosting)	1,000.00	
OBIAA conference			1,000.00
	Conference fees	450.00	
	Expenses	550.00	
Events			
	Community Events Support		3,000.00
PVCE	JAM	3,000.00	
	BIA Events		
Easter	Easter Egg Hunt	2,000.00	2,000.00
Summer/Fall	Farmer's Market		2,000.00
	Port-A-Potty	1,200.00	
	Business Plan	400.00	
	Donation to Mason Temple	400.00	
Christmas	Hot Chocolate/candy apple	1,500.00	6,050.00
	Carollers	200.00	
	Entertainment	700.00	
	Horse drawn wagon	550.00	
	Advertisement/Marketing	3,000.00	
	Port-a-potie	100.00	
Village Days	Village Days		7,500.00
	Prize Moneys	2,000.00	
	Advetising/Marketing	4,000.00	
	Admin (printing etc.)	1,500.00	
Marketing			
	Advertising Pickering Villa	2,600.00	2,600.00
Town of Ajax			18,750.00
	Construction/Streetscape	18,750.00	
		<hr/>	
		\$ 50,000.00	\$ 50,000.00

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Rob Ford, CMA, AMCT
Director of Finance/Treasurer

PREPARED BY: Linda Morel
Buyer

SUBJECT: **Contract Award – Material Testing, Geotechnical and Environmental Investigation Services**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE: RFT No. T13016

RECOMMENDATION:

1. That Council award the contract for Materials Testing, Geotechnical and Environmental Investigation Services, to Nasiruddin Engineering Limited in the estimated amount of \$127,640.28 (inclusive of all taxes), for a period of one year.
2. That Council authorize staff to renew the contract for Materials Testing, Geotechnical and Environmental Investigation Services to Nasiruddin Engineering Limited, for an additional two, one year periods, pending an analysis and satisfactory performance review at the anniversary date of the contract, in the estimated amount of \$255,280.56 (inclusive of all taxes).

BACKGROUND:

The Town requires material testing to ensure quality control on construction projects and to provide geotechnical and environmental advice for design purposes, soil testing, concrete and asphaltic concrete testing, and testing of water quality.

DISCUSSION:

Request for Tender (RFT) documents were issued to 18 prospective bidders with bids being received back from 12 of these, prior to the closing on April 9, 2013. Upon review of the 12 bids received, one of the submissions was found to be non-compliant and therefore cannot be considered in the award. During the analysis of the compliant bids, some arithmetic errors were discovered, resulting in a Corrected Total Tender Amount. Listed below is a summary of the bids considered:

NAME OF BIDDER	TOTAL TENDER AMOUNT	CORRECTED TOTAL TENDER AMOUNT
Nasiruddin Engineering Ltd.	\$382,920.84	\$382,920.84
Patriot Engineering Ltd.	\$524,704.20	\$524,704.20
Coffey GeoTechnics Inc.	\$555,291.66	\$555,291.66
DBA Engineering Ltd.	\$197,886.07	\$577,444.97
Soil Engineers Ltd	\$603,504.75	\$603,504.75
Fisher Environmental Ltd.	\$681,323.46	\$672,574.68
AMEC Environment & Infrastructure a division of AMEC Americas Ltd.	\$727,002.45	\$727,002.45
SPL Consultants Ltd.	\$746,620.65	\$746,620.65
Golder Associates Ltd.	\$760,083.20	\$760,083.78
Peto MacCallum Ltd.	\$996,062.04	\$996,062.04
EXP Services Inc.	\$1,099,334.96	\$1,099,334.96

FINANCIAL IMPLICATIONS:

Funds for Material Testing are provided for through various capital accounts and operating budgets of Planning and Development Services and Operations and Environmental Services departments. The amount of funds to be expended is directly related to the number of projects, their complexity, and site conditions.

Provisions have been made in the tender to include Geotechnical and Environmental Investigation services that may be required on project specific sites.

COMMUNICATION ISSUES:

N/A

CONCLUSION:

It is the recommendation of staff that Nasiruddin Engineering Limited be awarded the contract for Materials Testing, Geotechnical and Environmental Investigation Services, being the lowest bidder meeting minimum specifications.

Linda Morel, Buyer

Rob Ford, CMA, AMCT - Director of Finance/Treasurer

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Paul Allore
Director of Planning and Development Services

PREPARED BY: Heather Doucette
Capital Projects Technologist

SUBJECT: **Contract Award – Top Asphalt Ravenscroft Road and
Kerrison Drive**

WARD(S): 1 & 2

DATE OF MEETING: May 9, 2013

REFERENCE: RFT Number T13012 – Top Lift Ravenscroft Road (Rossland to
Williamson) and Kerrison Drive (Salem to Harwood)
Capital Account No. 931611 – Top Asphalt Ravenscroft Road
Capital Account No. 950111 – Top Asphalt Kerrison Drive
GGC Report April 5, 2012 – Contract Award – Top Asphalt
Ravenscroft Road – Design and Contract Administration

RECOMMENDATION:

That Council award the contract for the placement of top asphalt on Ravenscroft Road (between Rossland Road to Williamson Drive) and Kerrison Drive (between Salem Road to Harwood Avenue) to CoCo Paving Inc., in the amount of \$379,368.41 (inclusive of all taxes).

BACKGROUND:

On April 9, 2012, Council awarded R.V. Anderson Associates Ltd the contract to complete the design, prepare contract documents and provide contract administration and inspection services for the placement of top asphalt on Ravenscroft Road from Rossland Road to Williamson Drive. This section of Ravenscroft Road was constructed by adjacent developers between 1990 and 2010. The initial scope of work included minor repairs and placement of top asphalt. During the design process a geotechnical consultant was hired to review the condition of the existing pavement and to provide recommendations. The investigation determined that due to the age of the base asphalt, the section of Ravenscroft Road from Rossland Road to McGregor Drive requires more extensive repair and full asphalt replacement.

In 2010, Kerrison Drive was constructed from Harwood Avenue to Salem Road to base asphalt. It is proposed to complete this work in 2013 with the placement of top asphalt. The cost of this work will be added to the total cost for the constructing this link and will be recovered, in time, from adjacent developers through the one foot reserve across development lands fronting Kerrison Drive.

DISCUSSION:

Request for Tender (RFT) documents were issued to six prospective bidders with bids being received back from four of these, prior to closing on March 26, 2013. Listed below is a summary of the bids received:

NAME OF BIDDER	TOTAL TENDER AMOUNT
Coco Paving Inc.	\$379,368.41
Miller Paving Limited	\$386,088.30
Four Seasons Site Development Ltd.	\$387,327.39
Furfari Paving Co. Ltd.	\$421,109.31

Staff have reviewed the submission by Coco Paving Inc. and are satisfied that they have demonstrated the experience required to complete this project. Therefore, award is recommended to the lowest bidder, Coco Paving Inc.

FINANCIAL IMPLICATIONS:Capital Account No. 931611 – Top Asphalt Ravenscroft Road

Approved Capital Budget		\$300,000.00
2008 Roads and Bridges Grant		<u>\$171,986.27</u>
Available Budget		\$471,986.27

Previous Awards/ Expenditures:

Topographical Survey (net of HST rebate)	\$4,452.00	
R.V. Anderson Associates Ltd. (net of HST rebate)	\$29,462.88	
Patriot Engineering (net of HST rebate)	<u>\$11,919.94</u>	<u>\$45,834.82</u>
Available Budget		\$426,151.45

Current Awards:

Coco Paving (net of HST rebate)	\$279,314.55	
Contingency (approximately 15%)	<u>\$42,000.00</u>	<u>321,314.55</u>
Available Budget		<u>\$104,836.90</u>

A 15% contingency has been identified to ensure sufficient funding is available to address site specific issues that can be encountered during construction. Risk factors for this project include: site conditions different than those anticipated, changes resulting from adjacent construction activities, poor weather conditions, and additional work requested by stakeholders. These risks can cause delays, necessitating additional material and labour associated with construction.

Capital Account No. 950111 – Top Asphalt Kerrison Drive

Approved Capital Budget		\$225,000.00
Previous Awards/ Expenditures:		
GHD (net of HST rebate)	\$14,006.11	
Patriot Engineering (net of HST rebate)	<u>\$4,227.81</u>	<u>\$18,233.92</u>
Available Budget		\$206,766.08
Current Awards:		
Coco Paving (net of HST rebate)	\$62,318.45	
Contingency (approximately 15%)	\$9,350.00	<u>\$71,668.45</u>
Available Budget		<u>\$135,097.63</u>

A 15% contingency has been identified to ensure sufficient funding is available to address site specific issues that can be encountered during construction. Risk factors for this project include: site conditions different than those anticipated, changes resulting from adjacent construction activities, poor weather conditions, and additional work requested by stakeholders. These risks can cause delays, necessitating additional material and labour associated with construction.

The Capital Expenditure Control Policy provides for a contingency in excess of 10% when recommended by the Department Head and approved by the Chief Administrative Officer. As specified in the Financial Implications section of this report, staff are recommending that Council approve a contingency amount of 15%.

This report and the contingency percentage has been reviewed and approved by the Chief Administrative Officer.

This Capital Project is funded in part by the Town's share of Slot Revenues

COMMUNICATION ISSUES:

Information on the project will be mailed to adjacent property owners and posted on the Town's website. The construction is scheduled to begin on June 3, 2013 and be completed by August 30, 2013.

The contractor is generally required to maintain a minimum of one lane of traffic with flagging and a minimum of two lanes when not on the site. However, short term closures may be necessary to complete certain portions of the work.

If road closures are required, the requirements of the Road Occupancy/ Road Closure By-Law will be followed. All road closure signage will be posted a minimum of 10 days in advance of the closure. In addition, notifications will be sent to local residents and businesses, placed in the community pages of the newspaper and posted on the Town's website.

CONCLUSION:

It is the recommendation of staff that Coco Paving Inc. be awarded the contract for the placement of top asphalt on Ravenscroft Road and Kerrison Drive, being the lowest bidder meeting minimum specifications.

ATTACHMENTS:

ATT-1: 2012 Capital Budget Detail Sheet Capital Account No. 931611

ATT-2: 2013 Capital Budget Detail Sheet Capital Account No. 950111

Heather Doucette, C.Tech.
Capital Projects Technologist

Carol Coleman, P.Eng.
Manager of Engineering, Capital Projects

Paul Allore, MCIP, RPP
Director, Planning & Development Services

TOWN OF AJAX
2012 CAPITAL BUDGET / 2013-2016 LONG RANGE CAPITAL FORECAST
DETAIL SHEET

Department	Planning & Development Services
Section	Engineering Services
Project Name	Top Asphalt Ravenscroft Rd
Submitted By	Carol Coleman, Manager of Engineering - Capital Projects
Start Year	2012
Project Number	0931611

PROJECT DESCRIPTION / JUSTIFICATION

Scope: Placement of top asphalt on Ravenscroft Road from Rossland Road to Williamson Drive. Work to include the marking of a southbound right turn lane at Rossland Road, if feasible.

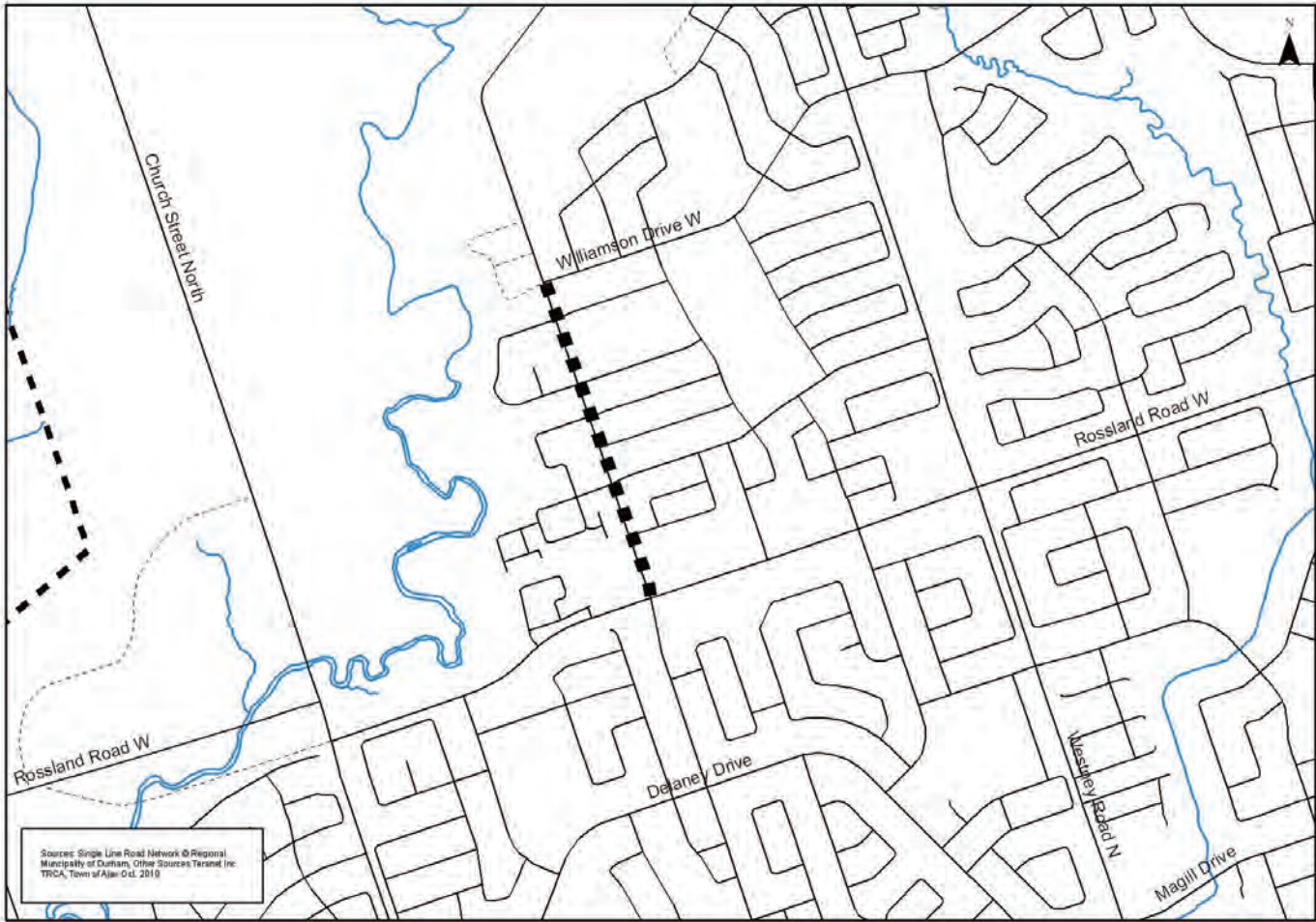
Rationale: Ravenscroft Road was constructed from Rossland Road to Williamson Drive by adjacent developers between 1990 and 2010. It is proposed to complete this work in 2012 with the placement of top asphalt. Top asphalt is required within a few of years of road construction to prevent the base asphalt layer from deteriorating, which would result in additional road maintenance costs.

EXPENDITURES / FUNDING

	2012	2013	2014	2015	2016	Total
Total Expenditures	300,000					300,000
Infrastructure Reserve (Slots)	244,000					244,000
Recoveries - External	56,000					56,000
Total Funding	300,000					300,000

TOWN OF AJAX
2012 CAPITAL BUDGET / 2013-2016 LONG RANGE CAPITAL FORECAST
DETAIL SHEET

Top Asphalt on Ravenscroft Rd - Rossland to Williamson



TOWN OF AJAX
2013 CAPITAL BUDGET / 2014-2017 LONG RANGE CAPITAL FORECAST
DETAIL SHEET

Department	Planning & Development Services
Section	Engineering Services
Project Name	Top Asph Kerrison-Harwd/Salem
Submitted By	Carol Coleman, Manager of Engineering - Capital Projects
Start Year	2013
Project Number	0950111

PROJECT DESCRIPTION / JUSTIFICATION

Scope: Placement of top asphalt on Kerrison Drive from Harwood Avenue to Salem Road.

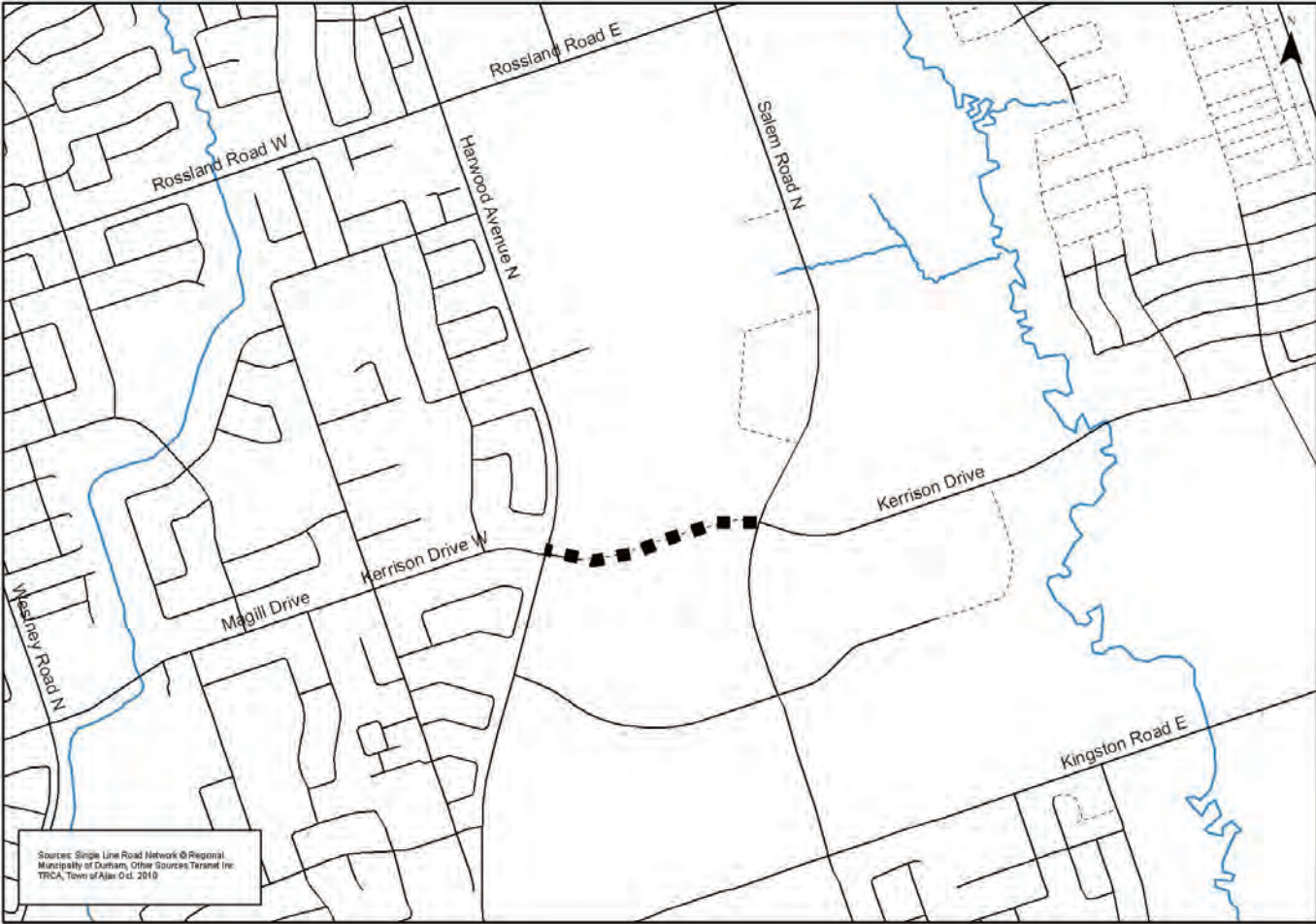
Rationale: In 2010, Kerrison Drive was constructed from Harwood Avenue to Salem Road. It is proposed to complete this work in 2013 with the placement of top asphalt. Top asphalt is required within a few of years of road construction to prevent the base asphalt layer from deteriorating, which would result in additional road maintenance costs. The cost of building this link will be recovered, in time, through the one foot reserve across development lands fronting Kerrison Drive.

EXPENDITURES / FUNDING

	2013	2014	2015	2016	2017	Total
Total Expenditures	225,000					225,000
Infrastructure Reserve (Slots)	225,000					225,000
Total Funding	225,000					225,000

TOWN OF AJAX
2013 CAPITAL BUDGET / 2014-2017 LONG RANGE CAPITAL FORECAST
DETAIL SHEET

Top Asphalt on Kerrison Dr - Harwood to Salem



TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Paul Allore, M.C.I.P., R.P.P.
Director of Planning & Development Services

PREPARED BY: Russ Corby, C.E.T.
Site Plan Coordinator

SUBJECT: **Status Update – Environmental Assessment Carruthers Creek
Flood Management and Analysis**

WARD(S): 2 and 4

DATE OF MEETING: May 9, 2013

REFERENCE : December 6, 2012 General Government Committee
May 22, 2012 Community Affairs and Planning Committee
June 9, 2011 General Government Committee
June 4, 2010 General Government Committee
April 22, 2010 General Government Committee
Capital Account No. 914211

RECOMMENDATION:

That Council authorize staff to proceed with the filing of the Environmental Assessment for Carruthers Creek Flood Management and Analysis with the Ministry of Environment.

BACKGROUND:

In 2009, the Toronto Region Conservation Authority (TRCA) completed a comprehensive process to revise the flood plain mapping along a number of creek systems across their jurisdiction. The update of the Carruthers Creek flood plain mapping is a component of TRCA's ongoing work to identify and protect flood vulnerable areas based on updated mapping and modeling techniques governed by the Ministry of Natural Resources.

The Carruthers Creek Watershed extends north from Lake Ontario for approximately 17 km and has a drainage area of approximately 3,650 ha (9,019 ac.). The watershed is elongated in a north-south direction with a length to width ratio of approximately 8 to 1. The upper reach is agricultural and the lower reaches are presently developed with a mixture of residential, commercial and industrial land uses.

In early 2010, the TRCA provided the Town with updated regulatory flood plain mapping for Carruthers Creek. The new floodplain mapping indicated a significant spill through the Pickering Beach Neighbourhood to Lake Ontario. On June 24, 2010, Council awarded the

contract for the Environmental Assessment (EA) of the Carruthers Creek Flood Management and Analysis to Cole Engineering Group Ltd.

On May 22, 2012 staff provided a report to Community Affairs and Planning (CAP) Committee on the Environmental Study Report and the supporting reports that were endorsed by CAP and Council.

The Class Environment Assessment for Carruthers Creek Flood Management and Analysis Notice of Completion was issued to all stakeholders and the Environmental Study Report (ESR) was filed with the Town of Ajax for a 30 calendar day review period for the stakeholders starting Wednesday May 30, 2012.

During the review period, the public and stakeholders had the opportunity to review the ESR and provide any written comments or concerns to the project team members prior to Friday June 29 2012.

Although no Part II order request was initiated, Town staff received an email on June 29, 2012 from the Region of Durham requesting the ESR review period be extended for 60 days until August 29, 2012 in order to resolve issues outlined in an attached letter. The Region's concerns included inadequate consultation, potential impact on their trunk sewers, pumping station and questioning water quality treatment of the storm sewer.

The Town responded to the Region on July 16, 2012 with responses addressing the Region's concerns and providing until August 31, 2012 for any additional comments or concerns. The Town received a request from the Region to extend the deadline for comments to September 28, 2012. On September 28, 2012, the Town received a letter outlining similar issues as in the Region's letter issued on June 29, 2012.

In order to undertake further consultation with the Region, the Town coordinated a meeting on October 25, 2012 with Regional staff, Town staff, TRCA staff and the Town's consulting engineer (Cole Engineering). The sole purpose of the meeting was to try to resolve the Region's concerns and facilitate positive two way dialogue. Cole Engineering provided a presentation overview of the EA and answered specific questions from the Regional staff.

When the meeting concluded, it was obvious the Region required more detailed information with respect to the location of the landform in order to assess potential impacts to their infrastructure. Additional work was required by Cole Engineering in order to resolve the Region's comments and issues. The Region further indicated in the event that these issues cannot be resolved to their satisfaction, the Region will request the Minister of the Environment issue a Part II Order.

On December 6, 2012 staff provided Council a Status Update Report reviewing concerns brought forward by the Region of Durham. The report indicated that staff would continue to resolve the Region's comments and concerns so that the EA could be filed.

DISCUSSION:

Staff received and reviewed the additional work provided by Cole Engineering and responded to the Region providing them the additional detailed information on February 22, 2013. Also in addition to the Town's response, staff advised the Region that the Town will be filing the revised Environmental Study Report to the MOE on March 15, 2013. On March 12, 2013, staff received an e-mail from the Region indicating the Region is still not satisfied and the Town will be receiving further Regional comments no later than March 22, 2013. To date, Town staff has not received any further dialogue from Regional staff. Therefore, staff is recommending the filing of the EA with the MOE.

If any persons or party such as the Region of Durham cannot resolve a conflict with the Town of Ajax, they have the right to submit a Part II Order request to the Minister of the Environment. In the event a Part II Order request is received, the Minister of the Environment will review the request, and attempt to resolve any conflict. The Minister has the ability to decide whether an Individual Environment Assessment should be conducted for the project.

CONCLUSION:

In summary, the Class EA demonstrated a positive result in reducing flood flows using new detailed monitoring data. This provided a solid foundation on which to prepare conceptual design alternatives and identified a preferred solution for remediation of flood spill impacts in the Pickering Beach Neighbourhood. The Class EA also evaluated the impacts to the flood plain as a result of proposed development elsewhere within the Carruthers Creek Watershed and will provide important information for future land use decisions.

Town staff have continued throughout the EA process to engage all stakeholders in a two way dialogue as an effort to provide an effective preferred solution. Town staff will continue to work with stakeholders throughout the detailed design and construction.

In closing, Town staff have provided the Region detailed design information that was not intended to be in the scope of analysis for this EA. Town staff have incurred a significant amount of time reviewing and coordinating the additional work prepared by Cole Engineering.

It is recommended that Council authorize staff to proceed with the filing of the revised Environmental Study Report for the Municipal Class Environmental Assessment for Carruthers Creek Flood Management and Analysis with the Ministry of Environment.

Russ Corby, C.E.T.
Site Plan Coordinator

Kevin Tryon, C.E.T.
Manager of Engineering, Development Services

Paul J. Allore, M.C.I.P., R.P.P.
Director of Planning & Development

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Paul Allore, M.C.I.P., R.P.P.
Director of Planning & Development Services

PREPARED BY: Greg Gibson, C.E.T.
Development Coordinator

SUBJECT: Assumption of Subdivisions

WARD(S): 1 and 4

DATE OF MEETING: May 9, 2013

REFERENCE: 18T-88025 and S-A-2003-09

RECOMMENDATIONS:

- (1) That the works and services within the following Plans of Subdivision be assumed by the Town:
 - a) (18T-88025) – Carruthers Forest Subdivision
Owner: Nugget Construction Co. Ltd.
Agreement Date: December 11, 2000
Registered Plan: 40M-2046
Refer to Appendix “A”
 - b) (S-A-2003-09) – Elm Developments Subdivision
Owner: Elm Residences Inc.
Agreement Date: September 30, 2005
Registered Plan: 40M-2298
Refer to Appendix “B”
- (2) That the corresponding Assumption By-laws be prepared for an upcoming Council meeting.

BACKGROUND:

The construction of works and services within the plans of subdivision have been completed in accordance with the terms and conditions of the subdivision agreements and to the satisfaction of Planning and Development Department in conjunction with other internal commenting departments. In accordance with the conditions of the subdivision agreements, it is now appropriate that the Town assume, from the developer the responsibility for the maintenance

and operation of the works and services within these plans.

The works and services include but are not limited to the roads, sidewalks, curbs and gutters, driveways, street lights, signs, storm sewers, storm ponds, parks, boulevard trees and the grading and sodding of lands outlined in the Residential Subdivision Agreements.

DISCUSSION:

All works and services to be assumed by the Town as outlined in the subdivision agreements for the above noted plans of subdivision have now been completed to the satisfaction of Planning and Development in conjunction with other internal commenting departments.

FINANCIAL IMPLICATIONS:

There are no financial obligations to assume the works and services within the above noted Plans of Subdivision. However, upon assumption of the subdivisions maintenance of the works and services will be the responsibility of the Town.

COMMUNICATION ISSUES:

N/A

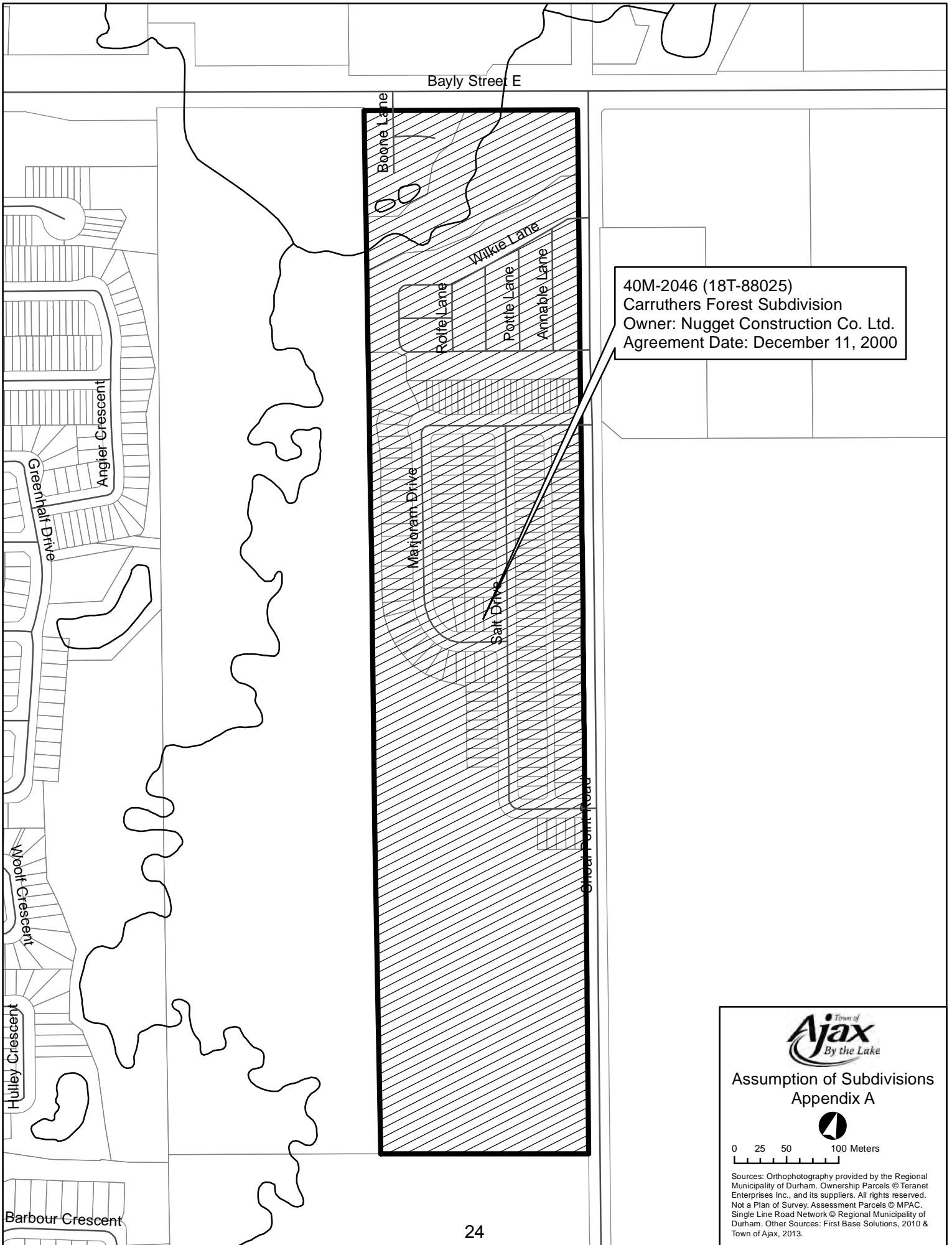
CONCLUSION:

Since the registered plans of subdivision identified in this report have complied with the terms and conditions of their subdivision agreements, it is recommended that Council pass Assumption By-laws at an upcoming Council meeting to assume the works and services for registered plans, 40M-2046 and 40M-2298.


Greg Gibson, C.E.T. - Development Coordinator


Kevin Tryon, C.E.T. - Manager of Engineering, Development Services


Paul Allore, M.C.I.P., R.P.P. - Director of Planning & Development



40M-2046 (18T-88025)
 Carruthers Forest Subdivision
 Owner: Nugget Construction Co. Ltd.
 Agreement Date: December 11, 2000


Assumption of Subdivisions
Appendix A







Sources: Orthophotography provided by the Regional Municipality of Durham. Ownership Parcels © Teranet Enterprises Inc., and its suppliers. All rights reserved. Not a Plan of Survey. Assessment Parcels © MPAC. Single Line Road Network © Regional Municipality of Durham. Other Sources: First Base Solutions, 2010 & Town of Ajax, 2013.



40M-2298 (S-A-2003-09)
Elm Developments Subdivision
Owner: Elm Residences Inc.
Agreement Date: September 30, 2005


Assumption of Subdivisions
Appendix B


0 15 30 60 Meters

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THE CORPORATION OF THE TOWN OF AJAX

BY-LAW NUMBER xx-2013

A By-law to assume the works and services on Registered Plan 40M-2046 (18T-88025).

(Carruthers Forest Subdivision)

WHEREAS under the terms of the Subdivision Agreement dated December 11th, 2000 between the Corporation of the Town of Ajax and Nugget Construction Company Limited, and upon issuance of the Town's Final Acceptance certificate, the Town shall assume the works and services referred to in the said certificate;

NOW THEREFORE the Council of the Corporation of the Town of Ajax enacts as follows:

1. That the Corporation of the Town of Ajax hereby assumes the works and services in Registered Plan 40M-2046.

READ a first and second time this
Thirteenth day of May, 2013.

READ a third time and passed this
Thirteenth day of May, 2013.

Mayor

D-Clerk

THE CORPORATION OF THE TOWN OF AJAX

BY-LAW NUMBER xx-2013

A By-law to assume the works and services on Registered Plan 40M-2298 (S-A-2003-09).

(Elm Developments Subdivision)

WHEREAS under the terms of the Subdivision Agreement dated September 30th, 2005 between the Corporation of the Town of Ajax and Elm Residences Inc., and upon issuance of the Town's Final Acceptance certificate, the Town shall assume the works and services referred to in the said certificate;

NOW THEREFORE the Council of the Corporation of the Town of Ajax enacts as follows:

1. That the Corporation of the Town of Ajax hereby assumes the works and services in Registered Plan 40M-2298.

READ a first and second time this
Thirteenth day of May, 2013.

READ a third time and passed this
Thirteenth day of May, 2013.

Mayor

D-Clerk

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Paul Allore, M.C.I.P., R.P.P.
Director of Planning & Development Services

PREPARED BY: Greg Gibson, C.E.T.
Development Coordinator

SUBJECT: Assumption of Subdivisions

WARD(S): 2

DATE OF MEETING: May 9, 2013

REFERENCE: 18T-94018

RECOMMENDATIONS:

- (1) That the works and services for the Stormwater Management Pond within the following Plan of Subdivision be assumed by the Town:
 - a) (18T-94018) – Nottingham Subdivision Phase 4
Owner: Runnymede Westney Ltd.
Agreement Date: December 23, 2002
Registered Plan: 40R-21732 Parts 1, 2 and 4
Refer to Appendix “A”
- (2) That the corresponding Assumption By-law be prepared for an upcoming Council meeting.

BACKGROUND:

At the time of development of the Nottingham Subdivision Phase 4, an abutting property to the subdivision had existing residual effects of salt saturation on the lands. The minor residual salt was a result of a former off-site salt storage operation. The historical off-site storage no longer represents a concern since the salt storage ceased in 2000. The testing of the soils indicated elevated levels of Electrical Conductivity and Sodium Absorption Ratio that did not meet with the MOE Standards of that time. From 2002 to 2012 the developer completed a series of ongoing soil sampling and analysis to determine if the lands met with Ministry criteria and guidelines.

The residential component of Phase 4 was previously assumed by the municipality and the remaining Stormwater Management Pond component can now be assumed to complete the Phase 4 lands.

The construction of works and services within the plan of subdivision have been completed in accordance with the terms and conditions of the subdivision agreement and to the satisfaction

of Planning and Development Department in conjunction with other internal commenting departments. In accordance with the conditions of the subdivision agreement, it is now appropriate that the Town assume the responsibility for the maintenance and operation of the works and services within this plan.

The works and services include but are not limited to the access roads, walkways, signs, storm sewers, storm pond, trees, plantings and the grading and sodding of lands outlined in the Residential Subdivision Agreement.

DISCUSSION:

The historical contaminant concentrations declined naturally over time and the contaminant source was removed. A Phase 1 and Phase 2 Environmental Site Assessment and a Record of Site Condition (RSC) to certify the land is compliant with the Ministry of the Environment requirements have been completed. The Reports and RSC have been approved by the Ministry and all conditions have been addressed to their satisfaction and guidelines. Therefore, the lands for the SWM Pond have been transferred to the Town of Ajax as per the subdivision agreement.

All works and services to be assumed by the Town as outlined in the subdivision agreement for the above noted plan of subdivision have now been completed to the satisfaction of Planning and Development in conjunction with other internal commenting departments.

FINANCIAL IMPLICATIONS:

There are no financial obligations to assume the works and services within the above noted Plan of Subdivision. However, upon assumption of the subdivision maintenance of the works and services will be the responsibility of the Town.

COMMUNICATION ISSUES:

N/A

CONCLUSION:

Since the registered plan of subdivision identified in this report has complied with the terms and conditions of their subdivision agreement, it is recommended that Council pass the Assumption By-law at an upcoming Council meeting to assume the works and services for registered plan, 40R-21732 Parts 1, 2 and 4.


Greg Gibson, C.E.T. - Development Coordinator


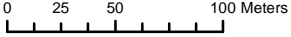
Kevin Tryon, C.E.T. - Manager of Engineering, Development Services

Paul Allore, M.C.I.P., R.P.P. - Director of Planning & Development



40R-21732 (18T-94018)
 Nottingham Phase 4 SWM Pond
 Owner: Runnymede Westney Ltd.
 Agreement Date: December 23, 2002


Assumption of Storm Water Management Pond
Appendix A

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THE CORPORATION OF THE TOWN OF AJAX

BY-LAW NUMBER xx-2013

A By-law to assume the works and services on Registered Plan 40R-21732 Parts 1, 2 and 4
(18T-94018).
(Nottingham Subdivision Phase 4 SWM Pond)

WHEREAS under the terms of the Subdivision Agreement dated December 23rd, 2002 between the Corporation of the Town of Ajax and Runnymede Westney Limited, and upon issuance of the Town's Final Acceptance certificate, the Town shall assume the works and services referred to in the said certificate;

NOW THEREFORE the Council of the Corporation of the Town of Ajax enacts as follows:

1. That the Corporation of the Town of Ajax hereby assumes the works and services in Registered Plan 40R-21732 Parts 1, 2 and 4.

READ a first and second time this
Thirteenth day of May, 2013.

READ a third time and passed this
Thirteenth day of May, 2013.

Mayor

D-Clerk

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Dave Meredith
Director of Operations and Environmental Services

PREPARED BY: Garry Durnan
Area Supervisor, Operations

SUBJECT: **Contract Award ~ Boulevard Grounds Maintenance**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE: **RFT No. P13005**

RECOMMENDATION:

- 1. That Council award the contract for Boulevard Grounds Maintenance, to Pristine Property Maintenance in the estimated amount of \$97,993.60 (inclusive of all taxes), for a period of 1 year.**
- 2. That Staff be authorized to renew the contract for an additional two (2) one year periods, pending an analysis and satisfactory performance review at the anniversary date of the contract, in the estimated amount of \$210,931.22 (inclusive of all taxes).**

BACKGROUND:

The Town of Ajax’s road network is based on a system of arterial, collector and local roads. The responsibility of arterial roads is shared between the Town and the Region of Durham. This arterial network provides the primary transportation corridors for both pedestrian and vehicular traffic. This network also serves as gateways to our communities and neighborhoods. The majority of the Town’s arterial roads are well landscaped. These landscapes are made up of both hard and soft features and include turf, trees, shrubs, perennials, annual displays, a variety of fencing, site furniture, pedestrian sidewalks and trails. These landscape features are a tremendous asset to the Town and Region and provide numerous benefits including environmental, social and economic.

To remain an asset, these areas require ongoing maintenance. The majority of this work is facilitated through the Operations and Environmental Services Department. Since 2001, a large component of boulevard grounds maintenance has been a contracted service retained by the Town. This maintenance includes litter picking, cutting of turf and string trimming. Approximately 46 hectares of both Town and Regional road allowance are included in the award. Based on approved service levels that is reviewed annually, grounds maintenance provides for approximately twelve cut cycles on an annual basis. The service level of this contract generally allows for one complete cut every two weeks between mid April through to mid October.

The contract award also makes provisions for four additional cuts, if required, along arterial roads such as Rossland Road, Harwood Avenue and Church Street, during the months of May and June, when dandelions can be prevalent within the boulevard. In these situations, cuts will be completed on a weekly basis.

The contract contains provisions that allow staff to adjust the frequency of service based on weather conditions and overall turf length and appearance. An agreement has been established between the Town of Ajax and Durham Region regarding boulevard maintenance on regional roadways. Issues such as service levels and financial recoveries are reviewed annually with the Region.

Quality Control

The contractor will be required to complete the following:

- provide a daily schedule
- complete and submit daily work assignment sheets

Town staff will be administering this contract, by conducting regular inspections, to ensure that all areas are being maintained to the standard as specified in the contract.

DISCUSSION:

Request for Tender (RFT) documents were issued to 15 prospective bidders with bids being received back from eight of these, prior to closing on March 26, 2013. Listed below is a summary of the bids received:

NAME OF BIDDER	TOTAL TENDER AMOUNT
Pristine Property Maintenance	\$308,924.82
Municipal Maintenance	\$319,270.20
Humphries Landscape Services	\$320,422.80
JimRick's Enterprises	\$320,631.42
Markham Property Services Ltd.	\$458,273.76
Lima's Gardens & Construction Inc.	\$472,566.00
Berta Landscaping & Property Maintenance Inc.	\$691,513.89
Melfer Construction Inc.	\$1,218,762.31

FINANCIAL IMPLICATIONS:

Funds for Boulevard Grounds Maintenance are included in the Operations and Environmental Services operating budget.

COMMUNICATION ISSUES:

There are no direct communication issues with this report, however, staff will be reviewing the Boulevard Grounds Maintenance contract as it occurs to determine the productivity of the operation in order to further enhance our level of service.

CONCLUSION:

It is the recommendation of staff that Pristine Property Services be awarded the contract for Boulevard Grounds Maintenance, being the lowest bidder meeting minimum specifications.

Garry Durnan - Supervisor, Operation Services

Dave Meredith – Director of Operations and Environmental Services

Rob Ford – Director of Finance

Brian Skinner – Chief Administrative Officer



TOWN GRASS CUTTING AREA 1

Legend

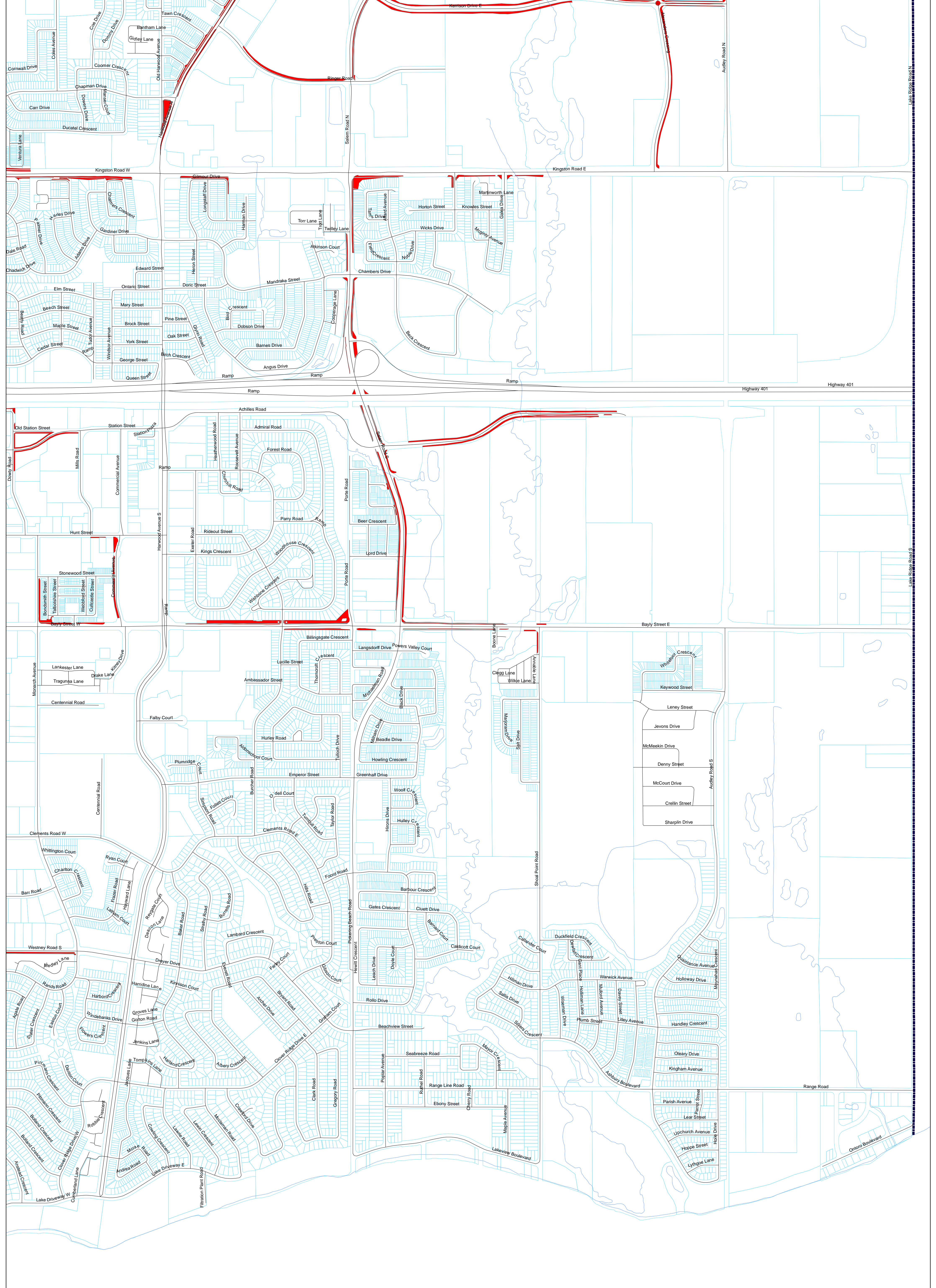
- Priority Areas
- Town Grass Cutting
- Contracted Boulevard
- Parkette
- Roadside Mower

80 40 0 80 Metres

▲

Sources: Assessment Parcels © MPAC, Single Line Road Network © Regional Municipality of Durham, Other Sources: Town of Ajax, 2013.

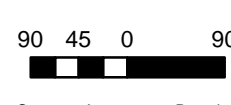
April 2, 2013



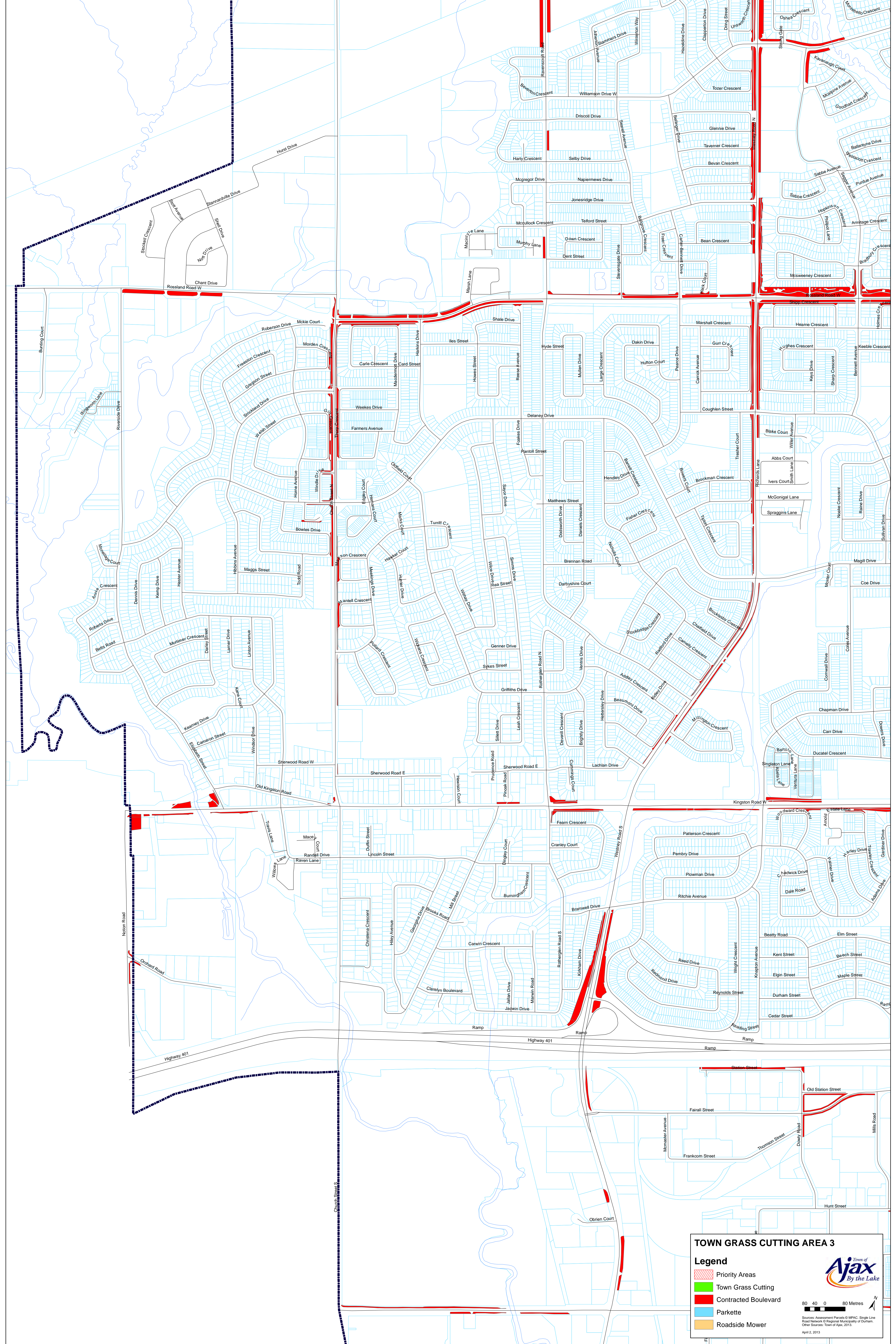
TOWN GRASS CUTTING AREA 2

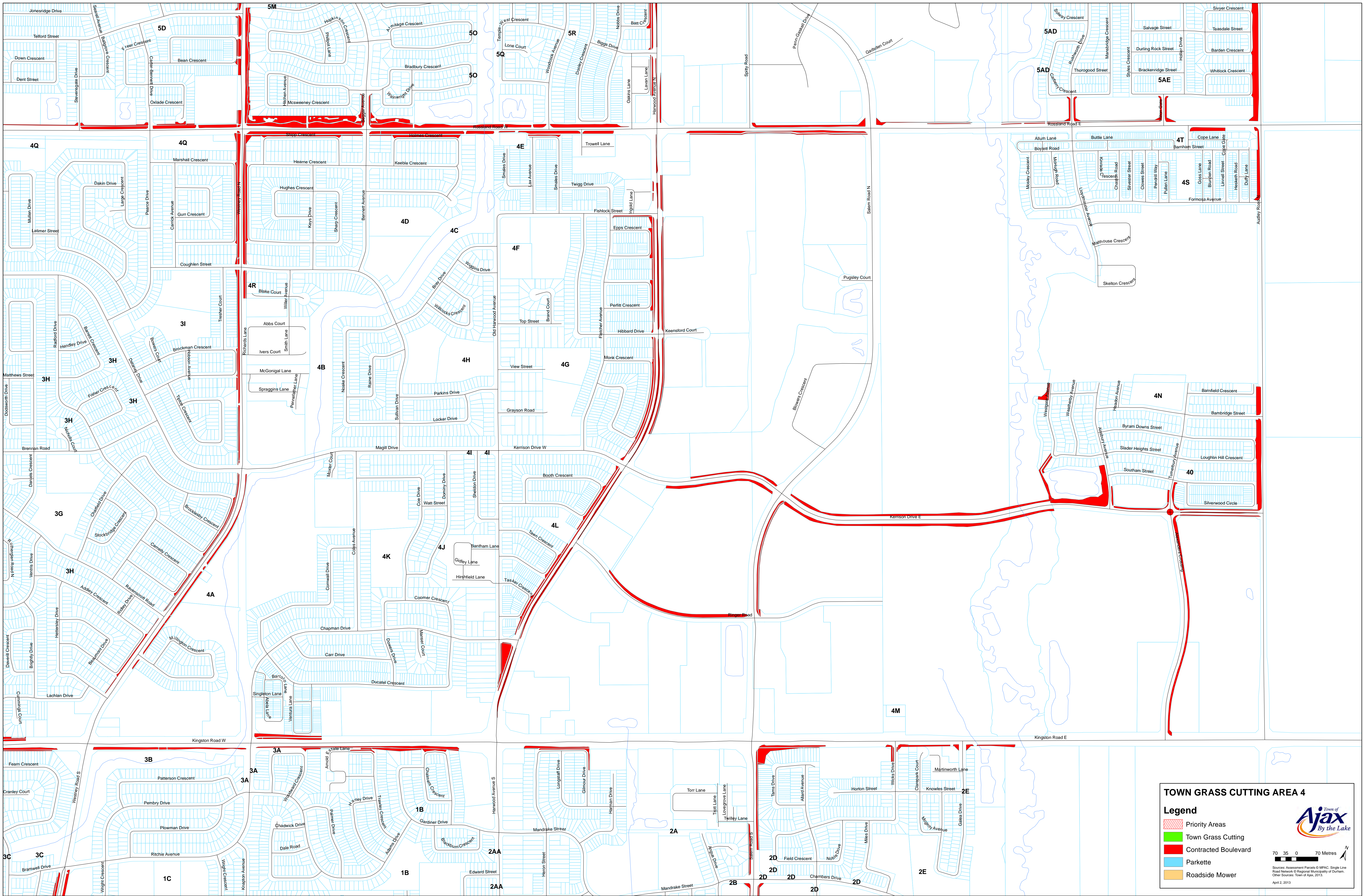
Legend

- Priority Areas
- Town Grass Cutting
- Contracted Boulevard
- Parkette
- Roadside Mower



 Sources: Assessment Parcels © MPAC, Single Line Road Network © Regional Municipality of Durham, Other Sources: Town of Ajax, 2013.

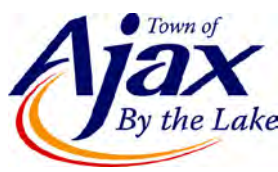





TOWN GRASS CUTTING AREA 4

Legend

- Priority Areas
- Town Grass Cutting
- Contracted Boulevard
- Parkette
- Roadside Mower


 70 35 0 70 Metres 
Sources: Assessment Parcels © MPAC, Single Line Road Network © Regional Municipality of Durham, Other Sources: Town of Ajax, 2013.
 April 2, 2013

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Martin de Rond
Director of Legislative & Information Services / Town Clerk

PREPARED BY: Derek Hannan
Manager, By-law Services

SUBJECT: **Appeal of Revocation of a Taxicab Driver's Licence
M. S. Bakshi - Appellant**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE:

RECOMMENDATION:

That the appeal by M. S. Bakshi of the Town's decision to revoke the appellant's Taxicab Driver's Licence issued in February 2013 be denied.

BACKGROUND:

In February 2013, the Appellant applied for the renewal of his Taxicab Driver's Licence. The Appellant's application package was submitted to the Town and was deemed to be complete based on the required documents submitted by the Appellant pursuant to the By-law. Ultimately, staff issued the 2013 Taxicab Driver's Licence to the Appellant.

The Town's Licencing Officer responsible for the local Taxi Industry subsequently had cause to review the Appellant's Ministry of Transportation Driver's Abstract and noticed this recent and troubling list of convictions:

Mar. 26, 2012	Fail to have Insurance Card – C.A.I.A.;
May 30, 2012	Driving while holding or using a hand-held communication device;
Sept. 24, 2012	Improper Drive on a divided Highway-Lane Change;
Sept. 24, 2012	Careless Driving;
Oct. 19, 2012	Disobey Traffic Sign;

As of February, 2013 the Appellant has accumulated a total of 11 demerits points on his Ontario Driver's Licence.

DISCUSSION:

As a result of these findings, and after through consultations with the Manager of By-law Services and the Town Solicitor, staff revoked the Appellant's Taxicab Driver's Licence pursuant to Section 9.11 (d) of the Town's Taxicab Licencing By-law. This section states:

The Licensing Officer shall issue the license only where,
(d) the investigations do not disclose that the issuing of such License may be adverse to the public interest; and

Further, Section 9.3 of the By-law states that every owner and driver shall notify the Town forthwith in the event of any change to the status of their Ontario Driver's Abstract, which the Appellant failed to do with each registered conviction. As such, staff believe another reason for revocation of the Taxicab Driver's Licence would include Section 9.11 (e) of the Town's By-law which states:

The Licensing Officer shall issue the license only where,
(e) the Licensing Officer has no grounds to believe the applicant will not conduct himself in accordance with the law or with honesty and integrity.

Staff have advised the Appellant of the decision to revoke the Taxicab Driver's Licence for the above reasons. As permitted by the Taxicab Licencing By-law, the Appellant is now appealing the staff decision to the General Government Committee.

FINANCIAL IMPLICATIONS:

N/A

COMMUNICATION ISSUES:

N/A

CONCLUSION:

Staff believe that revocation of the Taxicab Driver's Licence is warranted and necessary in order to protect the health and welfare of Town residents and taxicab customers. This decision is not made lightly, as staff are aware of the economic hardship this may cause the driver. Nevertheless, the many convictions within one calendar year and the failure to promptly report these convictions to the Town are egregious violations that must be addressed in the most appropriate manner.

ATTACHMENTS:

ATT-1: Ministry of Transportation Driver's Abstract

Derek Hannan – Manager, By-law Services

Martin de Rond – Director of Legislative & Information Services / Town Clerk



Ministry No./No. du ministère
76-2-1309

YEAR DRIVER RECORD SEARCH/
RECHERCHE DANS LE DOSSIER DU CONDUCTEUR DES 3 DERNIÈRES ANNÉES

PAGE 01

DRIVER INFORMATION/RENSEIGNEMENTS SUR LE CONDUCTEUR

Name/Nom BAKSHI, MANDEEP, S
Address/Adresse

Reference No. or Driver's Licence No./
de référence ou du permis de conduire.
Date of Birth/Date de naissance (Y/A M D/J).
Sex/Sexe MALE/HOMME
Height/Taille 165
Class/Catégorie G***
Condition/Restriction X/N
Earliest Licence Date Available/
date d'obtention du premier permis de conduire . . . 1995/01/19
Expiry Date/Date d'expiration (Y/A M D/J). 2014/09/25
Status/Statut LICENCED/TITULAIRE D'UN PERMIS DE CONDUIRE

DATE CONVICTIONS, DISCHARGES, AND OTHER ACTIONS
Y/A M D/J CONdamnATIONS, LIBÉRATIONS ET AUTRES ACTIONS

REQUIRES CORRECTIVE LENSES
VERRES CORRECTEURS REQUIS
2/03/26 FAIL TO HAVE INSURANCE CARD - C.A.I.A.
OFFENCE DATE 2011/08/01
DÉFAUT D'AVOIR UNE CARTE D'ASSURANCE - L.A.A.O.
DATE DE L'INFRACTION 2011/08/01
2/05/30 SHALL NOT DRV HOLDING OR USING A HAND-HELD COM DEV
OFFENCE DATE 2011/05/19
APPAREIL PORTATIF DE TÉLÉCOM. AU VOLANT : INTERDIT
DATE DE L'INFRACTION 2011/05/19
2/09/24 IMPROPER DRIVE ON DIVIDED HWY-LANE CHANGE
OFFENCE DATE 2012/08/06
MAUVAIS CHANGEMENT ENTRE VOIES NETTEMENT INDIQUÉES
DATE DE L'INFRACTION 2012/08/06
2/09/24 CARELESS DRIVING
OFFENCE DATE 2012/02/10
CONDUITE IMPRUDENTE
DATE DE L'INFRACTION 2012/02/10
2/10/19 DISOBEY TRAFFIC SIGN
OFFENCE DATE 2012/08/31
INOBSERVATION D'UN PANNEAU DE SIGNALISATION
DATE DE L'INFRACTION 2012/08/31

CURRENT DEMERIT POINTS TOTAL 11
TOTAL ACTUEL DES POINTS D'INAPTITUDE

***** END OF RECORD/FIN DU DOSSIER *****

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Rob Ford, CMA, AMCT
Director of Finance/Treasurer

SUBJECT: **Revised General Levy Forecast Process**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE:

RECOMMENDATION:

That the report on the Revised General Levy Forecast Process be received for information.

BACKGROUND:

First utilized for the 2004 Budget, the Four Year General Levy Forecast (GLF) has become a key financial planning tool for the Town. Over the past number of years, the format, content, etc. has been periodically adjusted, to keep the GLF relevant in constantly changing economic, political and financial environments.

The development of the Financial Sustainability Plan and the new earlier approval of the Capital Budget/Long Range Capital Forecast, provide a further opportunity to review and revise the GLF process.

DISCUSSION:

There are three core existing challenges/issues that the revised GLF process will address:

- 1) Forecasting Assessment Growth
 - has always been an extraordinarily difficult task
 - difficulty has increased with reassessment, changing growth, appeals, etc.
 - none of the various forecast models that have been recently developed, including those in conjunction with MPAC, can produce the level of accuracy required
- 2) Strategic Focus
 - tendency of current process is to focus primarily on the bottom line Estimated Tax Rate Increases; in particular for the upcoming budget year
 - early in the budget cycle, the discussion needs to be at a higher, strategic level

DISCUSSION: (cont'd)

3) Identification of All Budget Pressures

- current process looks primarily at budget increases due to growth, legislative impacts and the annualization of decisions from the prior budget year
- other pressures, in particular recommendations from the various master plans, studies, strategies, EA's, etc., must be an essential part of the discussion

The revised process (see ATT-1) maintains and builds upon the foundations of the existing methodology. In addition to resolving the known existing challenges/issues, the new process has a number of other benefits, including:

1) Earlier Strategic Direction from Council

- timing and expanded content gives Council the opportunity to provide strategic direction much earlier in the budget/forecast cycle
- the Council List will remain a key part of the new process

2) Setting or Confirming Target Tax Rate Increase

- will provide a broader range of information, still in a multi-year context, for Council to establish or confirm the increase for the upcoming budget year

3) Individual Tax Rate Impacts

- focus will shift to the impact of individual budget issues/pressures, not just the overall bottom line
- allows Council to make more informed decisions

FINANCIAL IMPLICATIONS:

N/A

COMMUNICATION ISSUES:

N/A

CONCLUSION:

The changes to the General Levy Forecast will ensure that it remains an important tool for financial planning, under the new Financial Sustainability Plan.

ATTACHMENTS:

ATT - 1: Four Year General Levy Forecast

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

FOUR-YEAR GENERAL LEVY FORECAST



TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Rob Ford, CMA, AMCT
Director of Finance/Treasurer

SUBJECT: **Financial Sustainability Plan – Draft Recommendations**

WARD(S): All

DATE OF MEETING: May 9, 2013

REFERENCE: July 5, 2012 GGC Report; Financial Sustainability Plan - Project Scope
January 17, 2013 Special Council Meeting; Community Action Plan - Mid
Term Update Presentation
Community Action Plan Strategies

- Ensure tax rates remain reasonable and competitive
- Rebuild and further strengthen financial reserves

RECOMMENDATION:

1. That the report titled, **Financial Sustainability Plan – Draft Recommendations**, be received for information.
2. That Council endorse the draft recommendations for the development of the **Financial Sustainability Plan**.
3. That the **Financial Sustainability Plan and related policies be presented to General Government Committee for approval at the meeting of June 20, 2013.**

BACKGROUND:

Council endorsed the project scope for the Financial Sustainability Plan on July 5, 2012. Since that date, staff have undertaken the extensive research and financial analysis required to develop the draft recommendations. At the January 17, 2013 special Council Meeting on the Mid Term Update of the Community Action Plan, staff presented some preliminary recommendations for Council's information and input.

The three review areas that form the basis for the development of the plan are:

- 1) Capital Project Funding
- 2) Discretionary Reserves and Reserve Funds
- 3) Long Term Debt

BACKGROUND: (cont'd)

The core principles approved by Council in July 2012 are:

- 1) Operating Budget Surplus 100% allocated to reserves
- 2) Veridian Revenues 100% allocated to reserves
- 3) Slots Revenues 100% allocated to reserves (net of grants and social infrastructure funding)

DISCUSSION:**Capital Project Funding****a) General Levy Capital - Conversion to Capital Reserve Allocations or Operating Budget**

This change, which was the catalyst for the majority of the other plan recommendations, also proved to be the most challenging. This type of funding approach has become the standard in municipal budgeting in recent years. ATT-1 details the reserves that will provide the capital funding under the new methodology, as well as the expenditures that will move to the operating budget.

b) Emerald Ash Borer Capital Project Moved to Operating Budget

For 2014 and beyond, these expenditures will be included in the operating budget. This project is unique and could fit into the capital budget (as was done for 2013) or the operating budget (as is being recommended). The decision to move to operating is based on the number of years that this project will span and the fact that the budget amount remains relatively consistent from year to year.

c) Crack Sealing Moved from Operating Budget to Capital Budget

Crack sealing is one of the four maintenance methods (others are slurry treatment, resurfacing and reconstruction) used for roads. Having all four methods within the same budget area will provide the flexibility needed to more effectively manage the budget dollars.

All of the above changes to the funding of capital projects are budget neutral (i.e. no budget or tax rate impact).

Discretionary Reserves & Reserve Funds**a) General Background**

- Classification - will be categorized as Capital or Stabilization
- Types - for consistency and administrative efficiency, only Reserves will be established

Discretionary Reserves & Reserve Funds (cont'd)

b) Capital Reserves

Currently there are a total of thirteen capital reserves. Seven of the existing reserves will be maintained, six will be eliminated and five new capital reserves will be established, resulting in a total of twelve capital reserves under the plan. ATT-2 provides the full details on the existing, new and eliminated reserves.

Establishing target balances for each of the capital reserves was an original objective in the development of the plan recommendations. However, due to the need to grow the existing balances in the reserves, and the asset condition work that will be completed over the next two to three years, it was decided to defer this objective.

c) Stabilization Reserves

The Election Reserve will be maintained, with no change in how the reserve is funded or used in the budget. Staff are recommending that the remaining three stabilization reserves, Tax Rate Stabilization, Working Funds and Insurance (see ATT-3) be merged into a new single Stabilization Reserve.

The uses of the new reserve will mirror the existing uses of Tax Rate Stabilization and Working Funds reserves. The use for insurance purposes will be eliminated.

The Government Finance Officers Association of the United States & Canada (GFOA), recommends that the balance in general stabilization reserves be set at 5% to 15% of own source revenues. Initially, staff were looking to recommend a target balance of 7.5%. However, due to the financial impact, the recommendation has been revised to set the fixed balance of this new reserve at 5%. The longer term goal remains to achieve the 7.5% target. Based on the most recent unaudited financial statements for 2012, the new reserve will require an additional \$920,000 in funds to meet the \$4,259,600 target balance.

d) Administrative Policies/Matters

i) Approval of General Levy Reserve Allocations

- will be approved in December, as part of the approval of the subsequent year's capital budget/LRCF

ii) Allocation of Interest to Reserves

- currently, interest is only allocated to Post Build Out Capital; the remainder of interest is included in the operating budget as a general levy revenue
- effective 2014, it is recommended that all investment income above the 2013 budget of \$781,100, be allocated proportionately to the capital reserves
- this strategy for sustainability also eliminates the continuing current risk of including all investment income in the operating budget

d) Administrative Policies/Matters (cont'd)

iii) Annual Increase in General Levy Reserve Allocations

- existing practice, when fundable, is to increase only two reserves by a fixed total of \$75,000 (Building Repair \$50,000 and Capital Projects Reserve \$25,000)
- the 10% allocation to Post Build Out Capital fluctuates up and down with the changes in assessment growth
- in reality, it is not uncommon to have an overall net reduction in the allocations due to lower assessment growth
- recommended new policy is that the total annual general levy allocations to all discretionary reserves increase by a minimum of 25% of assessment growth
- additional increases above the minimum may be recommended in the annual budget

iv) Allocation of Operating Budget Surplus

- no change to current practice of allocating the first portion of surplus to the Stabilization Reserve, to meet the target balance
- however, the current practice of allocating the remainder based on fixed percentages to predetermined reserves, does not provide the flexibility required to meet the demands of changing financial priorities and pressures
- beginning in 2014, staff will recommend for Council's approval, the allocation of the remaining operating budget surplus to reserves

v) Assessment Growth Allocated to Post Growth Reserve

- recommended to increase from 10% to 15%

vi) "Spending Cap" Guideline on Capital Reserves

- using a spending cap as a guideline, based on a percentage of a reserve's total annual revenues, achieves a good balance between two competing demands:
 - providing budget dollars necessary to fund current capital projects
 - growing the balance in the reserve to meet future funding needs
- this methodology, which has been applied to the Building Repair Reserve since 2005 (currently 60%), has been very successful
- a standard funding cap guideline of 65% will be applied to specific reserves

vii) Supplementary Tax Revenue

- budgeting for supplementary taxes is challenging for a number of reasons:
 - timing and amounts are completely beyond our control
 - time lag between occupancy and issuance of the supplementary assessment, ranges from a few months to as long as three years
 - there is no direct link between annual assessment growth and the annual revenue from supplementary revenue
 - overly aggressive budgeting can have catastrophic budget and tax rate consequences should these revenues unexpectedly drop in any given year
- for the past few years, the practice has been to maintain the budget at \$500,000; the surplus generated, which is allocated to the same reserves as the operating budget surplus, has been gradually shrinking
- staff are recommending that the budget be formally capped at \$500,000 and that any surplus revenues from supplementary taxes be allocated directly to the Post Growth Reserve

d) Administrative Policies/Matters (cont'd)

viii) Reallocation of Reserve Balances/Jan. 1, 2014 Opening Balances

- the merging, eliminating and creating of new reserves will result in funds being reallocated among and between all of the reserves
- the exact amount of the reallocations cannot be calculated until both of the following processes have been completed:
 - 2014 Capital Budget/2015-2018 Long Range Capital Forecast
 - 2013 year end has been closed and the external audit has been finalized
- normally, each individual reserve transfer requires a separate Council resolution; the June 20, 2013 GGC report will request that the authority to complete the reallocations be temporarily delegated to the Director of Finance/Treasurer, with full reporting back to Council
- the methodology planned for calculating the January 1, 2014 opening balances for the reserves is detailed in ATT-5

Long Term Debt

The Town's current practices around managing long term debt form the basis for the majority of the new policies. ATT-4 details the recommended policies in this area.

Allocation of Slots Revenue

The existing allocations, which have remained unchanged since first established in 2005, were based on financial pressures and challenges facing the Town at that time, specifically:

- a) pending construction of three major facilities: Fire Headquarters, Operations Centre and Audley Recreation Centre - Phase 1
- b) demand for new growth-related infrastructure (primarily roads, and to a lesser extent, trails) and the major reconstruction of existing roads due to growth
- c) need for a dedicated revenue source for Economic Development infrastructure and related capital development initiatives

The existing allocations and uses, net of the grandfathered grants program and Town-managed Social Infrastructure Funds, are:

Reserve	%	Use
Debt Reduction	50%	1) Reduce the debt required for new buildings 2) Offset the budget impact of payments on existing debt
Infrastructure	50%	1) Roads and related structures; new and renewal of existing 2) Trails; new and renewal of existing 3) Economic Growth/Development infrastructure initiatives 4) Town's share (i.e. ineligible, benefit to existing) of roads and trails Development Charge Projects

Allocation of Slots Revenue (cont'd)

While pressures remain in all areas of the budget, the financial demands have changed over the last eight years.

- requirement for long term debt is significantly lower; for the first time in many years, there are no debt requirements in the capital budget/long range capital forecast
- spending on infrastructure maintenance, renewal and rehabilitation, for both recently developed and older infrastructure throughout the Town, must be increased
- funding for the Town's share of Development Charge projects has remained constant

Based on the Town's current and future financial priorities, staff are recommending that the allocation of the slots revenue be revised, as set out below. The net impact of the changes is a reduction in the amount allocated to the Debt Reduction Reserve and the elimination of the Infrastructure Reserve, by merging it into the new reserve structure. The use of all capital reserves is detailed in ATT-2.

Revised Reserve Allocation	%
Debt Reduction	25
Development	25
Roads Maintenance	10
Building Maintenance	10
General Infrastructure Maintenance	10
Vehicle/Equipment Replacement	15
Strategic Initiatives	5
Total	100%

Allocation of Veridian Revenue

The current allocation has been in place since 2005, when it was revised as part of the Interim Reserve Strategy. Prior to 2005, all of the Veridian revenue was allocated to the Capital Projects Reserve.

Existing Reserve Allocation	%
Capital Projects	75%
Building Repair	15%
Post Build Out Capital	10%
Total	100%

Similar to the Slots revenue, the revised allocation of the Veridian revenues focuses on the maintenance of existing infrastructure, while still providing funds for growth-related capital expenditures.

Revised Reserve Allocation	%
Development	20
Roads Maintenance	15
Building Maintenance	20
General Infrastructure Maintenance	15
Vehicle/Equipment Replacement	25
Strategic Initiatives	5
Total	100%

Format of Financial Sustainability Plan

The Financial Sustainability Plan will be a high level document that:

- articulates the goals, objectives and principles of the plan
- identifies the policies that make up or support the plan
- includes the financial planning tools and processes used by the Town

Existing Policies (No Changes)	New Policies
Capital Expenditure Control	Discretionary Reserve Administration
Operating Budget Management	Discretionary Capital Reserves
Annual Review of User Fees & Charges	Discretionary Stabilization Reserves
Investments	Long Term Debt Management
Commodity Price Hedging	
Leasing	

Existing Financial Planning Tools

- General Levy Forecast
- Long Range Capital Forecast
- Operating Budget Forecasting & Reporting

Implementation Timing

The recommended policies, new reserves, capital funding changes, etc. will all take effect January 1, 2014. The new plan will form the basis for the completion of the 2014-2017 General Levy Forecast. The 2014 Capital Budget/2015-2018 Long Range Capital Forecast, with approval moved forward to December 16, 2013, will also follow the new plan.

The following by-laws will remain in effect until December 31, 2013, at which time they will be repealed:

- 108-2005 Vehicle/Equipment Replacement Reserve Fund
- 109-2005 Post Build Out Capital Reserve
- 110-2005 Capital Fund
- 109-2007 Tax Rate Stabilization Reserve

FINANCIAL IMPLICATIONS:

It was originally anticipated that approximately \$10,000 would be required for external consulting expertise. However, all of the background research, analysis, development of recommendations, etc. on the Financial Sustainability Plan has been completed in-house by staff in the Budgets & Accounting Section and by Management Committee.

FINANCIAL IMPLICATIONS: (cont'd)

The changes to the capital funding methodology, revised allocations for the Veridian and Slots revenues and the new funding “cap” on discretionary capital reserves have two significant financial benefits:

- 1) Increase in Capital Spending
 - average annual expenditures on new capital, the maintenance and rehabilitation of existing infrastructure, replacement vehicles/equipment, etc. could increase by as much as \$750,000 per year
- 2) Growth in Discretionary Capital Reserve Balances
 - at the same time capital spending is increasing, the total balance of the discretionary capital reserves could increase by just over \$4.1M per year

COMMUNICATION ISSUES:

The July 5, 2012 GGC Report and Presentation and this report were posted on the Town’s website under a special link in the Finance Department. Included was a brief overview of the plan and contact information for questions and comments. In addition, the Winter 2013 edition of Ajax Today highlighted the work being done on the plan.

Comments on the draft recommendations in this report will be requested directly from the business community through the Ajax-Pickering Board of Trade and both Business Improvement Areas. In addition, the public will be able to comment through an online feedback form on the Town's website.

Once the plan is approved by Council, staff will develop an online citizen tutorial of the FSP to educate the public on the plan. The online tool will highlight key strategic areas and include graphics.

CONCLUSION:

Council’s input and endorsement of the draft recommendations will allow staff to develop the final Financial Sustainability Plan for consideration by Council at the June 20, 2013 GGC meeting.

ATTACHMENTS:

- ATT - 1: General Levy Capital - Converted to Capital Reserve Allocations or Operating Budget
- ATT - 2: Recommended Changes to Discretionary Capital Reserve Structure
- ATT - 3: Recommended Changes to Discretionary Stabilization Reserve Structure
- ATT - 4: Long Term Debt
- ATT - 5: Calculation of Opening Reserve Balances

ATT-1: General Levy Capital - Converted to Capital Reserve Allocations or Operating Budget

To Operating Budget	To Capital Reserves		
	To Veh./Eqp. Replacement (Existing)	Development (New)	Strategic Initiatives (New)
Ajax History Book	Hardware Upgrades/Replacement	Shoreline Improvements	Customer Polling
Software Licensing	Workstation Replacement	Ajax Waterfront Park	Electronic Info. Signs
Sustainable Forest Cover	Software Upgrades	Carruthers Marsh Splashpad	Comprehensive Wayfinding Strategy
Holiday Decorations	Server Upgrades	Paradise Park Improvements	Rec. Seniors Services Strategy
	Crisys Comm. Hardware Replacement	Arbor Park Design	Ajax Tourism Attraction Plan
	Bunker Gear Replacement	By-Law Vehicle	Traffic Calming
	SCBA Cylinder Replacement	Fire Prevention Vehicle	Dev. Permitting Implementation Study
	Auto Extraction Equipment Replacement		Transportation Demand Mgmnt Plan
	Hazard House Replacement		Green Dev. & Env. Design Guidelines
	AED Replacement		Harwood Ave. Midtown Imp. Plan
	Fire Hose Replacement		Lower Duffins Creek Policy Review
	Fitness Centre Equipment Replacement		
	Floor Care Machine Replacement		

Notes:

- (1) The above chart excludes straightforward movements to the three new Infrastructure Reserves (e.g. Road Resurfacing to Roads Maintenance Reserve) and the expansion in scope of Building Repair Reserve (to include the entire campus and interior renovations).
- (2) (Existing) is an existing reserve, while (New) denotes a new reserve being established under the Financial Sustainability Plan
- (3) Based on 2013 Capital Budget/2014-2017 LRCF

ATT-2: Recommended Changes to Discretionary Capital Reserve Structure

Existing Reserves - Kept

Reserve Name	Capital Budget/LRCF Funding	Revenue Source
Public Art	<ul style="list-style-type: none"> Acquisition and installation of art in public spaces 	<ul style="list-style-type: none"> General Levy budget allocation
Building Maintenance (formerly Building Repair)	<ol style="list-style-type: none"> Maintenance/repair/rehabilitation of existing buildings and related facilities, including: <ul style="list-style-type: none"> the building itself and all components surrounding campus (e.g. parking lot, front entrance, grounds, etc.) ** New ** Renovations to existing buildings ** New ** 	<ol style="list-style-type: none"> General Levy budget allocation 10% of Slots revenue 20% of Veridian revenue Tax room from the annual debt payments on retired (paid off) long term debt
Post Growth Capital (formerly Post Build Out)	<ul style="list-style-type: none"> Not an active/current funding source 	<ol style="list-style-type: none"> 15% of assessment growth Annual Surplus from Supplementary Tax revenue
Vehicle/Equipment Replacement	<ol style="list-style-type: none"> Operations - Vehicles and Equipment Fire - SCBA, Bunker Gear, Hose, Auto Extrication, AED ** New ** Recreation - Fitness, Floor Care Machines ** New ** Information Technology – Workstations, Hardware, Servers, Software ** New* 	<ol style="list-style-type: none"> General Levy budget allocation Sale of used and surplus vehicles/equipment 15% of Slots revenue 25% of Veridian revenue
CIP Development Improvement	<ul style="list-style-type: none"> Capital projects within Downtown CIP area 	<ol style="list-style-type: none"> Disposal/sale of land 20% of building permit fees for projects in Downtown CIP area (0% from priority sites)
Debt Reduction (Slots)	<ol style="list-style-type: none"> Reduce the amount of long term debt issued Offset the operating budget impact of existing debt payment 	<ul style="list-style-type: none"> 25% of Slots revenue
Debt Repayment Reserve	<ul style="list-style-type: none"> Reduce the amount of long term debt issued 	<ul style="list-style-type: none"> Tax room from the annual debt payments on retired (paid off) long term debt

ATT-2: Recommended Changes to Discretionary Capital Reserve Structure

New Reserves

Reserve Name	Capital Budget/LRCF Funding	Revenue Source
Development	<ol style="list-style-type: none"> 1) Town's share (Ineligible & Benefit to Existing) of Development Charge projects 2) New Infrastructure not eligible for Development Charge funding 3) Waterfront and Shoreline Improvements 	<ol style="list-style-type: none"> 1) General Levy budget allocation 2) 25% of Slots revenue (net of grants) 3) 20% of Veridian revenue
Capital Contingency	<ol style="list-style-type: none"> 1) Town's portion of cost shared Federal/Provincial capital grant programs 2) Unbudgeted capital expenditures not fundable from any other source 	<ul style="list-style-type: none"> • If required, portion of Operating Budget Surplus to "top up" to \$2.5M target balance
Strategic Initiatives	<ol style="list-style-type: none"> 1) Master Plan, Studies, Strategies, EA's not fundable from another source 2) Traffic Calming 3) Capital projects resulting from Community Action Plan (e.g. Customer Polling) 4) New Software 	<ol style="list-style-type: none"> 1) General Levy Budget Allocation 2) 5% of Slots revenue 3) 5% of Veridian revenue
Roads Maintenance	<ul style="list-style-type: none"> • Repair/Maintenance/Rehabilitation of roads and related infrastructure, including but not limited to bridges, streetlights, sidewalks, curbs & gutters, traffic signals and multi-use trails within the road allowance 	<ol style="list-style-type: none"> 1) General Levy budget allocation 2) 10% of Slots revenue 3) 15% of Veridian revenue
General Infrastructure	<ul style="list-style-type: none"> • Repair/Maintenance/Rehabilitation of all other infrastructure not fundable from Building Maintenance Reserve or Roads Maintenance Reserve 	<ol style="list-style-type: none"> 1) General Levy budget allocation 2) 10% of Slots revenue 3) 15% of Veridian revenue

ATT-2: Recommended Changes to Discretionary Capital Reserve Structure

Existing Reserves - Eliminated

Reserve Name	Rationale	Balance Transferred To
Entrance Gate Maintenance	<ul style="list-style-type: none"> • Small balance and little to no revenue from developers 	<ul style="list-style-type: none"> • General Infrastructure Maintenance Reserve
Infrastructure (Slots)	<ul style="list-style-type: none"> • Core element of overall FSP changes 	<ul style="list-style-type: none"> • Various Capital reserves
Property Acquisition	<ul style="list-style-type: none"> • Small balance and no current funding source 	<ul style="list-style-type: none"> • Strategic Initiatives Reserve
Storm Water Maintenance	<ul style="list-style-type: none"> • Only revenue source is inconsistent developer contributions • No clear use of reserve under current funding methodology 	<ul style="list-style-type: none"> • General Infrastructure Maintenance Reserve
Town Promotion	<ul style="list-style-type: none"> • No revenue source and balance only \$2,000 	<ul style="list-style-type: none"> • Strategic Initiatives Reserve
Capital Projects	<ul style="list-style-type: none"> • Core element of overall FSP changes 	<ul style="list-style-type: none"> • Various Capital reserves and the Stabilization Reserve

ATT-3: Recommended Changes to Discretionary Stabilization Reserve Structure

Existing Reserves - Kept

Reserve Name	Revenue Source	Use of Funds
Election	<ul style="list-style-type: none"> • General Levy budget allocation 	<ul style="list-style-type: none"> • every four years to fully offset cost of election

Existing Reserves - To Merge into New Stabilization Reserve

Reserve Name	Revenue Source	Use of Funds
Tax Rate Stabilization	<ul style="list-style-type: none"> • operating budget surplus, if the balance in the reserve is below its “capped” balance of \$1,600,000 	<ul style="list-style-type: none"> • as stated in section 4. of By-law 109-2007: “The “Tax Rate Stabilization Reserve shall only be used during the Town’s annual budget process and the Reserve shall only be used to offset a potential tax rate increase due to unforeseen economic conditions or other circumstances/events that would require an excessive tax rate increase in order to continue the delivery of existing and/or new municipal services approved by Council”
Working Funds	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • to fully or partially offset an overall annual operating deficit which would otherwise require a tax rate increase in the following year • source of interim or long term capital project financing • temporary borrowing pending the issuance of interim or final tax bills
Insurance	<ul style="list-style-type: none"> • operating budget surpluses from insurance activities 	<ul style="list-style-type: none"> • to fully or partially offset the budget impact of extraordinarily high premium increases • to mitigate the operating surplus/deficit impact where deductible payments significantly exceed budget • cover the cost of “insurance type” claims not covered under the Town’s policy

ATT-4: Long Term Debt

Existing Practices - Formalized

Policy Item	Details
Purposes for Which Debt Can Be Issued	1) Construction of New Buildings 2) Existing Buildings <ul style="list-style-type: none"> • major repurposing • expansion
Use of Internal & External Debt	<ul style="list-style-type: none"> • based on staff recommendation for Council approval • exact percentage mix will vary for each debt issuance
Borrowing Pending Debt Issuance	<ul style="list-style-type: none"> • internal borrowing using promissory notes will remain primary method • borrowing from bank will be an option, if required and/or more cost effective

Existing Practices - Modified

Policy Item	Details
Use of Tax Room from Retired Debt	<ul style="list-style-type: none"> • principle of allocating to reserves will be maintained • option to allocate to Building Maintenance Reserve will be added to current practice of allocating to Debt Repayment Reserve
Term	<ul style="list-style-type: none"> • goal will be a 15 year term, which is current practice • option to move to 10 or 20 years, based on staff recommendation that takes into account factors such as: <ul style="list-style-type: none"> ▪ current and forecasted interest rates ▪ useful life of the building ▪ amount of long term debt required ▪ future debt retirements and requirements

ATT-4: Long Term Debt

New Policies

Policy Item	Details
Maximum Debt Per Project	<ul style="list-style-type: none"> • common municipal best practice • recommended 30% is higher than the percentage on recent debt issued
Third Party Debt & External Revenues	<ul style="list-style-type: none"> • the Town should not: <ul style="list-style-type: none"> ▪ issue debt on behalf of external agencies or organizations ▪ guarantee or otherwise secure debt issued directly by third parties • debt should not be issued where all or a portion of the principal/interest payments are reliant on the receipt of future revenues; includes but is not limited to user fees, use surcharges, development charges
Limit on Total Debt Outstanding	<ul style="list-style-type: none"> • Annual Repayment Limit (ARL) established by the Province, requires that annual debt payments not exceed 25% of Own Source Revenue • it is generally recognized that the ARL's 25% is on the extreme high side • also, the ARL does not take into account internal borrowing or Development Charge Front Ending payments • policy will use ARL methodology, but a limit of 7.5% that includes both internal and external debt will be used (current amount is 3.9%)

ATT-5: Calculation of Opening Reserve Balances

Notes:

- (1) As a minimum, the amount required to fully fund all 2014 capital budget items, plus outstanding commitments for prior years' capital projects that are still in progress, will be transferred to each capital reserve
- (2) The following reserves do not require any additional funding or changes to their opening balance
 - Public Art, Post Growth, CIP Development Improvement, Debt Reduction (Slots), Debt Repayment, Election

Reserve	Source(s) of Funds
Stabilization	1) Full balances transferred from Insurance Reserve and Working Funds Reserve 2) Capital Projects Reserve will provide the additional funding needed to reach target balance
Capital Contingency	<ul style="list-style-type: none"> • Recommended balance of \$2,500,000, funded from Capital Projects Reserve
General Infrastructure Maintenance	1) Full balances transferred from Entrance Gate and Storm Water Maintenance Reserves 2) Portion of balance available from Infrastructure Reserve (Slots) and Capital Projects Reserve 3) Partial reallocation of unadjusted balance in Building Maintenance Reserve
Roads Maintenance	1) Portion of balance available from Infrastructure Reserve (Slots) and Capital Projects Reserve 2) Partial reallocation of unadjusted balance in Building Maintenance Reserve
Building Maintenance	<ul style="list-style-type: none"> • Portion to be reallocated to Roads Maintenance and General Infrastructure Reserves
Development	1) Portion of Capital Projects Reserve to increase balance to what will be the highest use reserve 2) Full funding for new Carruthers Marsh Splashpad to be constructed in 2015; in current LRCF
Strategic Initiatives	1) Full balances transferred from Property Acquisition and Town Promotion Reserves 2) Portion of Capital Projects Reserve to increase balance; receives no other opening funding
Vehicle/Equipment Replacement	<ul style="list-style-type: none"> • Portion of Capital Projects Reserve; reserve remains significantly under funded