

The Corporation of the Town of Ajax

GENERAL GOVERNMENT COMMITTEE



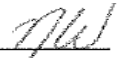
Thursday, July 5, 2012

In-Camera at 1:30 p.m.

Open Meeting at 2:00 p.m.

River Plate Room, Town Hall

65 Harwood Avenue South

Confirmed by: 

AGENDA

J. Dies, Chair
P. Brown, Vice Chair

Online 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 manoeuver 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



Open Meeting

1. **Call To Order**
2. **Disclosure of Pecuniary Interest**
3. **Adoption of In-Camera Minutes – June 21, 2012** (circulated separately)
 - *Any discussion will be held in the In-Camera Session*

In-Camera

4. **Authority to Hold a Closed Meeting and Related In-Camera Session**
 - *A personal matter about an identifiable individual, including municipal or local board employees; [Sec. 239 (2)(b), Municipal Act, 2001, as amended]*
 - *A proposed or pending acquisition or disposition of land by the Municipality or local Board. [Sec. 239 (2)(c), Municipal Act, 2001, as amended]*
 - *A matter pertaining to the security of the property of the municipality or local board [Sec. 239 (2)(a), Municipal Act, 2001, as amended]*
- 4.1 **Confidential Personnel Matter**
- 4.2 **Confidential Property Matter**
- 1:55: pm
- 4.3 **Annual Confidential Audit Letter to Council**

5. Consent Agenda – *Considered to be routine, these items may be approved by one motion. Items may be separated and referred to the Discussion Agenda*

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5.10	2012 Mid-Year Building Permit Activity Report , P. Allore, Director of Planning & Development Services / J. Mamo, Manager of Building Approvals Section.....	48
5.11	Contract Award - Review and Analysis of the Development Application Approval Process (DAAP) Model , P. Allore, Director of Planning & Development Services / J. Mamo, Manager of Building Approvals Section	52
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5.13	Contract Award - Block Pruning of Municipal Trees , D. Meredith, Director of Operations & Environmental Services / J. Stewart, Manager of Environmental Services	56
5.14	Road Rationalization: Transfer of Roads Between the Town of Ajax and the Region of Durham , D. Meredith, Director of Operations & Environmental Services.....	59

6. Presentations / Discussion

- 6.1 **Financial Statements**
- Steve Stewart, Associate Partner, Deloitte verbal
- 6.2 **Toronto 2015 Pan/Parapan America Games**, Dave Meredith, Director of Operations & Environmental Services 71
- 6.3 **Financial Sustainability Plan – Project Scope**, R. Ford, Director of Finance/Treasurer... 98
- 6.4 **Constituency Inquiry Request Process – 1 Year Review**, B. Skinner, CAO / M. Murray, Manager of Strategy, Communications & Policy / D. Forget, Manager of Quality Service & Special Projects / L. Soulliere, Customer Service Coordinator 121
- 6.5 **Regional Council Representation**, Councillor Shaun Collier verbal
“That the Town Clerk present a updated report on the need for fair representation at Regional Council to a Fall 2012 General Government Committee Meeting”

7. Adjournment

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

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

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

SUBJECT: **2013 Budget & Forecast Timetable**

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE:

RECOMMENDATION:

That the 2013 Budget & Forecast Timetable be approved.

BACKGROUND:

The 2013 Capital and Operating Budgets and the 2014-2017 Long Range Capital Forecast (LRCF) timetable is consistent with 2012. The public meeting for the budgets and LRCF is scheduled for Monday, February 4, 2013, with approval by Council on Monday February 11, 2013.

DISCUSSION:

Consistent with most municipalities, the 2013 Operating and Capital Budgets and 2014-2017 Long Range Capital Forecast will be prepared in the non Public Sector Accounting Board (PSAB) format. As required by Provincial regulation, a separate report on the excluded PSAB expenses (tangible capital asset amortization, post employment benefits, post closure landfill costs) will be presented to Council at the same time as the budget is presented for approval.

The key timetable dates are summarized below:

Date	Activity
July 5, 2012	2013 Budget & Forecast timetable approved by GGC
August 31, 2012	Deadline for Council submission of service level changes, new capital projects and changes in timing/scope of existing capital projects
September 4, 2012	2013-2016 General Levy Forecast submission deadline
September 24, 2012	2012 Operating Budget Forecast submission deadline
October 4, 2012	2013-2016 General Levy Forecast presented to GGC
October 15, 2012	2013 Capital Budget/2014-2017 Long Range Capital Forecast submission deadline
October 18, 2012	2012 Operating Budget Forecast presented to GGC
November 12, 2012	2013 Operating Budget and Level of Service Change submission deadline
January 28, 2013	Distribution of budget, including posting on Town website
February 4, 2013	Budget/Forecast review at public GGC meeting
February 11, 2013	Budget/Forecast approved by Council

COMMUNICATION ISSUES:

All budget and forecast documents, reports, etc., for both current and prior years, are available on the Town's website. Printed copies of the current year's budget/forecast are available on request. The date, time and location of the February 4, 2013 public GGC meeting will be advertised on the Town's community page in the News Advertiser, and on the Town's website well in advance of the meeting date.

The existing information packages, "Understanding the Town's Budget Process" and "Slots Revenue Facts", which remain on the website through the entire year, were updated back in May.

CONCLUSION:

Planning for the 2013 Operating and Capital Budgets and 2014-2017 Long Range Capital Forecast began shortly after the approval of this year's budget/forecast. Council's approval of the timetable allows staff to continue the significant work required to complete the 2013 budgets and related forecasts.

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

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

PREPARED BY: Rosanna Jager
Administrative Coordinator

SUBJECT: Insurance Renewal – July 1, 2012 to June 30, 2013

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE:

RECOMMENDATION:

That the report on the Insurance Renewal – July 1, 2012 to June 30, 2013 be received for information.

BACKGROUND:

The Durham Municipal Insurance Pool (DMIP or Pool) is an alternative to the traditional insurance market and combines regular insurance coverage with collectively self insuring claims within deductible levels. On a per claim basis, the Town's deductible is \$10,000, with the Pool responsible for up to \$500,000 and the insurance company covering anything above \$500,000.

Under the "Subscribers Agreement for the Purchase of Insurance", which was signed by Council when the DMIP was formed, the authority to secure insurance and set member contributions was delegated to the Pool's Board of Directors, which is comprised of the Treasurers of the six member municipalities.

DISCUSSION:

The Town's insurance cost is a combination of the premiums paid to the insurance company (Frank Cowan Company) through the DMIP, self insurance contributions to the Pool and DMIP operating costs, and deductible payments.

The DMIP is entering its 12th year of operation and is fulfilling the mandate to secure better insurance rates and coverage. The DMIP continues to provide guidance to all the members, in-house claims adjusting services and risk management initiatives to protect the financial stability of the Pool.

The continued success of the DMIP is twofold:

1. Lower Premium Increases

As detailed on ATT-1 Growth Comparison chart, the 2008 to 2011 increases for the DMIP were well below the increases for those municipalities with traditional insurance coverage.

2. Accumulated Pool Surplus

The accumulated surplus of \$5M is available to offset any future insurance costs resulting from the settlement of outstanding claims and unstable insurance markets.

The Town's total combined insurance premiums/self insurance contributions excluding the Library and Cricket Club for 2012/2013 will be \$870,400, which represents a 11.7% increase over 2011/2012. The 2012 budget projected a 10% increase and as a result, insurance costs will be \$15,100 over budget.

In addition to the \$870,400 in insurance premiums/self insurance contribution, the Town also budgets \$110,800 per year for claims within our \$10,000 deductible limit.

FINANCIAL IMPLICATIONS:

Funds for the insurance coverage are included in each department's operating budget.

CONCLUSION:

The Town's continuing participation and commitment to the Durham Municipal Insurance Pool is an essential element in mitigating and/or controlling future insurance costs and improving our risk management practices.

ATTACHMENTS:

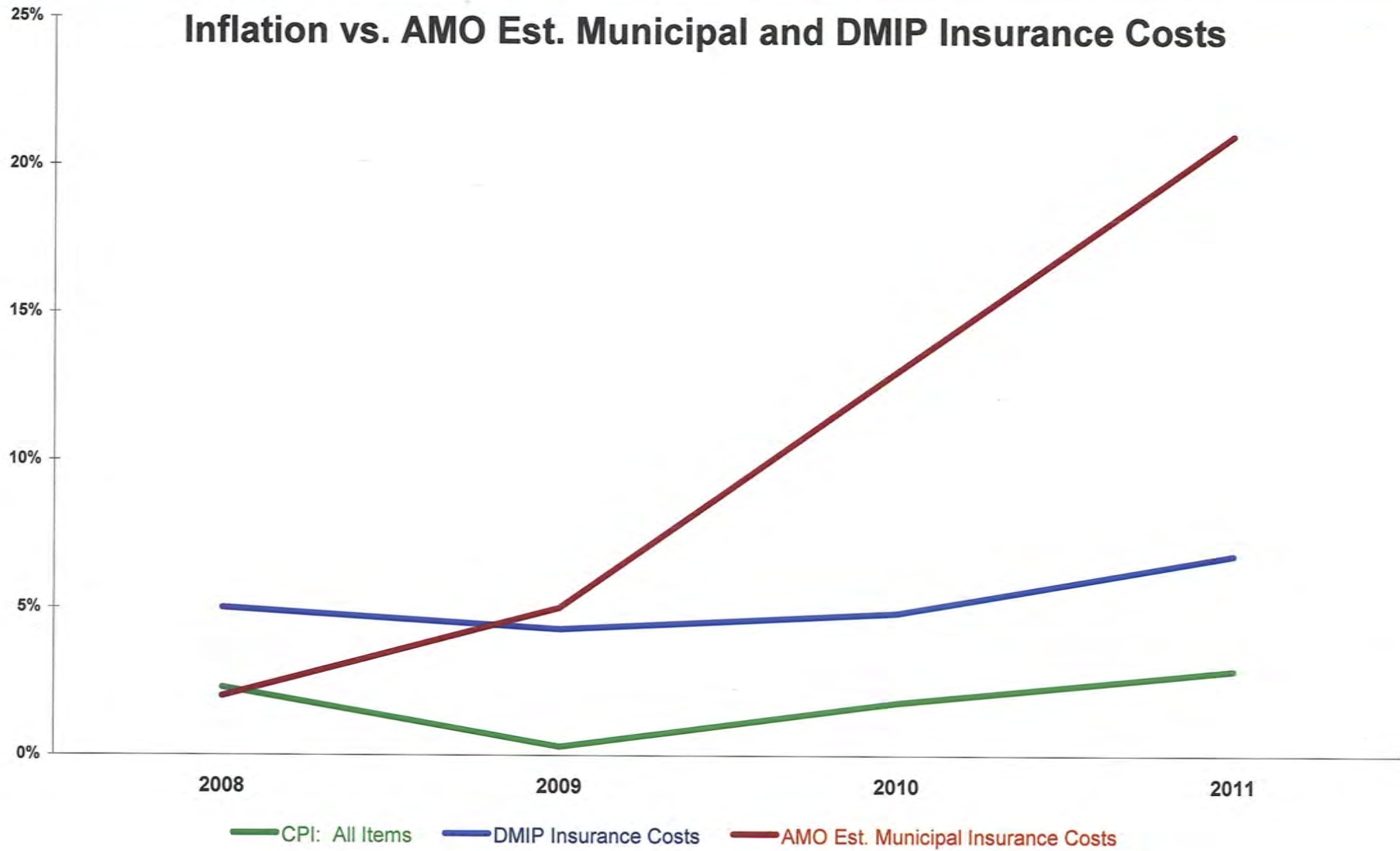
ATT-1 – Growth Comparison Chart

Rosanna Jager
Administrative Coordinator

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

Growth Comparison

Inflation vs. AMO Est. Municipal and DMIP Insurance Costs



**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

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

PREPARED BY: Dianne Valentim, CGA
Senior Financial Analyst

SUBJECT: Contract Award – Development Charge Background Study

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE: Capital Account No. 936911 – Development Charge Study 2012

RECOMMENDATION:

That Council award the contract for the Development Charge Background Study to Watson & Associates Economists Ltd, in the amount of \$66,155.85 (inclusive of taxes).

BACKGROUND:

Under Bill 98, Development Charges Act, 1997, Part II Section 9 (1), “a development charge by-law expires five years after the day it comes into force.” The current Development Charge By-law No. 83-2008 was passed and came into force on September 8, 2008 and will therefore expire on September 8, 2013.

DISCUSSION:

The current Purchasing by-law allows for purchases through negotiations under certain conditions, more specifically, “where at the discretion of the Department Head, with the approval of the Chief Administrative Officer, it is deemed to be in the best interest of the municipality to negotiate with vendors.”

Watson & Associates Economists Ltd. completed our original and current development charge background studies as well as a large number of others within Durham Region and throughout Ontario. Over the last several years, they have provided other services to the Town including growth studies, representation at the OMB, and advice on development charge interpretation and application. Watson & Associates Economists Ltd. have an in depth knowledge of the Town’s development and its operations, which allows for the continuity necessary to fulfill the requirements of this study in a cost efficient and effective manner.

The background study will rely on information collected from other Town studies and information, including but not limited to the Transportation Master Plan, Recreation, Parks and Culture Master Plan and the Building Condition Survey. These various studies and Watson & Associates' extensive involvement with the Town enable the Town to capitalize on economies of scale in the completion of the background study, which is reflected in the contract price. This approach will also ensure that the results of the DC updating process are well suited to the Town's requirements.

In addition to calculating the amount of the development charge, the background study will address policy issues with respect to credits, exemptions, user definitions, discounts and phase-ins, financing strategies, reserve funds, indexing, timing of collections, and other relevant policy issues.

The key milestones of the Development Charge background study are summarized below:

Milestone	Timing
Documentation of Growth Forecasts and establish Service Levels	July - Sept 2012
Update 10 Year and Build-out Capital Programs	Oct – Nov 2012
Develop Draft Background Study and By-law	Dec 2012 - Mar 2013
Formal release of Background Study	Early April 2013
Meeting with Development Industry	April 2013
Public meeting of Council	Late June 2013
Council consideration of By-law & new DC By-law Effective Date	Sept 2013

Meetings and ongoing communication with the Development Industry will continue throughout the study period. The timing and content of the meetings will be driven by the process and the feedback received.

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%. The contingency for this project has been identified to respond to the possible additional industry consultation sessions, responses and/or meetings required as a result of public and developer feedback.

This report, single source recommendation and contingency percentage has been reviewed and approved by the Chief Administrative Officer.

FINANCIAL IMPLICATIONS:

Capital Account No. 936911 – Development Charge Study 2012

Approved Capital Budget		\$85,000.00
Contract (net of HST rebate)	\$59,575.39	
Contingency	<u>\$ 8,936.00</u>	<u>\$68,511.39</u>
Available Budget		<u>\$16,488.61</u>

The contingency for this project has been identified to respond to the possible additional industry consultation sessions, responses and/or meetings required as a result of public and developer feedback

The Capital Detail Sheet is attached for information.

COMMUNICATION ISSUES:

Public meetings and/or consultations will be held to fully engage the development community throughout the study process. The study release and public meetings will be posted on the Town website as well as in the community pages of the Ajax News Advertiser.

CONCLUSION:

It is the recommendation of staff that Watson & Associates Economists Ltd. be awarded the contract for the Development Charge Background Study, as a single source purchase.

ATTACHMENTS:

ATT-1: Development Charge Study 2012

Dianne Valentim, CGA
Senior Financial Analyst

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

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

Department	Finance
Section	Finance Administration
Project Name	Development Chg Study 2012
Submitted By	Sheila Strain, Manager of Budgets & Accounting Services
Start Year	2012
Project Number	0936911

PROJECT DESCRIPTION / JUSTIFICATION

In accordance with Provincial Legislation, a Development Charge Background Study and Development Charge By-law must be completed, at minimum, every 5 years.

The current DC By-law became effective on September 8, 2008 and the next scheduled Background Study will begin in 2012, with a revised By-Law required to be in place by September 8, 2013.

The Background Study is a lengthy process that involves input from various studies and continuous communication with the development community. The completion of the Development Charge Background Study and By-law ensures capital projects required by growth are funded by new development to the fullest extent possible. The study and By-law support the guiding principle of managing growth and corporate goal to support infrastructure development.

Major milestones of this project include:

- Engaging consulting services for the updating of the DC Background Study
- Review and update of growth forecast
- Meetings with Development Industry
- Completion of Background Study
- Public Meeting of Council
- Council consideration of By-law
- New DC By-law becomes effective

The completion of the study and By-law requires updates and revisions to various studies and master plans including the Transportation Master Plan to support the final document. It is expected that the Development Charge Background Study will be initiated by mid 2012.

2008 DC Background Study Reference B-3

EXPENDITURES / FUNDING

	2012	2013	2014	2015	2016	Total
Total Expenditures	85,000					85,000
Capital Projects Reserve	6,600					6,600
Development Charges - 2008	78,400					78,400
Total Funding	85,000					85,000

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

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TOWN OF AJAX REPORT



REPORT TO: General Government Committee

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

PREPARED BY: Paul Hewitt, CPPO
Manager of Purchasing

SUBJECT: Updated Purchasing By-Law

WARD(S): N/A

DATE OF MEETING: July 5, 2012

RECOMMENDATION:

That the updated Purchasing By-Law be recommended to Council for approval.

BACKGROUND:

The Purchasing By-Law is a by-law to define the purchasing policies for the acquisition of goods and services by the Town of Ajax. The current version of this by-law [35-2010] was passed by Council at its meeting of March 8, 2010.

DISCUSSION:

To improve the efficiency and effectiveness of the procurement process, some administrative changes are being recommended to the Purchasing By-Law:

- Within the Non-Competitive Process [Section 5], some minor housekeeping changes were made.
- Within the Review of Bids & Bid Irregularities [Section 14], changes have been made to reflect current best practices on bid compliance and the handling of bid irregularities.

The Town Solicitor has had the opportunity to review and comment on the Purchasing By-Law and concurs with the recommended changes.

FINANCIAL IMPLICATIONS:

N/A

COMMUNICATION ISSUES:

As part of the Quality System, the Town has established Corporate Operating Procedures (COR-OP) that pertain to procurement. These COR-OPs will be reviewed and modified as required to include all of the changes identified in the by-law. The Purchasing By-Law is posted on the Town's website and is available for downloading and review by potential Bidders.

CONCLUSION:

It is the recommendation of staff that the updated Purchasing By-Law be approved.

Paul Hewitt, CPPO - Manager of Purchasing

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

THE CORPORATION OF THE TOWN OF AJAX

BY-LAW NUMBER XXX-2012

Being a By-law to define the purchasing policies for the acquisition of Goods and/or Services by the Town of Ajax.

WHEREAS this By-law establishes the authority and sets out the methods by which the Town of Ajax will procure Goods and/or Services, subject to certain exceptions set out herein;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF AJAX HEREBY ENACTS, AS FOLLOWS:

1. SHORT TITLE

This By-law may be cited as the Purchasing By-law.

2. PURPOSES, GOALS AND OBJECTIVES

2.1. The purpose, goals and objectives of this By-law and each of the methods of acquisition authorized are:

- 2.1.1. to encourage competition among suppliers;
- 2.1.2. to maximize savings for taxpayers;
- 2.1.3. to ensure service and product delivery, quality, efficiency and effectiveness;
- 2.1.4. to ensure fairness among bidders;
- 2.1.5. to ensure openness, accountability and transparency, while protecting the financial and operational best interests of the Town;
- 2.1.6. to have regard for the accessibility for persons with disabilities to the Goods/Services and Construction purchased by the Town.

2.2. This By-law shall be applied and administered having regard for the Town's "Capital Expenditure Control Policy No. 013" and any other finance control policies, as amended.

3. DEFINITIONS

- 3.1. "**Award**" means the selection of a Bidder/Proponent and their Goods/Services as accepted by the Town.
- 3.2. "**Bid**" means the Bidder's or Proponent's offer to sell the Goods/Services to the Town.
- 3.3. "**Bidder**" means, a person, supplier, vendor, contractor; developer or professional, who submits a Bid to the Town.
- 3.4. "**Bid Document**" means a Request for Tender, Request for Quotation, Request for Proposal or other documents that state, the Town's desire to buy or to consider buying and Bidders/Proponents offer to sell to the Town, the Goods/Services defined in the specifications.
- 3.5. "**Bid Irregularity**" means a deviation between the requirements of a Bid Document request and the information provided in the Bid response.
- 3.6. "**Contract**" means, a binding agreement between two or more parties that creates an obligation to provide a particular Good/Service.
- 3.7. "**Council**" means the Council of the Town.
- 3.8. "**Department**" means a department as established by the Town from time to time.
- 3.9. "**Department Head**" means the person chosen by the Town to be the head of a Department.
- 3.10. "**EOI**" means Expression of Information, a process whereby the Town uses a focused market research tool to determine Bidder interest in proposed procurement.
- 3.11. "**Formal Process**" means the request for Bid is issued in writing, on prescribed forms. Bidders/Proponents must submit their Bid, using these forms in a sealed package, by a predetermined time. Formal processes must follow the provisions detailed in the various procurement related ISO Standard Operating Procedures.

- 3.12. **“Goods/Services”** means all goods and services, as set out in the Bid Document, which include all supplies, materials, equipment, general maintenance and services, construction and works contracts, leases, rentals, and repairs of equipment; consulting and professional services, including the services provided by architects, engineers, designers, real estate appraisers, management or financial consultants, brokers or lawyers and any other consulting or professional service rendered on behalf of the Town.
- 3.13. **“Informal Process”** means the request for Bid may or may not be published and received on prescribed forms, by a predetermined time. Depending on the purchase value, Bids may be received electronically, verbally or in written formats.
- 3.14. **“ISO”** means the International Organization of Standardization.
- 3.15. **“Major Irregularity”** means an irregularity in a Bid, such that a strict compliance component is missing, which is required at the time of Bid submission, affecting the price, quality, quantity or delivery and is material to the Award. If the irregularity is permitted, the Bidder/Proponent could gain an unfair advantage over competitors and therefore results in the automatic rejection of the Bid.
- 3.16. **“Minor Irregularity”** means an irregularity in a Bid, such that a Bid submission is substantially compliant, and the irregularity affects form rather than substance. The effect on the price, quality, quantity or delivery is not material to the Award. If the irregularity is permitted, the Bidder/Proponent would not gain an unfair advantage over competitors. The Bidder/Proponent will, if any, be allowed time to clarify/correct the submission, only with respect to the Minor Irregularity.
- 3.17. **“Proposal”** means an offer from a Proponent to provide Goods/Services to the Town, acceptance of which may be subject to further negotiation. It is the response submitted to a RFP.
- 3.18. **“Proponent”** means a person, supplier, vendor, contractor; developer or professional submitting a Proposal.
- 3.19. **“Purchasing”** means the Purchasing Section of the Finance Department.
- 3.20. **“Purchasing Card (P-Card)”** means a type of credit card issued at the corporate level, by an authorized lending institute. The cards are issued in an individuals' name, but the charges incurred are the liability of the Town.
- 3.21. **“Quotation”** means an offer from a Bidder to provide Goods/Services to the Town or buy Goods/Services from the Town, at a specific rate or price. It is the response submitted to a RFQ, the acceptance of which will result in the formation of a binding Contract between the Town and the Bidder submitting the Quotation.
- 3.22. **“RFI”** means Request for Information, a process whereby the Town uses a general market research tool to determine what products and/or services are available; to scope out business requirements; and/or estimate project costs.
- 3.23. **“RFP”** means Request for Proposal, a process whereby the Town identifies a need, but the method by which it will be achieved is unknown at the outset. This process allows Proponents to propose solutions or methods to arrive at a desired result.
- 3.24. **“RFQ”** means Request for Quotation, a process whereby the Town, through a Formal or Informal Process, requests Bids for particular Goods/Services, which may or may not be required to be submitted on prescribed forms in sealed packages.
- 3.25. **“RFT”** means Request for Tender, a process whereby the Town, through a Formal Process, requests Bids for particular Goods/Services which must be submitted on prescribed forms in sealed packages.
- 3.26. **“RPQ”** means Request for Pre-Qualification, a process whereby the Town requests specific qualification criteria, which will then be used to identify and pre select Bidders, where the experience and qualifications of the Bidder must be clearly established and verified prior to the Bidder being allowed to submit a Bid. This process is typically used when selecting Architects and General Contractors for large building construction or renovations.
- 3.27. **“Single Sourcing”** means the procurement of Goods/Services from a particular Bidder/Proponent rather than through the solicitation of Bids from multiple Bidders/Proponents who can also provide the same/similar Goods/Services.
- 3.28. **“Sole Sourcing”** means the procurement of Goods/Services that are unique to a particular Bidder/Proponent and cannot be obtained from another source.

- 3.29. **“Standard Operating Procedures”** means the procedures established by the Town to be followed in carrying out a given operation or a given situation.
- 3.30. **“Tender”** means, an offer from a Bidder to provide Goods/Services in response to a RFT, the acceptance of which will result in the formation of a binding Contract between the Town and the Bidder submitting the Tender.
- 3.31. **“Town”** means The Corporation of the Town of Ajax.

4. PROCUREMENT PROCEDURES

Any person acquiring Goods/Services on behalf of the Town, shall do so in accordance with this By-law and the various procurement related ISO Standard Operating Procedures.

- 4.1. Method of Solicitation -The method of solicitation may take the form of one of the following:
 - 4.1.1. Request for Quotation (RFQ)
 - 4.1.2. Request for Tender (RFT)
 - 4.1.3. Request for Proposal (RFP)
 - 4.1.4. Request for Pre-Qualification (RPQ)
 - 4.1.5. Request for Information (RFI)
 - 4.1.6. Expression of Interest (EOI)
 - 4.1.7. Non-Competitive Process
- 4.2. Where the factors of suitability, quality, service, and ability to deliver, are deemed to be equal, the Contract shall be awarded to the lowest, compliant Bidder or highest scoring, compliant Proponent who meets the minimum specifications.
- 4.3. Notwithstanding the provisions of this By-law, the Town shall have absolute discretion in awarding Contracts and retains the right to reject any or all Bids.
- 4.4. Purchases \$0 - \$1,000.00
 - 4.4.1. Competitive Bids are not required.
 - 4.4.2. The Contract is awarded by staff in accordance with Section 4.10 Contract Award Approval Levels.
- 4.5. Purchases \$1,000.01 - \$25,000.00
 - 4.5.1. The Bid solicitation process shall be conducted through Purchasing, unless the Goods/Services are authorized under Section 5 Non-Competitive Process or Section 8 Exceptions/Exemptions from Competitive Process.
 - 4.5.2. A Formal or Informal Process shall be followed, all in accordance with the provisions detailed in the various procurement related ISO Standard Operating Procedures.
 - 4.5.3. The Manager of Purchasing or designate, in consultation with the Department representative, shall determine whether a Formal Process or Informal Process will be followed.
 - 4.5.4. The Department shall provide Purchasing with the relevant information required for the acquisition, such as; specifications, terms of reference, provisions, plans, drawings, etc.
 - 4.5.5. The Contract is awarded by staff in accordance with Section 4.10 Contract Award Approval Levels.
- 4.6. Purchases Over \$25,000.00
 - 4.6.1. The Bid solicitation process shall be conducted through Purchasing, unless the commodity is authorized under Section 5 Non-Competitive Process or Section 8 Exceptions/Exemptions from Competitive Process.
 - 4.6.2. A Formal Process shall be followed, all in accordance with the provisions detailed in the various procurement related ISO Standard Operating Procedures.
 - 4.6.3. The Department shall provide Purchasing with the relevant information required for the acquisition, such as; specifications, terms of reference, provisions, plans, drawings, etc.

- 4.6.4. The Contract is awarded by Council in accordance with 4.10 Contract Award Approval Levels.
- 4.7. Negotiations following a Competitive Bid Process
 - 4.7.1. In the case of a RFT/RFQ, prior to the onset of any negotiations, the competitive Bid method of solicitation must be cancelled and:
 - 4.7.1.1. all Bidders that submitted a Bid for the solicitation, will be notified in writing that a contract with respect to the Bid Document [RFT/RFQ] will not be awarded;
 - 4.7.1.2. any Bid securities, including Bid Bonds and Agreements to Bond will be returned.
 - 4.7.2. When using a competitive Bid process, purchases of Goods/Services may be acquired through negotiation under the following conditions:
 - 4.7.2.1. where two or more identical Bids are received;
 - 4.7.2.2. where the lowest compliant Bid meeting specifications is excessive in total cost and/or substantially exceeds the estimated costs;
 - 4.7.2.3. where all Bids received fail to meet specifications and/or terms and conditions and it is impractical to recall the request for Bid.
 - 4.7.3. Where negotiations are undertaken with more than one Bidder/Proponent, all Bidders/Proponents shall be given full disclosure on all information relating to the negotiation, subject to the provisions of the Municipal Freedom of Information and Protection of Privacy Act (the "MFIPPA").
- 4.8. In-House Bids

In-House Bids may be obtained for the procurement of Goods/Services in circumstances, where the Chief Administrative Officer of the Town (the "CAO") considers it beneficial and appropriate to do so.
- 4.9. Purchasing Cards
 - 4.9.1. Purchasing Cards (P-Cards) have been issued to a number of staff to assist them in the acquisition and payment of low dollar value, high volume purchases of Goods/Services.
 - 4.9.2. The P-Cards are not to be used for expenditures of a personal nature.
 - 4.9.3. Purchases made by P-Cards are subject to the requirements of this By-law and the various procurement related ISO Standard Operating Procedures.
 - 4.9.4. Further details are provided for in the P-Card Policy and Procedure Guidelines.
- 4.10. Contract Award Approval Levels
 - 4.10.1. Unless otherwise provided in accordance with this By-law, the purchase of Goods/Services shall be authorized in accordance with the provisions detailed in the various procurement related ISO Standard Operating Procedures.
 - 4.10.2. In determining the appropriate authority level, the Contract purchase value shall be considered to include all applicable costs (ie. freight, taxes) in the acquisition of the Goods/Services for the entire time period the Contract is being awarded to a particular Bidder/Proponent.
 - 4.10.3. Authority is granted to the CAO or Department Heads to Award or enter into Contracts, subject to the dollar values detailed below and providing the Award is made to the lowest compliant Bidder or highest scoring compliant Proponent, otherwise Council must Award the Contract.
 - 4.10.4. \$0 - \$10,000.00 - Department Head or designate.
 - 4.10.5. \$10,000.01 - \$25,000.00 - CAO or designate.

4.10.6. Over \$25,000 - Council.

4.10.7. All unbudgeted capital projects must be Awarded by Council, regardless of the value.

4.11. Council Recess Periods - Contract Award Over \$25,000.00

Unless otherwise authorized by Council, Council's recess periods are to cover the annual Summer break (July - August); Municipal Election period; and the annual Seasonal break (December/January). The following shall apply during the Council recess periods:

4.11.1 the CAO and Director of Finance/Treasurer, or their designates, are authorized to issue Awards and enter into Contracts, provided they are within the budget estimates;

4.11.2 the Mayor, CAO and Director of Finance/Treasurer, or their designates, are authorized to issue Awards and enter into Contracts if they exceed budget estimates;

4.11.3 the Mayor, CAO and Director of Finance/Treasurer, or their designates, are authorized to issue Awards and enter into Contracts which are unbudgeted; and

4.11.4 a report will be prepared by the applicable Department Head, and presented to Council at its first meeting following the recess period, regarding all Contract Awards exceeding \$25,000.00 and awarded during the recess period.

5. NON-COMPETITIVE PROCESS (Single/Sole Source Purchases)

5.1. All Non-Competitive purchases of Goods/Services, greater than \$1,000.00 are to be assessed by the Manager of Purchasing prior to any negotiations/discussions with a Vendor.

5.2. All Non-Competitive purchases of Goods/Services, between \$1,000.01 - \$10,000.00 shall be approved by the Manager of Purchasing and Department Head or their designates prior to the purchase of the Goods/Services.

5.3. All Non-Competitive purchases of Goods/Services, between \$10,000.01 - \$25,000.00, shall be approved by the Manager of Purchasing, Department Head and CAO or their designates prior to the purchase of the Goods/Services.

5.4. All Non-Competitive purchases of Goods/Services, over \$25,000.00 shall be approved by Council.

5.5. Purchasing, in consultation with Departments, shall obtain a written Bid, from the Bidder/Proponent, for any Non-Competitive purchase of Goods/Services, prior to the purchase of the Goods/Services.

5.6. A Non-Competitive Process shall only be used if one or more of the following conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the Town:

5.6.1. the Goods/Services are only available from one source or one supplier by reason of:

Sole Source:

5.6.1.1. a statutory or market based monopoly;

5.6.1.2. scarcity of supply in the market;

5.6.1.3. existence of exclusive rights (patents, copyright or license);

Single Source:

5.6.1.4. need for compatibility with Goods/Services previously acquired and there are no reasonable alternatives, substitutes or accommodations;

5.6.1.5. need to avoid violating warranties and guaranties where service/support is required;

5.6.1.6. the extension of an existing Contract would prove more cost effective or beneficial;

- 5.6.1.7. due to market conditions, required Goods/Services are in short supply;
 - 5.6.1.8. the required Goods/Services are to be supplied by a particular Bidder/Proponent having special knowledge, skill, expertise or experience, which cannot be provided by any other person; or
 - 5.6.1.9. the nature of the requirement is such that it would not be in the public interest to solicit competitive Bids, as in the case of security or confidential matters.
- 5.6.2. an attempt to purchase the required Goods/Services has been made in good faith, using a competitive Bid method and has failed to identify a successful Bidder/Proponent;
 - 5.6.3. the required Goods/Services are to be supplied as a result of an emergency, which would not reasonably permit the use of other procurement procedure methods;
 - 5.6.4. where, at the discretion of the Department Head in consultation with the Manager of Purchasing, and with the approval of the CAO, it is deemed to be in the best interests of the Town to negotiate with Bidders/Proponents.
- 5.7. Where a Non-Competitive Procurement Process is undertaken, full disclosure shall be given, on all information relating to the purchase, subject to the provisions of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA).

6. UNSOLICITED BIDS

Unsolicited Bids received by the Town shall be reviewed by the Department Head or Manager of Purchasing. Any procurement activity resulting from the receipt of an unsolicited Bid shall comply with the provisions of the Non-Competitive Process requirements of this By-law.

7. PROHIBITIONS

- 7.1. Except where a Bid is requested on a unit price basis, and subject to the provisions of the MFIPPA, no employee, or any appointed or elected official of the Town shall divulge the unit prices paid for by the Town for Goods/Services. However, the total price of a Contract, as well as the name of the successful Bidder/Proponent may be revealed to any interested party.
- 7.2. No Contract shall be awarded to any person or corporation who or which has a claim or has instituted a legal proceeding against the Town or against who the Town has a claim or has instituted a legal proceeding with respect to any previous Contract.
- 7.3. No personal purchase of Goods/Services shall be made by the Town on behalf of a member of Council, a member of a local board or an employee of the Town, unless authorized by Council.
- 7.4. No employee or member of Council shall purchase or offer to purchase any Goods/Services on behalf of the Town except as may be provided for in this By-law.
- 7.5. No requirements for Goods/Services, including consulting or professional services, shall be divided to avoid the requirements of this By-law and the total project, annual requirement, or total Contract value shall be considered.

8. EXCEPTIONS/EXEMPTIONS FROM COMPETITIVE PROCESS (under \$25,000.00)

Unless otherwise noted, Goods/Services (under \$25,000.00) as set out below may be procured without a competitive process, subject to the funds being available in the Operating Budget or the Capital Budget for that purpose:

- 8.1 Utilities (excluding purchases arranged through 3rd party agreements):
 - a. Electricity;
 - b. Hydro;
 - c. Water and Sewer;
 - d. Natural Gas;
 - e. Telephones & Long Distance Service (excludes cellular phones & services);
 - f. Cable Television Service.

- 8.2 Training and Education:
 - a. Membership Fees - Professional Association;
 - b. Magazines;
 - c. Periodical Subscriptions;
 - d. Books;
 - e. Conference and Seminars;
 - f. Courses;
 - g. Staff Development, Workshops & Reports.
- 8.3 Refundable Employee Expenses;
- 8.4 Federal/Provincial/Municipal Mandated Programs;
- 8.5 Advertising:
 - a. Newspapers (National and Local);
 - b. Radio;
 - c. Television;
 - d. Periodicals;
 - e. Trade Journals;
 - f. Magazines;
 - g. Internet (Specialty Association Web-Sites, such as AMCTO, OPBA).
- 8.6 Software (Proprietary, Non-Value Added Resellers):
 - a. Annual maintenance fees for software already approved under the requirements of this By-law, where the approved vendor is the sole source provider of the maintenance service;
 - b. Software upgrades for software already approved under the requirements of this By-law (including support and training), where the vendor is the sole source provider of the upgrade service;
 - c. Additional software licenses for software already approved under the requirements of this By-law, where the vendor is the sole source of the licensing service.
- 8.7 General Expenses:
 - a. Postage;
 - b. Petty Cash & Replenishment;
 - c. Newspaper Subscriptions;
 - d. Licenses (ie. Vehicles);
 - e. Transportation (Bus, Train, Airplane);
 - f. Insurance;
 - g. Building Lease Payments;
 - h. Charges to/from other government agencies, including Contracts with Federal, Provincial, Regional, or Municipal Government; Agencies/Boards/Commissions (Ajax Public Library, Durham District School Board and Durham Catholic District School Board).
- 8.8 Certain Professional and Special Services:
 - a. Arbitration Services;
 - b. Mediation Services;
 - c. Legal Settlements;
 - d. Physician Services;
 - e. Counselling Services;
 - f. Temporary Help;
 - g. Banking & Underwriting Services (where covered by Agreements);
 - h. Providers of artistic or specialized services, such as; instructors for dance, yoga, karate; artists; entertainers or entertainment products, etc. (providing the total acquisition cost is less than \$25,000);
 - i. Catering (excluding concessions & vending services).
- 8.9 Public Relations:
 - a. Trade Show Registration;
 - b. Trade Show Booth Rentals;
 - c. Event Sponsorship.

9. LOCAL PREFERENCE

- 9.1. The following two legislative documents prohibit municipalities from adopting a Local Preference Policy:
 - 9.1.1. The Discriminatory Business Practices Act (R.S.O. 1990, Chapter D12), as amended; and
 - 9.1.2. The Canadian Governments implementation of the Agreement of Internal Trade.
- 9.2. The primary objective of the purchasing process is to acquire Goods/Services at the lowest possible cost, consistent with the demands of suitability, quality, service, and delivery capabilities.
- 9.3. If in the determination of the Manager of Purchasing or designate, a competitive market exists, and two or more compliant Bids are received and are identical in price, and provided suitability, quality, service, and delivery are similar, then priority of acceptance may be made first for a local Bid, if any then, for a regional Bid, if any otherwise, the Manager of Purchasing or designate, will proceed to procure 'best and final offers' [BAFO] from the Bidders/Proponents involved in order to break the tie.

10. CO-OPERATIVE PURCHASING

- 10.1. The Town shall participate with other government agencies or public authorities in co-operative purchasing of Goods/Services, where it is in the best interest of the Town to do so.
- 10.2. The decision to participate in co-operative purchasing agreements will be made jointly by the Manager of Purchasing or designate and the responsible operating Department.
- 10.3. The policies of the government agencies or public authorities calling the co-operative Bid Document, as amended, are to be the accepted governing policy for that particular Bid Document.

11. EMERGENCY PURCHASES (greater than \$1,000.00)

- 11.1. Emergency purchases of Goods/Services may be approved by the Department Head and Manager of Purchasing and where applicable, the CAO or their designates when the immediate purchase is essential to prevent serious delays in the work of any department which might involve; danger to life; damage to property; costly downtime; or the provision of an essential service.
- 11.2. As soon as possible following the Emergency, the Department representative shall document the details of the acquisition. The following shall apply in accordance with the dollar value of the Award:
 - 11.2.1. \$1,000.01 to \$10,000.00 – the Department Head or designate, shall provide a written summary report to the Manager of Purchasing, detailing the emergency expenditure.
 - 11.2.2. \$10,000.01 to \$25,000.00 - the Department Head or designate, shall provide a written summary report to the CAO, with a copy to the manager of Purchasing, detailing the emergency expenditure.
 - 11.2.3. over \$25,000.00 - the Department Head and CAO or their designates, shall prepare a Report to Council "for information only" detailing the emergency expenditure.

12. ETHICS IN PURCHASING

The code of purchasing ethics, established by the National Institute of Government Purchasing (NIGP) and the Ontario Public Buyers Association (OPBA), shall apply to all Finance Department, Purchasing Section staff involved in the procurement process.

13. CODE OF CONDUCT

All Town staff are governed by the Town's Code of Conduct Policy, AD 20.70, as amended. Council is governed by the Municipal Conflict of Interest Act, R.S.O. 1990, c.M.50, as amended and the Town's Council Member Code of Conduct, By-law No. 89-2004, as amended.

14. REVIEW OF BIDS & BID IRREGULARITIES

- 14.1. Bids received, are reviewed by staff, for compliance with the Bidding process and procedural rules as set out in the Bid Document. Bids are further evaluated to determine the following, all in accordance with the Bid Document:
 - 14.1.1. technical requirements have been met;
 - 14.1.2. minimum specifications have been met;
 - 14.1.3. minimum required qualifications have been met;
 - 14.1.4. minimum experiences have been met;
 - 14.1.5. accuracy of the Bid.
- 14.2. Bid irregularities found in a Bid, are categorized as a Major Irregularity or a Minor Irregularity, with respect to Bid compliance. A Major Irregularity found in the Bid will result in automatic rejection of the Bid. Where a Minor Irregularity is found in the Bid, the Town reserves the right to waive, correct, or have the Bidder/Proponent clarify the irregularity in order to serve the best interests of the Town.
- 14.3. Notwithstanding the provisions of Appendix A [attached] and notwithstanding that Appendix A may be part of the bid document; where the Bid Document provides the Town with the right to waive any irregularities and/or omissions in a Bid, this shall give the Town the discretion to waive Bid Irregularities; and in the absence of such waiver, Appendix A shall govern the Town's response.
- 14.4. In exercising judgement, the Manager of Purchasing or designate, shall consider the advice of the Town Solicitor.

15. BIDDER/PROPONENT PERFORMANCE

- 15.1. The Department shall be responsible for monitoring the Contract performance of Bidders/Proponents and for documenting evidence of such performance in accordance with the various Vendor Performance related ISO Standard Operating Procedures.
- 15.2. The Town may, in its sole discretion, reject a Bid from a Bidder/Proponent if:
 - 15.2.1. the Bidder/Proponent has not performed works for previous Contracts in compliance with the Contract Documents;
 - 15.2.2. the Bidder/Proponent has previously provided Goods/Services in an unsatisfactory manner;
 - 15.2.3. the Bidder/Proponent failed to satisfy an outstanding debt/obligation to the Town;
 - 15.2.4. there have been past bad dealings between the Town and the Bidder/Proponent;
 - 15.2.5. the Town determines that the Bidder/Proponent does not have sufficient experience in the supply of the Goods/Services; or
 - 15.2.6. the Town has concerns with the financial ability of the Bidder/Proponent to perform the Contract.
- 15.3. Rejection of a Bid, for any of the above noted situations, must be substantiated by written documentation related to Bidder/Proponent performance of a Contract where applicable.
- 15.4. Rejection of a Bid for performance, shall be approved by the appropriate Department Head and the Manager of Purchasing.

16. REVIEW PROCESS

- 16.1. This By-law and the various procurement related ISO Standard Operating Procedures will be reviewed and if necessary, revised on an annual basis.
- 16.2. While this will not preclude an earlier review, it does establish a time frame to ensure both the Purchasing By-law and the various procurement related ISO Standard Operating Procedures are fully reviewed on a periodic basis, so that any necessary enhancements can be made.

By-law Number 35-2010 be repealed.

READ a first and second time this Xxxxx
day of Xxxxx, 2012.

READ a third time and passed this Xxxxxx
day of Xxxxx, 2012.

Mayor

Clerk

**APPENDIX "A" - BID IRREGULARITIES
BY-LAW NO. XX-2012**

IRREGULARITY		RESPONSE/ACTION
1	Late Bid.	> Automatic rejection. > Bid is returned unopened to the Bidder. > If it is impossible to determine the name/address of the Bidder on the outside of the sealed package, the package will be opened to obtain this information. The document will then be returned with advice related to the rejection.
2	Unsealed Bid Envelope/Package and/or fax or electronic delivery of Bid submission.	> Automatic rejection, unless the Bid Document specifically permits unsealed/faxed/electronic Bids.
3	Failure to attend Mandatory site Meeting.	> Automatic Rejection.
4	Bids completed and/or signed using erasable medium.	> Automatic Rejection.
5	Part Bid (all items not bid).	> Automatic Rejection, unless the Bid Document specifically permits part Bids.
6	Qualified Bid. Bid is restricted by a counter offer in the form of a; covering letter; statement; alteration; reservation; condition; out of scope alternative which has been included with the Bid, or added to any page of the Bid.	> Automatic Rejection, unless the Bid Document specifically permits such qualifications; or in the opinion of the Manager of Purchasing, the qualification or restriction is trivial or not significant.
7	Failure to include the signature of the person authorized to bind the Bidder, on the Tender/Quotation/Proposal Submission Form provided in the Bid Document.	> Automatic Rejection.
8	Failure to include the signature of the person authorized to bind the Bidder, on the Declaration Form, or the Declaration Form is not included with the Bid submission.	> The Bidder will be allowed a reasonable amount of time to provide the signed Declaration Form. If the Bidder fails to do so within the agreed time period, the Bid will be rejected.
9	Signature is not an original, signed in ink. (ie. signature reproduced by mechanical or electronic means)	> The Bidder will be allowed a reasonable amount of time to come in to sign the Bid in ink. If the Bidder fails to do so within the agreed time period, the Bid will be rejected.
10	Failure of the Bidder to acknowledge and provide for all addenda issued to the Bidder.	> Automatic rejection, unless every change as sent out in all of the addenda, is clearly visible on the face of the Bid or the information in the addenda is not material to the Award or the addendum was issued solely for the purpose of revising the Official Closing Time.
11	Bid received on documents other than those original Bid Documents as issued and provided by the Town.	> Automatic rejection, unless a Bid is received on a "true copy" (not retyped) of the original Bid Document as issued by the Town. Signature of the Bidder must be an original and signed in ink.
12	Erasures, changes, overwriting, white-outs, cross-outs or strike-outs, which are not initialed by the Bidder. (ie. unit prices, lump sum prices, or other items in the Bid Document)	> Where, at the sole discretion of the Manager of Purchasing, the changes are clear and unambiguous, the Bidder will be allowed time to initial the changes. If the Bidder fails to do so within the agreed time period, the Bid will be rejected.
13	Failure by the Bidder to provide all names of sub-contractors it proposes to use on a project.	> Unless otherwise specified in the Bid Document, the Bidder will be allowed a reasonable amount of time to provide the names of the sub-contractors. If the Bidder fails to do so within the agreed time period, the Bid will be rejected.

**APPENDIX "A" - BID IRREGULARITIES
BY-LAW NO. XX-2012**

IRREGULARITY		RESPONSE/ACTION
14	<p>Bid Security:</p> <ul style="list-style-type: none"> > is not provided; > is not an original; > the amount provided is insufficient; > it does not name the Town as Obligee; > Security Company is not licensed to do business in Ontario; > is not executed by the Security Company with an original signature or the corporate seal of the Security Company > is not in a form acceptable to the Town (ie. Bid Bond, Certified Cheque, Cash, Irrevocable Letter of Credit, Letter of Intent) 	> Automatic Rejection.
15	<p>Bid Security:</p> <ul style="list-style-type: none"> > is not executed by the Bidder with an original signature and corporate seal of the Bidder. 	> The Bidder will be allowed a reasonable amount of time for the signature/corporate seal to be applied to the original document. If the Bidder fails to do so within the agreed time period, the Bid will be rejected.
16	<p>Bid Security:</p> <ul style="list-style-type: none"> > is not in compliance with the number of days open for acceptance as stated in the Bid Document. 	> The Bidder will be allowed a reasonable amount of time to resubmit an original replacement Security with the correct number of days open for acceptance. If the Bidder fails to do so within the agreed to time period, the Bid will be rejected.
17	<p>Agreement to Bond [Performance/Labour & Materials Payment]:</p> <ul style="list-style-type: none"> > is not provided; > > is not an original; > the amount provided is insufficient; > it does not name the Town as Obligee; > Security Company is not licensed to do business in Ontario; > is not executed by the Security Company with an original signature or the corporate seal of the Security Company; > is not in a form acceptable to the Town. 	> Automatic Rejection.
18	<p>Failure of the Bidder to provide evidence, satisfactory to the Town, of qualifications to perform the work as specified in the Bid Document.</p>	> Automatic Rejection, unless the waive of the irregularity is in the best interest of the Town and does not affect the integrity of the bid process.
19	<p>Failure of the Bidder to provide evidence, satisfactory to the Town, of past experience in performing the work as specified in the Bid Document, as a result of reference checks, etc.</p>	> Automatic Rejection, unless the waive of the irregularity is in the best interest of the Town and does not affect the integrity of the bid process.
20	<p>Failure of the Bidder to meet the minimum specifications as detailed in the Bid Document.</p>	> Automatic Rejection, unless the waive of the irregularity is in the best interest of the Town and does not affect the integrity of the bid process.
21	<p>Failure of the Bidder to provide the specified number of copies of documentation, as detailed in the Bid Document.</p>	> Unless otherwise specified in the Bid Document, the Bidder will be allowed a reasonable amount of time to provide the number of copies as specified. If the Bidder fails to do so within the agreed time period, the Bid will be rejected.
22	<p>Failure of the Bidder to meet any of the mandatory requirements as specified in the Bid Document.</p>	> Automatic Rejection, unless the waive of the irregularity is in the best interest of the Town and does not affect the integrity of the bid process.

**APPENDIX "A" - BID IRREGULARITIES
BY-LAW NO. XX-2012**

IRREGULARITY		RESPONSE/ACTION
23	Arithmetic Errors	<p>> Where there is a discrepancy between unit, stipulated, or lump sum prices and the extension calculation; the unit, stipulated, or lump sum prices will prevail.</p> <p>> The Town shall make corrections to the extension total and to correct the total tax calculation and total bid amounts accordingly. All Bidders will be bound by such corrections.</p>
24	Unit Price, Stipulated Price or Lump Sum Price is missing.	> Automatic Rejection, unless the Bid Document specifically allows for partial Bids.
25	Unit Prices, Supplementary Prices, Provisional Prices, Alternate Prices, etc., are unbalanced or substantially lower than market value providing for an unbalanced Bid.	> The Bidder will be allowed a reasonable amount of time to provide an explanation for such pricing methodology. If the Bidder fails to do so within the agreed time period and if the explanation is, in the opinion of the Manager of Purchasing, not reasonable, or if the application of such unit, supplementary, provisional, alternative, or other such prices will adversely affect the Contract value or acceptance of the Bid will cause undue hardship to the Bidder, the Bid will be rejected.
26	Interpretation of the information contained in a Bid submission suggests a major mistake may have been made.	Determination of the response/action to be taken will be considered on a per case basis, in consultation with the Town's Solicitor.
27	Other irregularities. (The above noted list of irregularities should not be construed to be all inclusive.)	<p>> The Manager of Purchasing or designate, in consultation with the operating Department and/or the Town's Solicitor, will review irregularities not listed.</p> <p>> The Manager of Purchasing or designate, shall have the authority to waive irregularities in a Bid in order to accept a substantially compliant Bid; or reject Bids with irregularities deemed to be major.</p>

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

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

PREPARED BY: Sheila Strain, CGA
Manager of Budgets & Accounting Services

SUBJECT: Summary of Operating Expenditures and Revenues as at May 31, 2012

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE:

RECOMMENDATION:

That the report on the Summary of Operating Expenditures and Revenues as at May 31, 2012 be received for information.

BACKGROUND:

The attached operating statement summary compares the Town's approved budget to actual expenditures and revenues as at May 31, 2012. The statement reflects the Town's operating budget only and excludes year to date expenditures for the Library grant. Net expenditures to May 31, 2012 total \$18,779,600, which represents 42.3% of the total net operating budget.

DISCUSSION:

The attached statement is intended to provide an indication of the status of the Town's operating expenditures and revenues, compared to the approved budget, as at May 31, 2012. However, many departments are affected by high levels of activity during specific times of the year. For example, some activities are seasonal in nature, such as grass cutting, winter control and summer camps, which results in a fluctuation of the timing of recognition of revenues and expenses. Due to these timing differences, this statement cannot be used in isolation as an accurate indication of final year end expenditures and revenues.

FINANCIAL IMPLICATIONS:

N/A

COMMUNICATION ISSUES:

N/A

CONCLUSION:

The detailed 2012 Operating Budget Forecast, which estimates the projected 2012 operating surplus or deficit and includes explanations on major variances from budget, will be presented to General Government Committee on October 18, 2012.

ATTACHMENTS:

ATT-1: Summary of Operating Expenditures & Revenues to May 31, 2012

Sheila Strain, CGA
Manager of Budgets & Accounting Services

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

TOWN OF AJAX
ATT-1 - SUMMARY OF OPERATING EXPENDITURES & REVENUES
TO MAY 31, 2012

DEPARTMENT	2012 BUDGET	ACTUAL TO MAY 31	% OF BUDGET
Non - Departmental			
Expenditures	12,245,600	4,283,000	35.0
Revenues/Recoveries	(9,250,700)	(2,328,500)	25.2
Net Operating Budget	2,994,900	1,954,500	65.3
General Legislative			
Net Operating Budget	696,500	312,600	44.9
Office of the CAO			
Expenditures	1,452,000	611,600	42.1
Revenues/Recoveries	(6,000)	(1,000)	N/A
Net Operating Budget	1,446,000	610,600	42.2
HR Services			
Expenditures	973,900	448,500	46.1
Revenues/Recoveries	0	(37,600)	N/A
Net Operating Budget	973,900	410,900	42.2
Legislative & Information Services			
Expenditures	4,137,800	1,954,400	47.2
Revenues/Recoveries	(672,000)	(345,700)	51.4
Net Operating Budget	3,465,800	1,608,700	46.4
Finance			
Expenditures	2,840,200	1,105,700	38.9
Revenues/Recoveries	(2,586,300)	(1,189,300)	46.0
Net Operating Budget	253,900	(83,600)	(32.9)
Fire & Emergency Services			
Expenditures	15,452,700	6,839,500	44.3
Revenues/Recoveries	(804,700)	(401,100)	49.8
Net Operating Budget	14,648,000	6,438,400	44.0
Operations & Environmental Services - Administration			
Expenditures	1,650,600	643,700	39.0
Revenues/Recoveries	(8,000)	(8,300)	103.8
Net Operating Budget	1,642,600	635,400	38.7
Operations & Environmental Services - Operations			
Expenditures	7,582,200	3,384,100	44.6
Revenues/Recoveries	(1,530,100)	(475,800)	31.1
Net Operating Budget	6,052,100	2,908,300	48.1

TOWN OF AJAX
ATT-1 - SUMMARY OF OPERATING EXPENDITURES & REVENUES
TO MAY 31, 2012

DEPARTMENT	2012 BUDGET	ACTUAL TO MAY 31	% OF BUDGET
Operations & Environmental Services - Env. Services			
Expenditures	3,818,300	1,210,000	31.7
Revenues/Recoveries	(394,200)	(57,600)	14.6
Net Operating Budget	3,424,100	1,152,400	33.7
Operations & Environmental Services - Fleet			
Net Operating Budget	501,800	225,800	45.0
Operations & Environmental Services - Bldg Mtnce.			
Net Operating Budget	621,500	277,700	44.7
Recreation & Culture - Administration			
Expenditures	1,294,800	557,300	43.0
Revenues/Recoveries	(37,000)	(18,900)	51.1
Net Operating Budget	1,257,800	538,400	42.8
Recreation & Culture - Facilities			
Expenditures	9,041,700	3,278,200	36.3
Revenues/Recoveries	(6,192,400)	(2,520,100)	40.7
Net Operating Budget	2,849,300	758,100	26.6
Recreation & Culture - Programs & Active Living			
Expenditures	1,702,000	479,100	28.1
Revenues/Recoveries	(1,024,700)	(332,000)	32.4
Net Operating Budget	677,300	147,100	21.7
Recreation & Culture - Community & Cultural Dev.			
Expenditures	707,700	221,700	31.3
Revenues/Recoveries	(55,700)	(30,300)	54.4
Net Operating Budget	652,000	191,400	29.4
Planning & Development Services			
Expenditures	5,098,300	2,233,600	43.8
Revenues/Recoveries	(2,865,000)	(1,540,700)	53.8
Net Operating Budget	2,233,300	692,900	31.0
TOTAL OPERATING:			
Expenditures	69,817,600	28,066,500	40.2
Revenues/Recoveries	(25,426,800)	(9,286,900)	36.5
NET OPERATING BUDGET	44,390,800	18,779,600	42.3

TOWN OF AJAX REPORT



Report To: General Government Committee

Submitted By: John Fleck
Director, HR Services

Subject: **CODE OF CONDUCT (employees)**

Ward(s): All

Date of Meeting: July 5, 2012

Reference: Policy 014 Code of Conduct

Recommendation:

1. **That the Code of Conduct Policy be amended as recommended by staff.**

Background:

The Code of Conduct policy has been in effect since being passed by Council May 27, 2002. The policy sets out the rules of conduct for all employees of the Town. It ensures that employees understand their responsibility and accountability to comply by the code. The policy sets out the rules to follow to ensure that there are no conflicts between the employees' personal interests and their official duties, while employed by the Town. In fact, since the inception of the Code in 2002 there have been no incidents whereby the terms and conditions of the Code needed to be invoked.

Policy Revisions:

The changes to the Policy are summarized below;

1. 4.1 b. (delete) - restricts employees performance of work other than that of the Town while in the Towns' employ;
2. 4.2 a. - clarifies the wording of the monetary limits that are reportable and that require prior approval.

Financial Implications:

There are no financial implications to the proposed changes.

Conclusion:

As part of the Town's Quality Management process, the policy will be posted on the Document Management System (DMS). Appropriate notification will be done through the Town's internal web site (OLA) as well as staff departmental meetings.

J. Fleck, Director of Human Resources Services

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**SUBJECT: CODE OF CONDUCT**

ISSUED: 02 / 05 / 27	REVISED: 12 / 07 / 05	REVISION NO.: 5	Page 1 of 3	POLICY: 014
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1. APPLICATION

- 1.1. These rules of conduct shall apply to all employees of the Corporation of the Town of Ajax.

2. DEFINITION

- 2.1. Employee: Includes all persons, including full-time, part-time, seasonal and temporary staff (including students) employed by the Corporation of the Town of Ajax.

3. RESPONSIBILITIES

- 3.1. Every employee is accountable and responsible to comply with this Code to ensure there is no conflict between their personal interests and their official duties. Although the Code of Conduct cannot answer every question which may arise for each individual, it should alert you to situations that require extra concern or guidance. For additional advice in this regard, your Department Head or Chief Administrative Officer may be consulted.

4. RULES OF CONDUCT

- 4.1. An employee shall not:
- a. engage in any business transaction or have a financial or other personal interest which is incompatible with the discharge of his / her official duties;
 - b. use Town of Ajax property, equipment, supplies or services of consequence for personal gain, or activities not associated with the discharge of official duties without prior approval;
 - i. that interferes or appears to interfere with the employee's duties;
 - ii. in which the employee has advantage or appears to have an advantage derived from employment in the Corporation of the Town of Ajax; and
 - iii. in a professional capacity that will or might appear to influence or affect the carrying out of duties as a Town of Ajax employee;
 - c. place him / herself in a situation where he / she is under obligation, direct or indirect financial or otherwise, to any person who could benefit from a decision or recommendation of the employee;
 - d. place him / herself in a situation where he / she is under obligation, direct or indirect, financial or otherwise, from any contracts about which the employee can influence decisions;
 - e. benefit, directly or indirectly, financial or otherwise, from the use of information acquired during the course of official duties which is not generally available to the public;

ISSUED: 02 / 05 / 27	REVISED: 12 / 07 / 05	REVISION NO.: 5	Page 2 of 3	POLICY: 014
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- f. participate in any decision, promotion or make any recommendation to his / her supervisor, a Committee or Council, in which he / she or his / her immediate family has any financial interest, except an interest in common with general community;
- g. solicit or accept any gifts, services, privileges, favours or entertainment, the acceptance of which will place or appear to place the employee under any obligation whatsoever to the donor;
- h. disclose any confidential information relating to the affairs of the Town.

4.2.

- a. Gifts, services, privileges, favours or entertainment valued up to \$100 may be received or given to employees on occasion, but they must always be of such form and substance that they could not be construed by an impartial observer as a bribe, pay-off or improper incentive and also must meet criteria set out in 4 above.
- b. Gifts, services, privileges, favours or entertainment that will exceed \$100 each in value will require prior approval by the employee's supervisor. If the supervisor is not immediately available approval must be received at the first available opportunity.
- c. Examples of gifts, services, privileges, favours or entertainment are as follows:
 - i. acceptance of occasional business meals;
 - ii. infrequent attendance at social or sporting events;
 - iii. acceptance of occasional gifts of a nominal value.

4.3. Any employee appointed under the Building Code Act shall:

- a. always act in the public interest, particularly with regard to the safety of building works and structures;
- b. apply all relevant building laws, codes and standards in an impartial, consistent, fair and professional manner, independent of any external influence and without regard to any personal interests;
- c. abide with the provisions of the Building Code Act, the Ontario Building Code and other Acts or Laws, which regulate or govern Building Officials or their functions; and
- d. maintain required legislated qualifications, discharging all duties in accordance with recognized areas of competency.

4.4. Town staff may solicit gifts for the benefit of community events, as well as Town sanctioned employee events (eg. Pumpkinville, Fire Prevention Week, Town Golf Tournament, Town Christmas Party and United Way.)

4.5. Employees, acting in their professional capacity may be permitted to represent the Town at subsidized external functions, at the discretion and approval of the Department Head.

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: John Fleck
Director of HR Services

PREPARED BY: Shawn Gendron, CRSP
Health, Safety and WSIB Advisor

SUBJECT: **Town of Ajax Health and Safety Report (2011)**

WARD(S): N/A

DATE OF MEETING: July 5, 2012

REFERENCE: N/A

RECOMMENDATION:

That the report entitled 'Town of Ajax Health and Safety Report (2011)' dated July 5, 2012 be received for information.

BACKGROUND:

This report summarizes key metrics for 2011 compared against the preceding two years (2009 and 2010).

DISCUSSION:

In 2011 the Town of Ajax maintained a high level of involvement in Health and Safety through several initiatives. The four Joint Health and Safety Committees were instrumental in addressing and aligning response on various initiatives such as Ice Helmet Policies and Sharps Programs. Over 300 summer, seasonal, full time, and part time employees along with several co-op students received health and safety related training. Successful delivery of the Take our Kids to Work Program provided students with the foundational building blocks to protect themselves in their future employment endeavors. Through the alignment and communication of a consistent health and safety message, the Town of Ajax has continued to strengthen its culture and commitment.

Compensable Claims Information

Overall, there has been a reduction in total number of day's lost (new claims) over the past three years. The number of lost time claims for 2011 is comparable to previous years.

Year	Total Number of WSIB Claims	Number of Health Care Only Claim	Number of Lost Time Claim	Total Days Lost
2011	21	11	10	39
2010	18	10	8	40
2009	27	13	14	121

Extended Injury Statistics

Total man-hours have had a consistent increase year over year. The resulting Lost Time Incident Frequency and Total Recordable Incident Frequency reflect a sharp reduction in 2010 over 2009, with a relative change in 2011 as compared to 2010. The *Total Departmental Man Hours* reflects all hours worked (including overtime) by Town of Ajax employees throughout all eight departments.

Year	Total Departmental Man-hours	Compensable/Recordable Incidents	Lost Time Incident Frequency	Total Recordable Incident Frequency
2011	968,795.27	21	2.06	4.34
2010	933,334.51	18	1.71	3.86
2009	912,450.84	27	3.07	5.92

New Experimental Experience Rating Program (NEER)

The NEER rebate for 2010 is significantly higher than previous years. Although factors such as Second Injury Enhancement Fund Relief and lowered expected claims cost (directly offset from the 2009 surcharge that was incurred) added to the increase of the rebate. It can be stated that incident management and return to work programs have played an instrumental role in this rebate.

Year	Adjustment Type	Adjustment Amount
2010	Rebate	\$200,733.23
2009	Surcharge	-\$93,109.06
2008	Rebate	\$90,233.82
3 Year TOTAL:		\$197,857.99

Safety Group

2011 marks the 7th successful year that the Town of Ajax has participated in the WSIB Safety Group Program. Upon successful completion of the 2011 requirements, the Town of Ajax received a refund of approximately \$25, 000.

Safety Group Participation Year	Safety Group Refund Amount
2011	\$25,084.61
2010	\$25,998.36
2009	\$14,566.58
3 Year TOTAL:	\$65,649.55

FINANCIAL IMPLICATIONS: N/A

COMMUNICATION ISSUES: N/A

CONCLUSION:

Although there is some variability in the aforementioned statistics, the deviations are well within expected ranges as compared to historical data.

Future Initiatives

An analysis and assessment of hazards and risks that impact our work will be undertaken to assist in the strategic planning and defining of our health and safety goals and objectives. A gap analysis will be initiated from the findings to assist in the effective delivery of our Health and Safety Programs. Priority will be given to high risk and high severity tasks with the intent of building the policies, guidelines and procedures to ensure accountability.

A comprehensive incident investigation package will be rolled out in 2012 to streamline and clarify the incident process. The incident investigation package will focus on the identification of causal factors and root causes with a strong emphasis on corrective actions and final review. An in-house incident investigation training session will be delivered to key groups (i.e. Supervisors and Managers). The training session will provide the tools and knowledge base required to conduct clear, concise and consistent incident investigations.

ATTACHMENTS: N/A

Shawn Gendron – Health, Safety & WSIB Advisor

John Fleck – Director, HR Services

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: John Fleck
Director of HR Services

PREPARED BY: Shawn Gendron, CRSP
Health, Safety and WSIB Advisor

SUBJECT: Town of Ajax Wellness Report (2011)

WARD(S): N/A

DATE OF MEETING: July 5, 2012

REFERENCE: N/A

RECOMMENDATION:

That the report entitled 'Town of Ajax Wellness Report (2011)' dated July 5, 2012 be received for information.

BACKGROUND:

Metrics obtained from the Town of Ajax, Great West Life, Family Services Durham and Sunlife Financial have been evaluated for overall performance, impact and organizational value. Since the inception of the wellness program in 1999, our partnership with Sunlife has made it possible to deliver and implement programs that target the needs and interests of the Town's employees. Comparisons have been made using key figures provided by Sunlife Financial, Statistics Canada and other significant agencies. These comparisons have brought to light that the Town's overall wellness continues to outshine other corporations on a local and national scale.

DISCUSSION:

Employees of the Town are gaining momentum towards leading balanced and healthy lifestyles as shown by the employee interest surveys. The survey itself recorded the highest response rate in 2011 that the Town has ever experienced. Feedback from the 2011 employee interest survey reveals that *Active Living* and *Healthy Eating* remain as the top areas of interest with preferences for blood pressure, cholesterol and body composition screening clinics.

Findings from the Town's integrated data analysis supplied by Sunlife are a positive indication that the wellness program is reducing many of the associated costs. The analysis identifies health risks specific to the Town's employees that can be targeted by the Wellness Committee in future program years. A review of overall program participation levels is positive. In some

instances, participation levels were slightly lower than expected (E.g. 2011 Cooking Demonstration). However, there has been excellent engagement and positive feedback from those who have participated.

The overall health and wellness of the Town's employees has a direct impact on many key areas; including absenteeism and benefits costs. The Town has achieved significant success, particularly in the area of low absenteeism rates which continues to overshadow our peers in other municipalities. The decreases have evolved into a consistent trend highlighting considerable reductions year over year.

Drug Expenditure

The Town has consistently proved to be lower than the national averages over the past three years. The Town's demographic reveals that 63% of the Town's employee population is over 40 years of age. This demographic typically has higher drug expenditure costs than those under the age of 40.

Extended Health Care

As compared to national trending, the Town has continued to manage and control claims costs associated with extended health care. The Town's average extended health care claims costs have been consistently lower than the national trend expectations over the past 3 years.

Absenteeism or Absence Rates

The Town's focus on managing absenteeism coupled with its wellness initiatives and return to work program has resulted in exceptional absenteeism rates. The absenteeism rate for the Town has been in a state of steady decline for the past three years and is quickly becoming the baseline measurement for other municipalities. When evaluated against other municipalities with similar employee populations and Statistics Canada, the Town is 200% to 300% lower in the average number of days lost per employee.

Town of Ajax Absence Rates		
2009	2010	2011
3.64	3.60	3.51

Employee Assistance Program

The utilization rate of the Town's Employee Assistance Program (EAP) was down slightly in 2011 from that recorded in 2010. The Town has been effective in the promotion of its EAP services and has maintained an excellent average utilization rate when compared to metrics provided by other EAP providers.

FINANCIAL IMPLICATIONS:

N/A

COMMUNICATION ISSUES:

N/A

CONCLUSION:

Continued support of the Wellness Program is imperative in reducing associated costs and impacts to the Town. Employee health and wellness (physical and mental) is the underlying force when it comes to performance indicators such as productivity, quality and safety. The Wellness Program will continue to be evolved to address the multi-faceted needs of our employees using a targeted approach.

2012 saw a significant re-launch of the Wellness Committee that was motivated to change the delivery model in order to engage a larger number of the employee population. Since the re-launch, the Wellness Committee has already set records for the number of participants and the number of teams participating in the 2012 Total Health Challenge. This momentum will feed in the new contract period with Sunlife, ultimately delivering programs that will be of great benefit to the Town's employees. Employee interest surveys are currently being reviewed to give consideration to future programming.

ATTACHMENTS:

N/A

Shawn Gendron, Health, Safety & WSIB Advisor

John Fleck, Director of HR Services

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: John Fleck
Director HR Services

PREPARED BY: Jackie Lumsden
Compensation & Recruitment Manager

SUBJECT: 2011 RECRUITMENT REPORT

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE: Excellence in Service Delivery & Governance

RECOMMENDATION:

That the report be received for information.

BACKGROUND:

As part of regular communication with Senior Staff and Council, updates are prepared and presented for information purposes.

DISCUSSION:

2011 Snapshot:

<p><u>34 Hires – Full and Regular Part Time</u></p> <ul style="list-style-type: none"> - 17 new full time hires - 7 full time promotions - 7 regular part time hires - 3 temporary full time hires 	<p><u>83 Hires: Standard Part Time/Seasonal</u></p> <ul style="list-style-type: none"> - 9 new Seasonals in Operations - 74 part time staff in Recreation – positions include: <ul style="list-style-type: none"> - general programs - fitness and aquatics - facilities - customer service representatives
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60% of new hires live in Ajax; 27% of new hires live in Durham Region (excluding Ajax).

Based on visual observation, no less than 78% of the Town’s new hires meet the DACE Plan definition of diversity, moving the Town forward to becoming a diversity-competent organization.

To date in 2012, at least, nine of 15 new full time hires (60%) meet the DACE Plan definition of diversity, based on visual observation.

HR Services continues to look at opportunities to increase our applicant base by ensuring the recruitment opportunities are reaching the broader audience. While an objective is to have our staff complement more reflective of the community it serves, the overall goal of the recruitment process is to hire the best and most qualified candidate to fill any vacancy.

The average number of days to fill a vacant position was 44 days.

Telephone 'welcome' calls continue to be made to new employees from the CAO, Director of HR Services, and where appropriate, applicable department staff. This has provided large dividends and serves to create a positive impression for the Town as a great place to work. Many of the new hires have commented on that welcome.

To aid in reaching out to our diverse community, the 3rd Annual Job Fair was held on December 28, 2011 at the McLean Community Centre. The main focus of the fair was to attract applicants for summer student positions in Operations and Recreation. This job fair was the most successful to date, attracting over 280 students. The attraction of the 280 applicants is encouraging; the Town was able to reach out to a broader applicant pool. However, as a result of the number of returning students (fully trained, knowledgeable), the Town was only able to offer about 10% of the applicants employment.

The fair was expanded to include mini one-on-one interviews with each student as a first step in the hiring process. It provided an opportunity for staff from Recreation and Operations to meet the students, find out why they were interested in working for the Town and allowed them a few minutes to interact and ascertain if they would be a good fit for Ajax.

As a further outreach initiative, the Town also participated in the "Industry Tours for Educators" whereby local teachers were able to get an overview of opportunities in Operations for students in co-operative placements and internships.

Looking forward – 2012

- A key deliverable identified in the Diversity & Community Engagement Implementation Plan will be the inclusion of reviewing the Town's Diversity Policy during the employee orientation sessions conducted by HR Services. (Note: this has started with the new hires in May 2012). It is important for new staff to understand the make-up of Ajax and to know their customers.
- Another key deliverable is to look at the development of an applicant tracking system to identify the make-up of external applicants applying for job vacancies. This survey will be on a strictly voluntary and confidential basis. It is hoped the statistics will assist us in gaining a better understanding of where applicants are applying from; their diversity; their background and how they heard about the vacancy.
- In the fall 2012, the Town will undertake an Employee Questionnaire, which we hope will have even more accurate data and capture other areas of diversity designed to define current workforce demographics (age, gender, visible minorities, persons with disabilities, aboriginal people, and sexual orientation). These results will provide us with a base level of current demographics, and allow further scheduled questionnaires for comparisons.

COMMUNICATION ISSUES:

Corporate Communications continue to be instrumental in getting the information out to the community through print and social media venues.

Exit Interviews

It is important for the Town to understand why employees are leaving. Often when an employee leaves, they can tell a lot about an organization, about the programs and policies that exist and about the working environment. Exit interviews are used in many organizations as a tool to understand employee turnover. Information gathered can help to evaluate the effectiveness of human resource practices and programs as well as individual managers. It can also highlight potential problems that need addressing.

Six exit interviews were conducted and the reasons for leaving included:

- Better opportunity/career advancement (4)
- Retirement (1)
- Better compensation (1)

Turnover rate for 2011 was 3.7%, down from 5.6% in 2010. This is well below our 12 year average of 6% and below industry average of 17%.

CONCLUSION:

Ajax continues to be seen as an excellent employer in Durham Region. Continuing efforts to broaden our outreach, including the whole social media venue, will help to increase our applicant base and ensure we hire the best candidates.

Jackie Lumsden, Compensation & Recruitment Manager

John Fleck, Director HR Services

TOWN OF AJAX REPORT



REPORT TO: General Government Committee/Council

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

PREPARED BY: Jack Mamo, C.E.T., C.B.C.O.
Manager of Building Approvals Section

SUBJECT: **2012 Mid-Year Building Permit Activity Report**

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE:

RECOMMENDATION:

That the attached 2012 Mid-Year Building Permit Activity Report be received as information.

BACKGROUND:

Attached is the Mid-Year (January 1 to June 30, 2012) Building Permit Activity Report.

DISCUSSION:

Highlights of the Mid-Year Building Permit Activity Report:

- Total construction value for year to date (January to June) of building permit activity decreased from \$117 million in 2011 to \$110 million in 2012, representing a decrease of 6%. Construction values are calculated for issued building permits only and not for permits that are in circulation. See ATT-1.
- Total construction value for residential permits increased by 0.6% from \$85 million in 2011 to \$85.5 million in 2012 for the same time period.
- The 2012 forecast for new residential permits is 627; the number of units for which applications have been received is 356; the number of permits issued to date is 288 representing 63% of our target.
- Total construction value for non-residential permits decreased from \$32 million for the same time period in 2011 to \$25 million in 2012; a decrease of 22%. There have been a total of 96 non-residential permits issued in 2012 compared to 113 for the same time period in 2011.

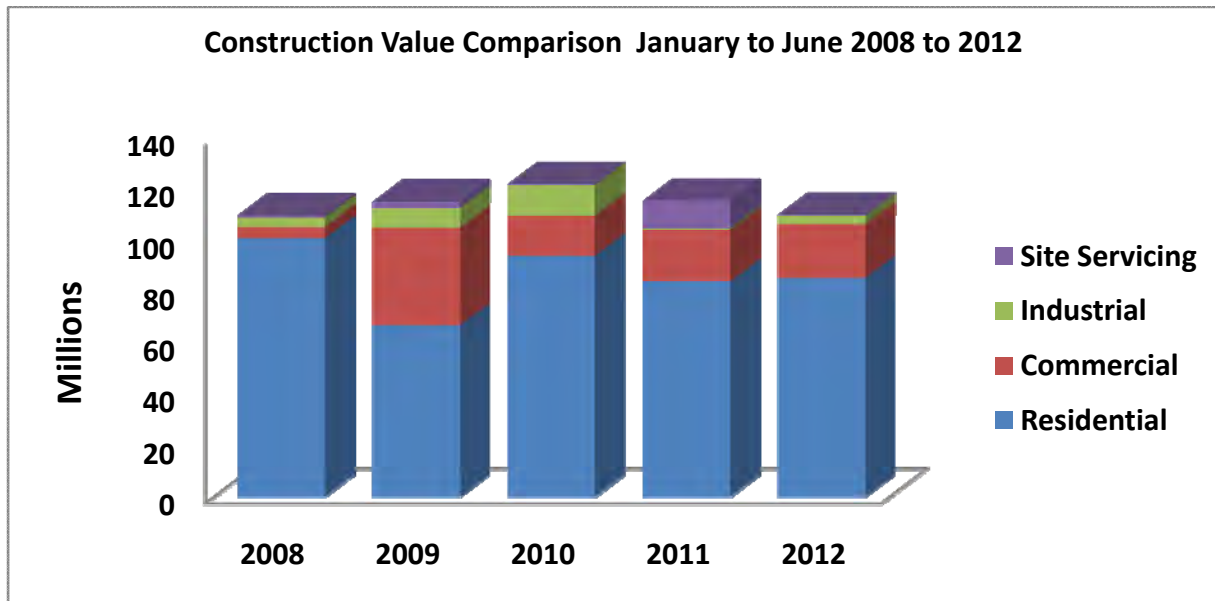
- Among the non-residential permits issued for construction in 2012 are: buildings A, B and E for the Perlane site on the north east corner of Salem Rd. and Rossland Rd.; addition to Southwood Public School at 28 Lambard Cres.; Old Post Inn daycare at 365 Kingston Rd. E.; and the Lawrie Road Underground Sanitary Detention Tank at 75 Lake Driveway E.. A total of 104 non-residential permit applications (including site servicing) have been received in 2012.

The following are non-residential permits under review:

Description	Location	Area	Value (\$)	Type
Pentecostal Church	10 Fuller Rd.	1,362 m ² (14,660 ft ²)	3,350,000	New
Perlane Bldg. F – Gold's Gym	306 Rossland Rd. E.	2,471 m ² (26,598 ft ²)	2,000,000	New
'No Frills' Grocery Store	87 Williamson Dr. W.	2,120 m ² (22,820 ft ²)	2,000,000	New
Intact Insurance Atrium	59 Westney Rd. S.	540 m ² (5,813 ft ²)	600,000	Addition
Coptic Church	360 Westney Road S.	5,232 m ² (56,317 ft ²)	10,000,000	New

The construction value of non-residential permit applications that are currently under review is approximately \$27 million.

Below is a graph that illustrates the mid-year building permit comparison for the last five years. Note that commercial building permits include a broad range of uses permitted such as offices, restaurants, places of worship and public buildings. Buildings in the industrial category include buildings associated with assembling, fabricating, manufacturing, processing and repair or storage of goods and materials.



FINANCIAL IMPLICATIONS:

None

COMMUNICATION ISSUES:

None

CONCLUSION:

According to the Region of Durham Building Permit and Construction Activity Report No. 2012-P-43, released on May 22, 2012; Ajax accounted for the largest share of non-residential building permit activity during the first quarter of 2012.

The overall **2012 Mid-Year Building Permit Activity** is on target and is expected to continue in like manner for the rest of the year.

ATTACHMENTS:

ATT-1: Town of Ajax Building Report – Year-to-date – June 2012

Jack Mamo, Manager of Building Approvals Section

Paul Allore, Director of Planning & Development Services

ATT-1

TOWN OF AJAX BUILDING REPORT - YEAR - TO - DATE - JUNE 2012

TYPE OF PERMIT	JUNE 2012 (Year to Date)				JUNE 2011 (Year to Date)		
	# of Applications Rec'd in 2012	# of Applications in circulation	# of Permits Issued	Construction Value(\$)	# of Applications Rec'd in 2011	# of Permits Issued	Construction Value(\$)
RESIDENTIAL:							
New Residential House: i.e. detached, semi detached, condo, townhouse etc. (DC charges applicable)	356	110	288	83,232,973	377	310	83,234,750
Residential House Additions, Alterations, Demolitions i.e. detached, semi detached, condo, townhouse etc.	16	5	14	771,236	12	17	412,180
Residential Multi Storey: i.e. apartments, condo etc.	2	1	2	32,500	1	1	40,000
Minor Residential: i.e. decks, garages etc.	94	17	86	1,306,268	106	98	1,037,740
Accessory Apartment: i.e. 9.8 OFC, OBC	8	3	8	212,872	13	10	203,408
Sub-Total	476	136	398	85,555,849	509	436	84,928,078
COMMERCIAL:							
Assembly Permit: i.e. community facilities, Day Care etc.	15	5	12	4,249,200	19	19	10,215,040
Business & Personal Service: i.e. offices, hair salons etc.	15	9	13	14,470,095	17	17	2,982,865
Detention, Care & Treatment: i.e. hospitals, Group Homes etc.	0	0	0	0	2	2	230,000
Minor Non-Residential i.e. temp. tents, School Portables etc.	8	3	8	100,000	18	12	762,200
Mercantile: i.e. retail, Market, Shopping Mall etc.	18	6	13	1,948,900	23	17	6,337,220
Change of Use: i.e. office to private school	0	0	0	0	0	0	0
Sign Permit	32	1	32	241,803	29	28	265,000
Sub-Total	88	24	78	21,009,998	108	95	20,792,325
INDUSTRIAL:							
Industrial Permit: i.e. Manufacturing Building, Parking Garage etc.	11	2	13	3,143,500	10	12	703,600
Sub-Total	11	2	13	3,143,500	10	12	703,600
SITE SERVICING:							
Site Servicing: i.e. underground sewer, water and drainage	5	2	5	524,108	8	6	10,717,166
Sub-Total	5	2	5	524,108	8	6	10,717,166
TOTAL	580	164	494	110,233,455	635	549	117,141,169

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

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

PREPARED BY: Jack Mamo, C.E.T., C.B.C.O.
Manager of Building Approvals Section

SUBJECT: **Contract Award - Review and Analysis of the Development Application Approval Process (DAAP) Model**

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE: Quotation from Watson & Associates Economists Ltd. dated June 07, 2012

RECOMMENDATION:

- 1. That Council award the contract for the review and analysis of the Development Application Approval Process (DAAP) model, to Watson and Associates Economists Ltd. in the estimated amount of \$27,120.00 (inclusive of all taxes), for a period of three years.**

BACKGROUND:

On April 19, 2007, the General Government Committee awarded the contract to undertake a user fee review of the Development Approvals Application Process (DAAP) to Watson and Associates Economists Ltd. The purpose of the study was to carry out a fee for service analysis associated with the review, administration, approval and enforcement services provided by the Town with respect to development applications under, the Building Code Act.

At the core of the DAAP analysis is an economic model developed by Watson and Associates Economists Ltd. that determines cost for service from the development application data entered. Since the implementation of the model in 2007, changes in development application processes and staffing have occurred, as well there has been a decrease in development activity forecast for the year. As a result the model needs to be reviewed and analyzed again.

The model will provide a fee for service analysis based on the current economic conditions for building permits related approvals. The yearly review and analysis of the DAAP model may require adjustments to development application fees to reflect the cost of providing services.

DISCUSSION:

Watson and Associates Economists designed and developed the DAAP model. The model is being utilized by many of the municipalities in Southern Ontario. Therefore, they are the only people qualified to complete the work.

The accuracy and currency of the model input is imperative for departmental budgets, forecasting, and transfers in and out of the Building Approvals Reserve. The transfer to and from the reserve have a significant impact on the general levy budget.

The review and analysis service by Watson and Associates ensures that the Town's position concerning Direct/Indirect Cost relationship is comparable with other Municipalities in Ontario. The review and analysis also will assist the Town to establish a baseline cost and provide recommendations whether or not fee increases are warranted for a specific budget year.

The current Purchasing By-law allows for purchases through negotiations, under certain conditions, more specifically, "where, at the discretion of the Department Head, with the approval of the Chief Administrative Officer, it is deemed to be in the best interest of the municipality to negotiate with venders".

This report and single source recommendation has been reviewed and approved by the Chief Administrative Officer.

FINANCIAL IMPLICATIONS:

Funds for contract award for the review and analysis of the Development Application Approval Process (DAAP) Model are included in the Building Approvals Section operating budget.

COMMUNICATION ISSUES:

n/a

CONCLUSION:

It is the recommendation of staff that Watson and Associates Economists Ltd. be awarded the contract for the Review and Analysis of the Development Application Approval Process (DAAP) Model, as a single source purchase.

ATTACHMENTS:

n/a

Jack Mamo, Manager of Building Approvals Section

Paul Allore, Director of Planning & Development Services

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Joanne Wood
Acting Director of Recreation and Culture

PREPARED BY: Lisa Warth
Community Development Coordinator

SUBJECT: Municipal Significance Designation for St. Francis Centre Events –
Ajax Creative Social & Dinner Theatre

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE: General Government Committee Report “2012 Ajax Caribbean
Day” –May 10, 2012

RECOMMENDATION:

That the report entitled Municipal Significance Designation for St. Francis Centre Events – Ajax Creative Social & Dinner Theatre, dated July 5, 2012 be received for information; and,

That Council designate the Ajax Creative Social and Dinner Theatre events to be held at the St. Francis Centre as Municipal Significant Events.

BACKGROUND:

In July 2011, the Provincial requirements for approving a Special Occasion Permit (SOP) changed and since that date, any private person or business applying for a Public Event SOP now requires a resolution of Council declaring that the event be a “Municipal Significant Event” (MSE), as was done earlier this year for Ajax Caribbean Day. This procedure also includes municipalities hosting events in their own venues. This resolution must be passed by Council prior to the applicant being able to apply for the SOP.

DISCUSSION:

Recreation & Culture would like to host two upcoming events at the St. Francis Centre that would include alcohol service.

The first event, the Ajax Creative Social, is planned for September 27, 2012. Creative Social events are delivered in partnership with Durham Region Tourism as part of the Art of Transition initiative and takes place monthly in different municipalities throughout the Region. The purpose of the event is to bring the creative community together to network and connect.

A typical event includes entertainment, music, key note speakers, food and beverages, and a chance for the host municipality to share information on the arts and cultural sector in their community.

This particular Creative Social event will also be used as the vehicle for the regional launch of the national Culture Days initiative and the Region is funding all expenses except the application for a special occasion permit and bartenders.

The second event is a dinner theatre event scheduled to take place on November 9 & 10. This event will be a ticketed event similar to past performances enjoyed earlier this year at the St. Francis Centre, however will include a sit down dinner and a performance of "Joey & Gina's Mafia Wedding" by Durham Improv. Dinner theatre is unique in Ajax and will be another way to showcase the amenities and multi-functionality of the facility.

Recreation and Culture staff are currently investigating the application for a Liquor Sales License at the St. Francis Centre which would avoid the need for designating events as MSE's each time they arise and provide flexibility as to which events can serve alcohol. This will also be appealing in the marketability of the facility. Council will be kept informed as to status of this application. In addition, staff will review the implications of the changes to the Provincial requirements for SOP's and will submit a report to Council this fall with proposed criteria recommendations for private and business functions seeking MSE status.

FINANCIAL IMPLICATIONS:

Sufficient funds have been budgeted in the operating budget to operate a break even alcohol service for both of these events.

COMMUNICATION ISSUES:

N/A

CONCLUSION:

Staff are recommending that Council pass a resolution declaring the Ajax Creative Social and the Dinner Theatre events at the St. Francis Centre as MSE's. Alcohol service at both of these events is appropriate and will add to the enjoyment of the participants.

ATTACHMENTS:

N/A

Lisa Warth
Community Development Coordinator

Joanne Wood
Acting Director, Recreation & Culture

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

SUBMITTED BY: Dave Meredith, Director
Operations and Environmental Service

PREPARED BY: Tim Field
Supervisor, Environmental Services

Jeff Stewart
Manager, Environmental Services

SUBJECT: **Contract Award - Block Pruning of Municipal Trees**

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE: Urban Forest Management Plan
RPQ No. PQ1201
RFT No. T12018

RECOMMENDATION:

1. **That Council award the contract for Block Tree Pruning to Total Tree Services Inc. Services in the amount of \$78,354.20 (inclusive of all taxes), for a period one year.**

That Council authorize staff to renew the contract 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 \$161,454.81 (inclusive of all taxes).

BACKGROUND:

The Town of Ajax municipal forest is made up of both private and municipal trees that provide numerous environmental, social and economic benefits. Trees that are growing in parks and open space areas, municipal woodlots/hedge rows and the municipal road allowance represent the majority of the municipal forest.

Maintenance of Ajax's public trees involves watering, mulching, pest control, fertilization, tree and stump removal and, most commonly, tree pruning. The Town has implemented a tree maintenance program which includes, but is not limited to, the pruning of trees for public safety, road safety, vehicle clearance, street lighting clearance, tree health and structure, as well as preventative maintenance.

DISCUSSION:

Ajax's urban forest management services are delivered under a combined service delivery model, whereby Town staff and outside contractors deliver urban forestry services. Contracted services are utilized to carry out a number of services including block pruning.

Block Pruning

Many municipalities inspect and maintain street trees in a scheduled, cyclical manner. Block pruning is recognized and recommended as part of the Town of Ajax Urban Forest Management Plan.

Ajax Operations & Environmental Services has conducted block pruning operations for the last decade as part of an overall urban forest management plan. In order to provide the most cost effective and sound arboriculture practices with a focus on customer service, the majority of this work is carried out during fall and winter seasons. Based on this information, the Town prunes approximately 5000 street trees annually. Generally, the municipal street tree block pruning contract involves:

- inspection of the tree and surrounding area
- elevation of low branches over pedestrian walkways, driveways and roads
- removal of dead and damaged branches
- overall improvements to the structure of the tree

The Town undertook a Request for Pre-Qualification - PQ1201 for Urban Forest Contractors – Block Pruning of Municipal Trees in January 2012 to cover a three year contract period. This RPQ resulted in the appointment of seven pre-qualified Bidders.

Request for Tender (RFT) documents were issued to all seven pre-qualified bidders with bids being received back from five of these, prior to the closing on April 24, 2012. During the analysis of the compliant bids, a number of arithmetical errors were discovered, resulting in a Corrected Total Tender Amount. Listed below is a summary of the acceptable bids received:

NAME OF BIDDER	TOTAL TENDER AMOUNT	CORRECTED TOTAL TENDER AMOUNT
Total Tree Service Inc.	\$239,809.01	\$239,795.19
Uxbridge Tree Service	\$366,981.82	\$366,981.92
Asplundh Canada ULC	\$616,051.22	\$616,008.90
Arborvalley Urban Forestry Co. Inc.	\$617,766.03	\$617,766.03
Cressman Tree Maintenance & Landscaping Ltd.	\$998,185.50	\$998,185.50

FINANCIAL IMPLICATIONS:

Funds for block pruning of municipal trees are provided for in the Environmental Services Operating budget.

COMMUNICATION ISSUES:

A notification letter is distributed to all homeowners that will have work done on their boulevard trees forty-eight hours prior to work commencing. Although a contracted service, town staff are the main point of contact, and are responsible for all customer service inquiries.

CONCLUSION:

It is the recommendation of staff that Total Tree Service Inc. be awarded the contract for block pruning of municipal trees, being the lowest bidder meeting minimum specifications.

Tim Field – Supervisor, Operations and Environmental Services

Jeff Stewart – Manager, Operations and Environmental Services

Dave Meredith – Director, Operations and Environmental Services

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Dave Meredith
Director of Operations and Environmental Services

PREPARED BY: Dave Meredith
Director of Operations and Environmental Services

SUBJECT: Road Rationalization: Transfer of Roads Between the
Town of Ajax and the Region of Durham

WARD(S): All

DATE OF MEETING: Thursday July 5th, 2012

REFERENCE: GGC Meeting – July 8th, 2010

RECOMMENDATION:

1. That Town staff be authorized to take all steps necessary to affect the transfer of roads from the Regional Municipality of Durham to the Town of Ajax including Harwood Avenue from Lake Driveway northerly to Kingston Road and Church Street (from the Ajax/Pickering boundary northerly to the south limit of Highway No. 401 and from the north limit of Highway No. 401 northerly to Kingston Road) to the Town of Ajax, subject to the approval of the Federal and Provincial Governments with respect to prior Infrastructure Stimulus Funding grant program.
2. That Town staff be authorized to transfer Salem Road from the northern limit of Highway No. 401, northerly to Taunton Road, to the Regional Municipality of Durham.

BACKGROUND:

On July 8th, 2010, Ajax Council passed the following resolution:

1. That staff be authorized to formalize an agreement for Council approval with the Region of Durham that transfers various roads between the Town of Ajax and the Region of Durham as follows:
 - i) the Region of Durham agrees to transfer Church Street from the Highway 401 bridge to Highway No. 2 to the Town of Ajax effective December 1st, 2010;
 - ii) the Town of Ajax and the Region of Durham agree to complete a detailed analysis of the potential financial impacts on both the Region of Durham and Town of Ajax, including potential funding shifts regarding the following roads:

- Rossland Road, in its entirety;
 - Salem Road, between Highway 401 and the 5th Concession;
 - Harwood Avenue, between Lake Driveway and Highway No. 2; and
 - Westney Road, south of Bayly Street
- iii) that this report be forwarded to the Region of Durham.

On November 23rd, 2011, Regional Council approved the 2012 Transportation Servicing and Financing Study. Recommendations within this study authorized Regional staff to engage in dialogue with local authorities to realign responsibilities of the road network within Durham Region. Furthermore, this Study authorized Regional staff to prepare the necessary agreements and required By-laws to enact the road transfers detailed in the recommendation of this report.

On June 27th, 2012, Regional Report 2012-J-26 was presented to the Joint Works and Finance and Administration Committee (copy of report attached), recommending the transfer of roads between the Regional Municipality of Durham and the Town of Ajax.

FINANCIAL IMPLICATIONS:

The Town of Ajax and Region of Durham are in the process to begin updating their respective Development Charge By-laws. The timing to transfer these road segments will be recognized in these new By-laws, and will provide the ability to identify any future required road work.

With respect to future capital requirements, the portion of Salem Road between and Rossland Road and Taunton Road is scheduled for its top coat of asphalt and is currently identified in the Town's Long Range Capital Forecast in 2013. The Region will now be required to identify this improvement within their business plans.

Based on the current condition assessment of Harwood Avenue, future capital improvements may be identified in the Town's Long Range Forecast. Segments of Harwood Avenue, south of Bayly Street will be examined in conjunction with the development of the south-west corner of Harwood Avenue and Bayly Street.

With respect to annual operating and maintenance costs, there is no anticipated impact to the Town of Ajax. The Town of Ajax will be receiving 15.4 lane kilometers through the road transfer agreement, while the Region of Durham will have 22.0 lane kilometers transferred in their direction.

CONCLUSION:

It is recommended that Harwood Avenue from Lake Driveway to Kingston Road and Church Street from the Ajax/Pickering boundary to Kingston Road, be transferred from the Region of Durham to the Town of Ajax, and that Salem Road, from the northern limit of Highway No. 401 to Taunton Road, be transferred from the Town of Ajax to the Region of Durham.

The transfer of these roads provides the Town of Ajax with the ability to help shape and characterize Pickering Village and Downtown Ajax as special “places” within the Town of Ajax. Revitalization and intensification efforts can be better co-ordinated and implemented based on the completion of these specific road transfers.

ATTACHMENTS:

ATT-1: Regional Report 2012-J-26

Dave Meredith
Director of Operations and Environmental Services



The Regional Municipality of Durham
To: The Joint Works and Finance and Administration
Committee
From: C. R. Curtis, Commissioner of Works
R. J. Clapp, Commissioner of Finance
Report: 2012-J-26
Date: June 27, 2012

SUBJECT:

Road Rationalization: Transfer of Roads Between the Regional Municipality of Durham and the Town of Ajax

RECOMMENDATIONS:

THAT the Joint Works and Finance and Administration Committee recommends to Regional Council that:

- a) In keeping with the intent of the Road Rationalization Plan to realign responsibility for the road network between the Regional Municipality of Durham and the Area Municipalities, that By-law 181-83 be amended to affect the transfer of the following roads from the Regional Municipality of Durham to the Town of Ajax and the transfer of the following roads from the Town of Ajax to the Regional Municipality of Durham;
- b) Regional staff be authorized to take the all steps necessary to affect the transfers of roads from the Regional Municipality of Durham to the Town of Ajax as described in this report including Harwood Avenue from Lake Driveway northerly to Kingston Road and Church Street (from the Ajax/Pickering Boundary northerly to the south limit of Highway 401 and from the northern limit of Highway 401 northerly to Kingston Road) to the Town of Ajax, subject to the approval of the Federal and Provincial Governments with respect to prior Infrastructure Stimulus Funding grant program;
- c) The Town of Ajax transfer Salem Road from the northern limit of Highway 401 northerly to Taunton Road, to the Regional Municipality of Durham and that Regional staff be authorized to take all steps necessary to give affect thereto;
- d) The Regional Solicitor prepare and present to Council the requisite amending by-law with all the appropriate and relevant amendments to By-law 181-83;
- e) Regional staff be directed to continue discussions with applicable Area Municipalities and to report back in the 2013 Transportation Servicing and Financing Study regarding potential road transfers to achieve full road

rationalization, within the Regional Municipality of Durham; and

- f) A copy of this report be forwarded to the Town of Ajax.
-

REPORT

Attachment No. 1: Location Maps

1. BACKGROUND

The Regional Municipality of Durham (Region) and Town of Ajax staff have engaged in discussions over several years related to a Roads Network Rationalization Plan that included realigning responsibility of the road network between the Region and the Town of Ajax.

On November 23, 2011, Regional Council approved the 2012 Transportation Servicing and Financing Study, 2011-J-47, which included the following two recommendations related to road rationalization:

“That a Roads Network Rationalization Plan be adopted that includes realigning responsibility of the road network between the Region and the applicable area municipality to improve both the efficiency and effectiveness of providing transportation services through discussions with the area municipalities based upon, but not limited to, the following principles:

- Review of the present and future use of roads in the Regional and Area Municipal Transportation networks,
- Mutual agreement of potential road transfers,
- An assessment of the road condition information,
- The potential for a phase in schedule, and
- Consideration of capital and operating funding implications.”

“In keeping with the intent of a Phase1 Road Rationalization Plan, Regional staff prepare the necessary agreements and the required by-laws for Regional Council approval in 2012 for the following transfers in principle:

- The Region of Durham transfer Harwood Avenue from the south limit of Kingston Road to Lake Driveway to the Town of Ajax (approximately 11.9 lane km's),

- The Region of Durham transfer Church Street from the south limit of Kingston Road to the Ajax/Pickering boundary to the Town of Ajax (approximately 3.5 lane km's), and
- The Town of Ajax transfer Salem Road from Highway 401 to Taunton Road to the Region of Durham (approximately 22.0 lane km's)"

2. PROPOSED ROAD TRANSFERS

Regional and Town of Ajax staff have exchanged current road condition information, capital and operating cost estimates, phasing schedule, and rationale for potential road transfer segments in accordance with these above mentioned principles, which has resulted in the following mutually agreed upon potential road transfer candidates:

- Transfer of Harwood Avenue from Lake Driveway northerly to Kingston Road (approximately 11.9 lane kilometres) from the Region to the Town of Ajax,
- Transfer of Church Street from the Ajax/Pickering Boundary northerly to the south limit of Highway 401 and from the northern limit of Highway 401 northerly to Kingston Road (approximately 3.5 lane kilometres) from the Region to the Town of Ajax, and
- Transfer of Salem Road from the northern limit of Highway 401 to northerly to Taunton Road (approximately 22.0 lane kilometres) from the Town of Ajax to the Region.

Location maps identifying these recommended road transfers have been provided with this report as Attachment No. 1.

The rationale for these potential road segment transfers is as follows:

- Harwood Avenue and Church Street are both situated within the Town of Ajax's local Community Improvement Area and are priority areas for the Town of Ajax's redevelopment and intensification plans over the coming years. Transfer to the Town of Ajax will allow for management of such elements as parking and access in conjunction with these plans.
- The Town of Ajax intends to modify Harwood Avenue to support the revitalization project Bayly Square (by Medallion Developments) located on the southwest quadrant of Harwood Avenue and Bayly Street. These changes are not suitable for a Regional road function. It is recommended that jurisdiction of Harwood Avenue from Lake Driveway northerly to Kingston Road be transferred from the Region to the Town of Ajax.

- In 2010, the Region received \$350,000 in funding through the Infrastructure Stimulus Fund for the rehabilitation of Church Street, which was cost shared equally among the Province of Ontario, the Federal Government and the Region. Based on the Infrastructure Stimulus Fund Contribution Agreement, the Region would need to obtain approval from senior government to transfer the Church Street segment without having to repay the senior government funding. The Region has made a written request to senior government, but a response has not yet been received.
- Church Street, from the Highway 401 corridor northerly to Mill Street, is currently in the ownership of the Ministry of Transportation, as remnants of a previous interchange with Highway 401. Although the Ministry of Transportation has shown an interest in transferring this remnant road segment to the Region, the transfer has not occurred yet. The Town of Ajax would continue these discussions with the Ministry of Transportation for direct transfer of this small section to the Town of Ajax.
- Based on recent discussions and agreement between Regional and Town of Ajax staff, it is recommended that the Region transfer Church Street (from the Ajax/Pickering Boundary northerly to the south limit of Highway 401 and from the northern limit of Highway 401 northerly to Kingston Road) to the Town of Ajax, subject to the approval of the Federal and Provincial Governments with respect to prior Infrastructure Stimulus Funding grant program. Town of Ajax staff have indicated they would be willing to immediately assume maintenance of Church Street from Kingston Road to the Highway 401 bridge, while the written approval from the Federal and Provincial Governments is being obtained.
- Salem Road has an interchange connection with Highway 401 and a future interchange connection proposed with Highway 407. Transfer to the Region will allow management of development access to optimize the potential for operating as a Regional arterial road.

3. FINANCIAL IMPLICATIONS

This is an opportune time to transfer these road segments as both the Town of Ajax and the Region are updating their respective Development Charge By-laws. Accordingly, the new by-laws will be able to reflect these transfers of road jurisdiction. On a go forward basis, the Region and the Town of Ajax will include the rationalized road segments in their respective business plans and budgets for any future road work.

With regard to known capital requirements, the portion of Salem Road, from Rosland Road to Taunton Road, will require a final application of surface asphalt estimated at \$1.0 million, which can be included in the upcoming Regional Development Charge Study and property tax supported business plans. Salem Road also has two structures which may require capital

expenditures in the future. These capital requirements are offset by the transfer of Harwood Avenue in an "as is" condition.

Given average operating and maintenance costs, there will be a slight increase in Regional costs (\$60,000 to \$75,000), which will be included in the 2013 Business Plans and Budgets.

4. CONCLUSION

It is recommended that Harwood Avenue (from Lake Driveway northerly to Kingston Road) be transferred from the Regional Municipality of Durham to the Town of Ajax, and that Salem Road (from the northern limit of Highway 401 northerly to Taunton Road) be transferred from the Town of Ajax to the Regional Municipality of Durham. The transfer of these roads will allow the Town of Ajax to meet their immediate revitalization and development goals, and the Regional Municipality of Durham to rationalize the Regional road network.

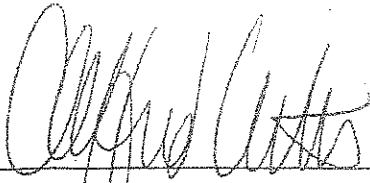
It is further recommended that Church Street (from the Ajax/Pickering Boundary northerly to the south limit of Highway 401 and from the northern limit of Highway 401 northerly to Kingston Road) be transferred from the Regional Municipality of Durham to the Town of Ajax, subject to the approval of the Federal and Provincial Governments with respect to the Infrastructure Stimulus Funding grant program.

As indicated in the recommendations to this report, to affect the road transfers as described, By-law 181-83 will be amended to include the following:

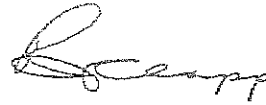
- Clause 24 related to Church Street (subject to the approval of the Federal and Provincial Governments with respect to prior Infrastructure Stimulus Funding grant program)
- Clause 44 related to Harwood Avenue

Regional staff will continue discussions with applicable Area Municipalities regarding potential future road transfers to achieve road rationalization.

The Regional Municipality of Durham's Legal Department has reviewed this report.

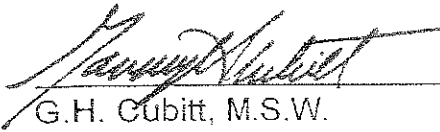


Clifford Curtis, P.Eng., MBA
Commissioner of Works



R. J. Clapp, CA
Commissioner of Finance

Recommended for Presentation to Committee

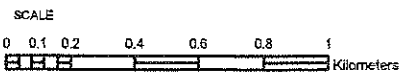
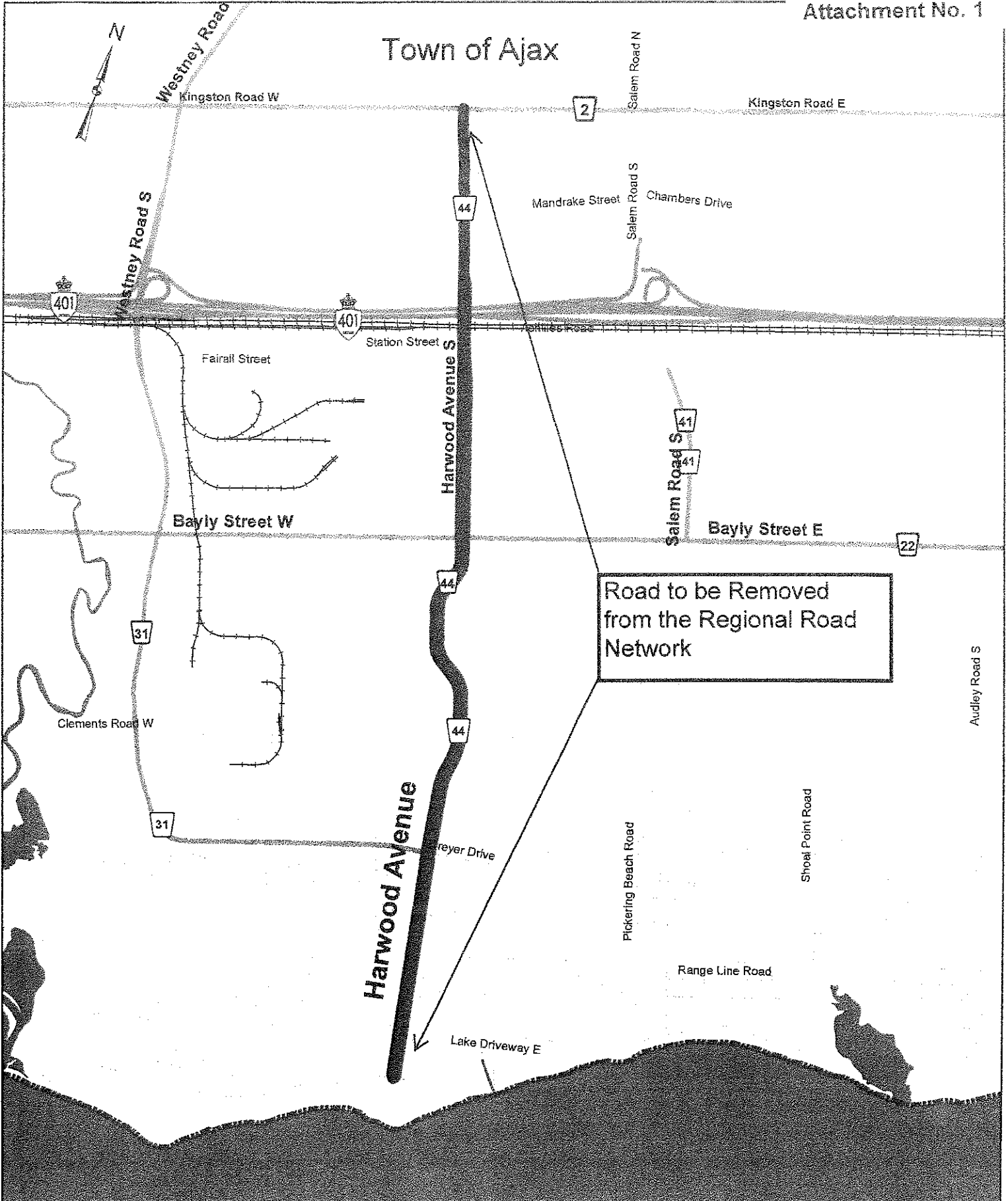


G.H. Cubitt, M.S.W.
Chief Administrative Officer



Harwood Ave. Removal from Regional Road Network

2012-J-26
Attachment No. 1



Digital cartography by The Regional Municipality of Durham, Works Department, Transportation Infrastructure Division - June 2012.

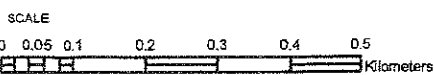
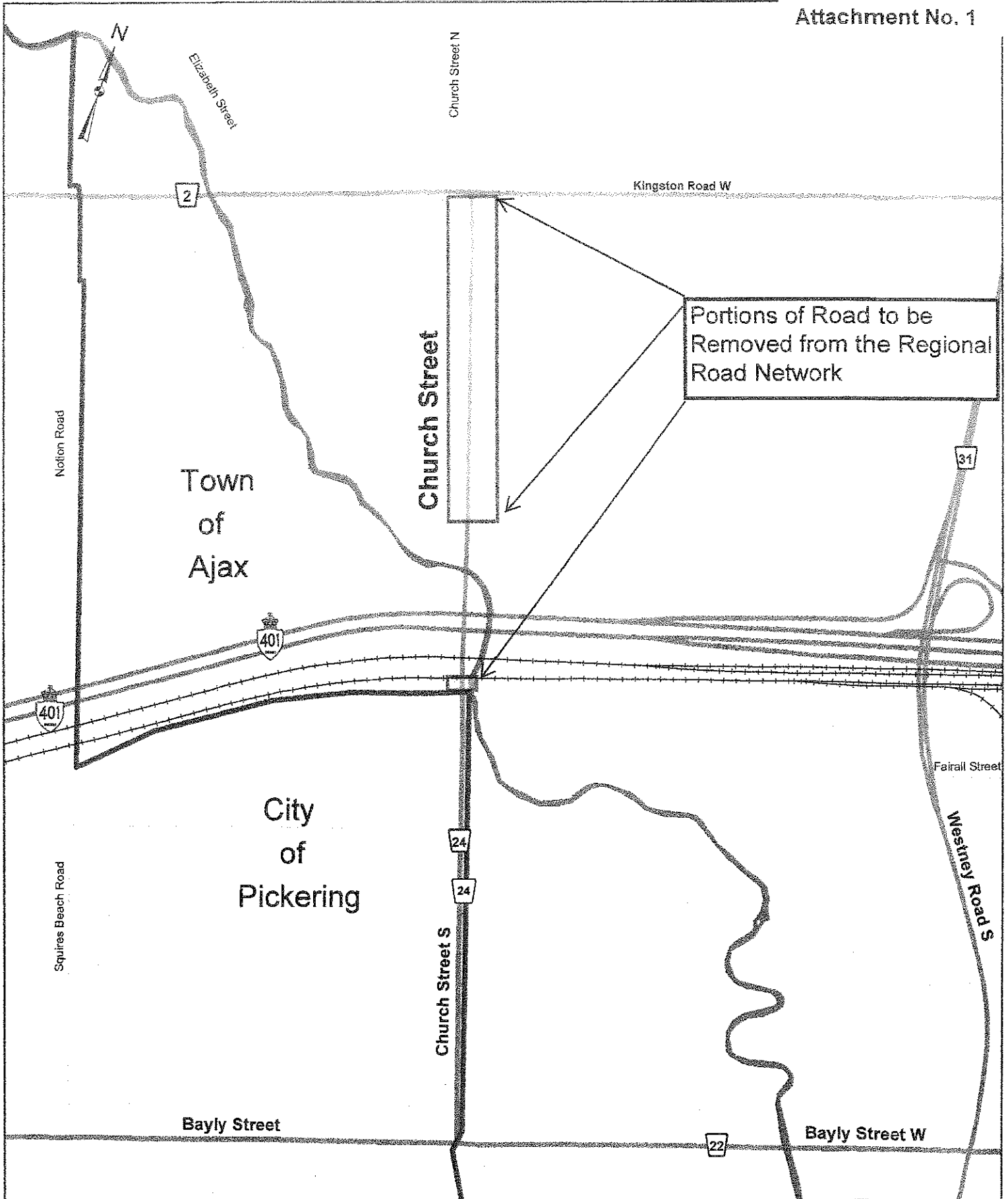
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Church Street Removal from Regional Road Network

2012-J-26
Attachment No. 1



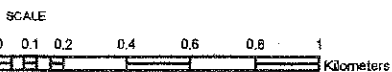
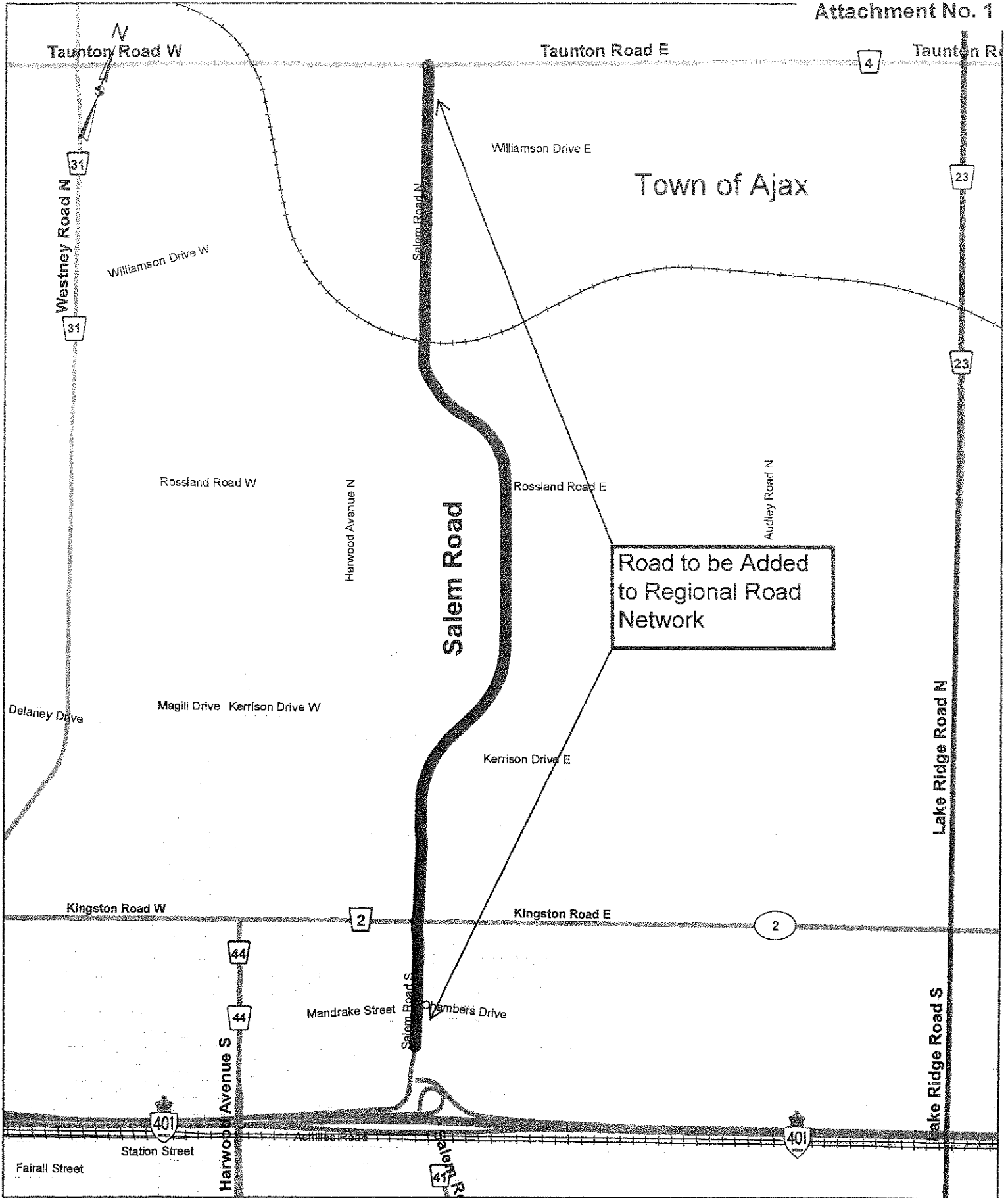
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Salem Rd. Addition to Regional Road Network

2012-J-26

Attachment No. 1



TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Dave Meredith
Director of Operations and Environmental Services

PREPARED BY: Dave Meredith
Director of Operations and Environmental Services

SUBJECT: **Toronto 2015 Pan/Parapan America Games**

WARD(S): 2

DATE OF MEETING: Thursday July 5th, 2012

REFERENCE: GGC Report – March 22nd, 2012

RECOMMENDATION:

That Council authorize the Mayor and Clerk to execute a Memorandum of Understanding that supports the Town of Ajax hosting the men's and women's baseball and softball sporting event for the Toronto 2015 Pan/Parapan Am Games based on an Order of Magnitude estimate of \$9,000,000, of which the Town's financial commitment shall be no greater than 44% of the actual cost, and in no case shall the Town's contribution exceed 44% of \$9,000,000.

BACKGROUND:

On March 1st, 2012 representatives from Toronto 2015 approached the Town of Ajax to consider the opportunity to be the host community for the Toronto 2015 Pan/Parapan Games baseball and softball disciplines. Baseball and softball are considered to be two (2) of the premier sporting events and will feature many of the top ranked teams in the world for each sport.

In considering a number of potential host municipalities, the following site criteria was applied in determining the preferred location:

- Lands must be owned by the partner;
- Site must be large enough for both disciplines, including training fields for each;
- Must be construction ready by March 31st, 2013;
- Memorandum of Understanding to be executed by July 31st, 2012;
- Convenient access to public transit;
- Total capital cost not to exceed \$13,000,000
- Partner must demonstrate legacy value for long-term sport and community use

On March 22nd, 2012 staff presented a report to General Government Committee regarding the Town's interest in submitting an Expression of Interest to be a host community. Subsequently, on March 26th, 2012 Council passed the following resolution:

“ That the report entitled ‘Expression of Interest to Host the 2015 Pan/Parapan Am Games – PanAm Ballpark at Sportsplex Park dated March 22nd, 2012 be received for information; and

That Council authorize staff to submit an Expression of Interest to TO2015 for the Town of Ajax to be considered as a host community for the Pan Am Ballpark.”

In response to the Expression of Interest issued by Toronto 2015, the Town of Ajax was identified as a candidate host community that satisfied the initial site selection criteria.

In May, staff were advised that the Town of Ajax was the preferred partner to host the baseball and softball events of the Pan/Parapan Am Games. On May 31st, 2012 a site meeting was held at Sportsplex Park with representatives from TO2015, Baseball Canada, Softball Canada and the baseball/softball technical advisor to TO2015. The purpose of this meeting was to examine existing facilities (field of play, fencing, lighting, dug-outs, drainage, irrigation, access) and understand opportunities for ancillary facilities required during the ‘Games’ (media, additional lighting, washroom facilities, merchandise areas, temporary stands, change facilities etc.).

During the past three (3) weeks TO2015 have been working with Town staff to examine options and develop Order of Magnitude cost estimates. Staff are now in a position to recommend a preferred site layout and corresponding cost estimate that would see the Town contributing 44% of the capital costs.

DISCUSSION:

The opportunity to be a host community for the Toronto 2015 Pan/Parapan Am Games is one that does not come along very often. The opportunity to enhance the Town's outdoor sports infrastructure not only provides immediate benefits to local user groups, but also puts Ajax on the map as a key destination to host future provincial and national championships for both baseball and softball.

This facility will serve as a community legacy that supports two (2) strategic objectives detailed within the Town's Corporate Action Plan. Specifically:

Strategic Objective: Strategic Development and Economic Prosperity

The Town will support the creation of places that attract interest and investment, welcome residents, businesses and visitors.

Strategic Objective: Strong Sense of Community

The heart of the Town of Ajax is its people. The unique qualities of the Town include its diverse and distinctive neighbourhoods, landscapes, rich culture and heritage. The Town is committed to the continued nurturing of an engaged, inclusive, accessible and safe community.

Key strategies under this objective include:

- Develop resources to further support community organizations, neighbourhoods and volunteerism.
- Develop and implement services to ensure significant and active use of public and open spaces in Town.
- Continue to develop and implement strategies and partnerships to support diversity, seniors and youth.

In addition to the strong connection with the Town's Corporate Action Plan, there are a number of additional community benefits that have been detailed below:

Key Community Benefits

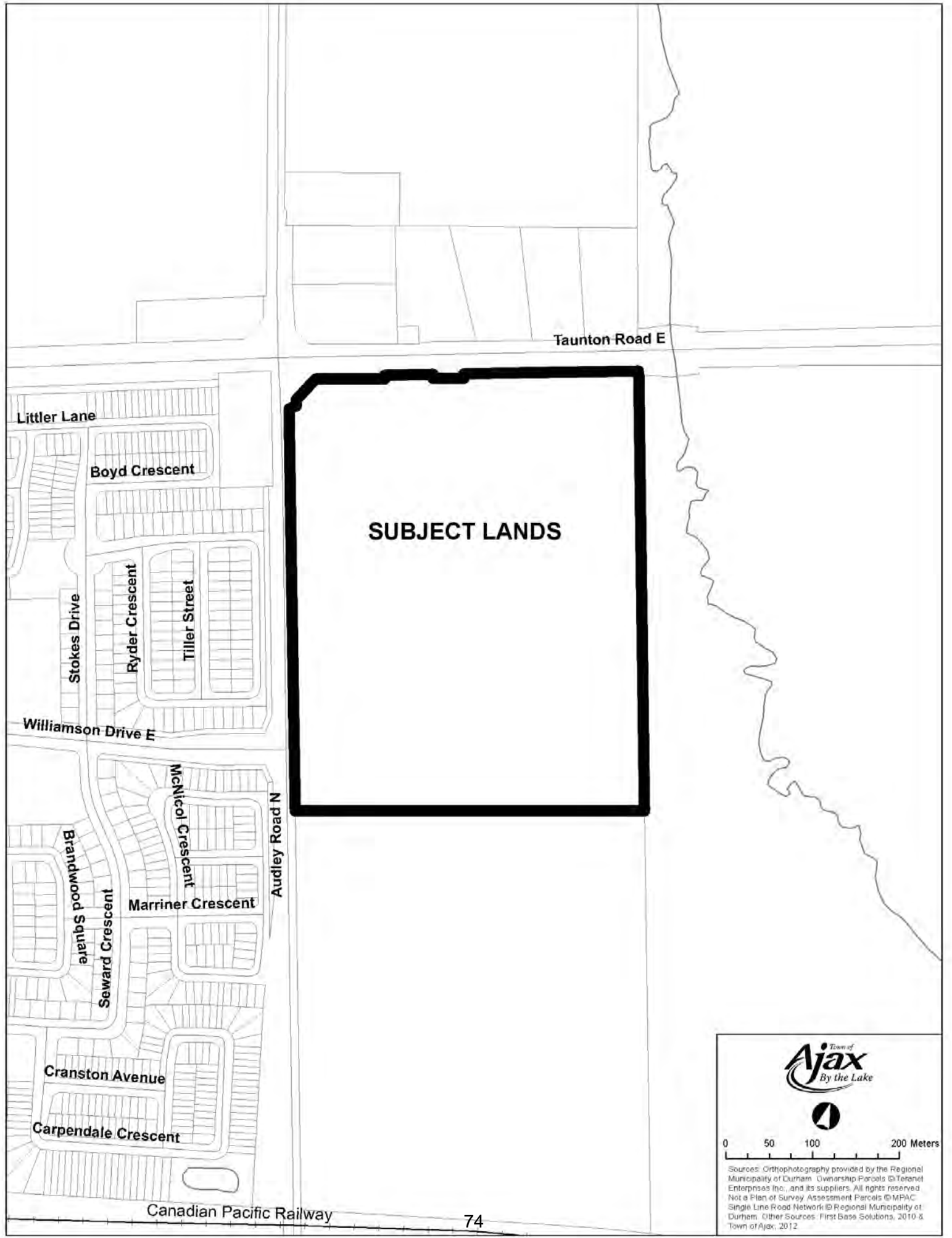
- Supports the Town's Business Development and Tourism Strategy with the specific emphasis being sports tourism;
- showcases the Town of Ajax on an international stage;
- elevates and enhances the quality of sports infrastructure in Ajax;
- serves as a catalyst to promote and hopefully 'grow' baseball and softball in Ajax;
- provides the Town with a multi-purpose venue that will benefit many community groups, including the Ajax Football Club;
- supports the Town's Recreation, Parks and Culture Master Plan by increasing the availability of hours for sports users based on enhancements being made to existing infrastructure

Project Description

The subject property is situated at the south-east corner of Audley Road and Taunton Road and comprises an area of approximately 20 hectares (50 acres). Immediately south are additional lands owned by the Town of Ajax that will be the home of the Audley Recreation Centre, scheduled to be open in February 2013.

The scheduled improvements to Sportsplex can be summarized as follows:

- the conversion of two (2) existing soccer fields to synthetic turf
 - the turf field will be used as a baseball facility during the Games
 - baseball infrastructure will be temporary and will be removed post games
 - post games, the synthetic turf field will be converted to two(2) soccer pitches
 - turf field will have the ability to serve multiple purposes, although it is envisioned that soccer will be the primary user
- addition of lighting infrastructure surrounding the synthetic turf field(s)



SUBJECT LANDS

Taunton Road E

Little Lane

Boyd Crescent

Stokes Drive

Ryder Crescent

Tiller Street

Williamson Drive E

Brandwood Square

Seward Crescent

McNicol Crescent

Marriner Crescent

Audley Road N

Cranston Avenue

Carpendale Crescent

Canadian Pacific Railway



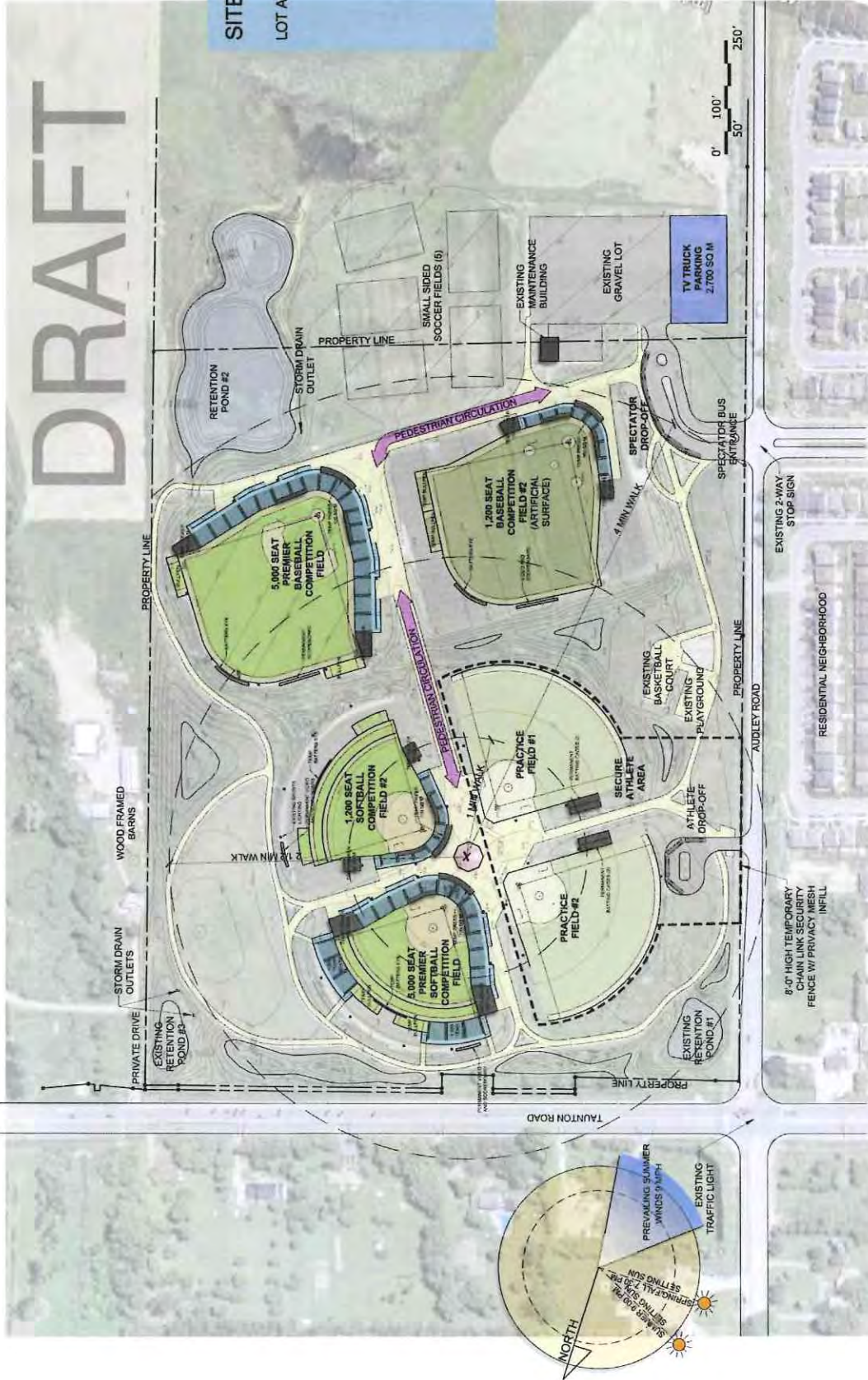
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Sources: Orthophotography provided by the Regional Municipality of Durham. Ownership Parcels © Terenet Enterprises Inc., and its suppliers. All rights reserved. Not a Plan of Survey. Assessment Parcels © MPAC. Single Line Road Network © Regional Municipality of Durham. Other Sources: First Base Solutions, 2010 & Town of Ajax, 2012.

DRAFT

SITE STATISTICS

LOT AREA: 198,700 SQ. M.



- enhancements to existing baseball and softball diamonds
 - re-grading and improved drainage
 - new sod and clay fields
 - above-ground dugouts
- additional infrastructure/equipment
 - electronic score boards
 - batting cages
 - synthetic turf maintenance equipment

Economic Impacts

As previously mentioned, baseball and softball are two (2) of the premier events associated with the Pan/Parapan Am Games. Each of these events will feature many of the top teams in the world. As a result, these events are expected to draw a significant number of visitors to Ajax for a sixteen (16) day period in July 2015. The following is an overview of participating countries and projected spectator attendance

Baseball	
Men's	Women's
Cuba (1)	USA (2)
USA (2)	Canada (4)
Canada (6)	Venezuela (5)
Venezuela (8)	Cuba (7)
Puerto Rico (9)	Puerto Rico (9)
Mexico (10)	
Dominican Republic (12)	
Total Athletes: 268 athletes	

Softball	
Men's	Women's
Canada (3)	USA (1)
USA (4)	Canada (3)
Venezuela (5)	Venezuela (5)
Argentina (7)	Cuba (9)
Puerto Rico (12)	Dominican Republic (13)
Mexico (14)	Argentina (14)
Total Athletes: 180 athletes	

() identifies countries world ranking

With respect to spectator attendance, the premier baseball and softball competition diamonds will each have seating capacity for 5,000 spectators, while the secondary baseball and softball competition diamonds will each have seating capacity for 1,000 spectators (total seating capacity = 12,000).

It is expected that there will be an estimated 80 games in total, with each day featuring afternoon and evening doubleheaders. Using a conservative estimate of the seats being at 50% capacity over the two week period, it is estimated that approximately 170,000 spectators will visit Ajax.

Business Plan for Synthetic Turf Field

In considering the options and legacy opportunities that the Pan/Parapan Am Games presents, staff identified the preferred option as being one that provides the greatest community benefit. This option includes the conversion of two existing soccer fields to artificial turf fields.

It is staff's intent to develop an Operating Business Model for the artificial turf field that will address a number of matters that would include, but not be limited to, the following:

- development of a field allocation policy;
- determination of applicable user fees;
- opportunities for naming rights and advertising opportunities;
- synthetic turf replacement reserve
- partnership opportunities

Staff will look to retain a consultant to develop this Business Plan beginning in the Fall of 2012. It is expected that staff will be in a position to provide Council with a recommendation in early 2013. Money has been allocated in the 2012 budget to complete this business planning exercise.

Legal Agreements

There are a series of legal agreements that the Town will be expected to execute with the Toronto Organizing Committee. These agreements include:

- Multi-Party Agreement
- Memorandum of Understanding
- Facility Agreement

a) Multi-Party Agreement

The Multi-Party Agreement (“MPA”) is between the Provincial and Federal Government, the City of Toronto, the Canadian Olympic Committee, the Canadian Paralympic Committee and the Ontario 2015 Pan Am Games Bid Corporation. This agreement was executed in November 2009 and all host municipalities are required to sign on to the agreement (via a Joinder Agreement). The Town of Ajax signed on to the MPA by executing a Joinder Agreement in December 2009.

b) Memorandum of Understanding

The Memorandum of Understanding (“MOU”) is a formal agreement between the Town and the Toronto Organizing Committee for the 2015 Pan/Parapan Am Games. The MOU establishes the obligations of each of the parties with respect to the construction of the baseball and softball infrastructure previously identified within this report.

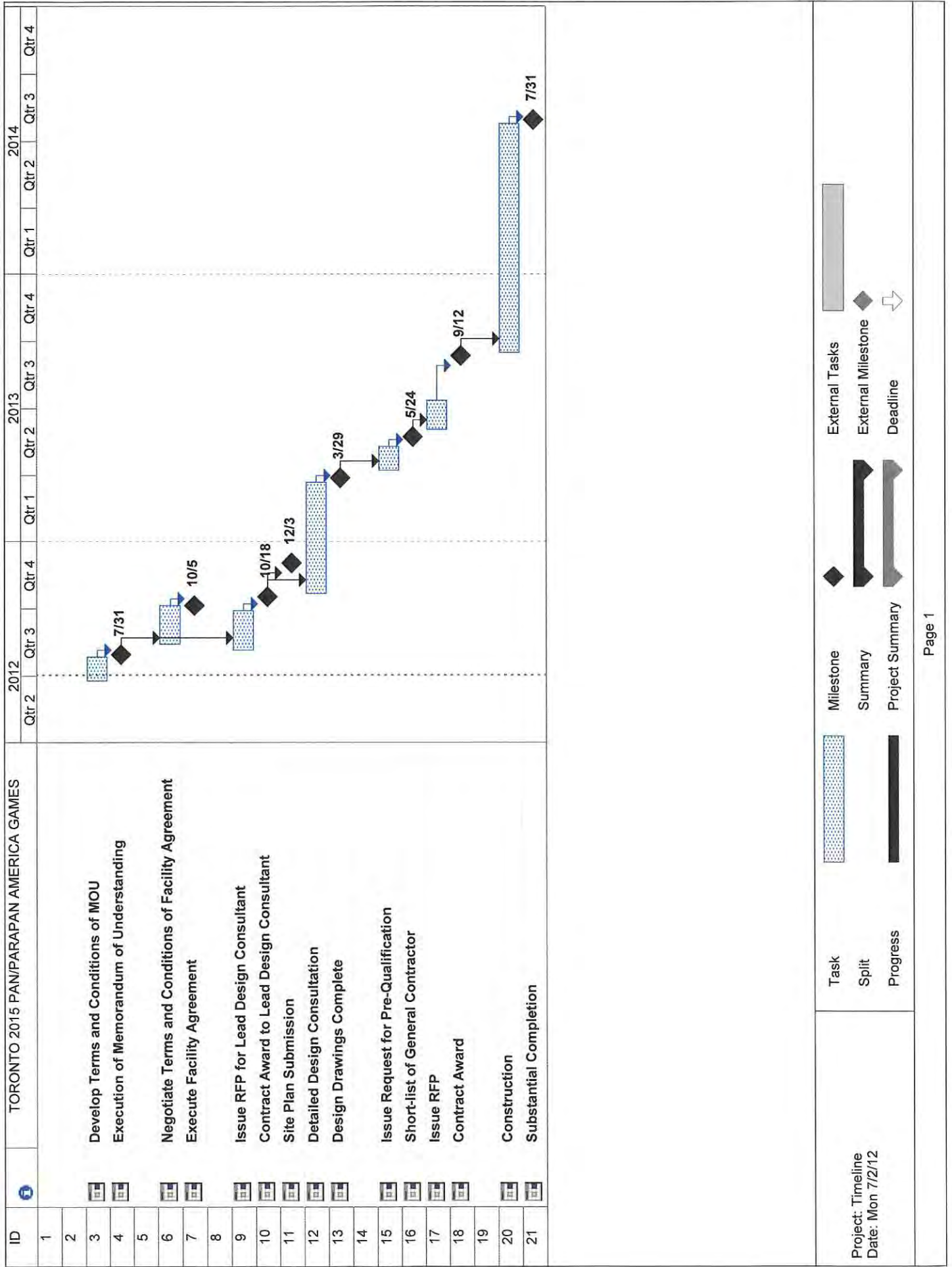
Staff have had an opportunity to review a draft of the MOU prepared by the Toronto Organizing Committee. A copy of this draft document has been attached to staff’s report. There are a number of issues that are in the process of being addressed prior to the MOU being executed by the Mayor and Clerk. The primary issues relate to the insertion of an agreed upon “cap” with respect to the Town’s financial contribution, details relating to the lead project management role, exclusive use periods, allowable costs, critical dates etc.

c) Facility Agreement

The MOU will be used as the framework to develop the Facility Agreement, which will more clearly define the responsibilities for each party. Specifically, the Facility Agreement will determine the roles, relationship, joint and separate responsibilities, authorizations and obligations of the parties with respect to: a) project delivery, b) Games use, and c) legacy considerations.

Project Timelines

Through discussions with the Toronto 2015 Organizing Committee, the ball diamond improvements need to be completed by August 2014 to allow for test events. Working back from this date, staff have developed a high-level project timeline and schedule (see attached). This schedule was conveyed to the sports users on Wednesday June 27, 2012. Recognizing that there will be down time, staff will work with the sportsfield user groups to make accommodations through these transitional periods.



Project: Timeline
Date: Mon 7/2/12

Volunteer and Business Opportunities

i) Volunteer Opportunities

Volunteers will be an important part of Toronto 2015's success. Preliminary plans call for as many as 20,000 volunteers.

While Toronto 2015 is not currently engaging in active recruitment until 2013, the first priority recruits will be seasoned leadership volunteers with extensive executive-level experience in sports management. All volunteer opportunities will be posted on Pan-Am's website.

Town staff will work with TO2015 to identify local opportunities for residents and business to become involved. One of the key objectives for TO2015 is to develop a world class volunteer program that engages numerous and diverse stakeholders, including:

- Youth volunteers
- Underserviced groups
- New Canadians
- Local municipalities
- Sports organizations
- Educational institutions
- Corporate partners and Boards of Trade
- Community organizations

One of the key elements of the TP2015 Volunteer Program is the establishment of a volunteer certification program that has been designed as a legacy lasting beyond the games. The formally recognized training and experience standards that will be instituted for the TO2015 Games will certify volunteers for future service in the sector.

ii) Business Opportunities

Opportunities for supplier involvement leading up to, and during the Games is an important consideration to the overall success of the Games. TO2015 is committed to an open, fair transparent supplier environment and will announce all competitive procurement requirements and current business opportunities through MERX, the website for Canadian private tenders.

Procurement opportunities greater than \$100,000, will undergo an open, competitive process that, in most cases, involves a pre-qualification phase followed by a request for proposal phase. The responsibility is on the supplier to look for the opportunity.

Supplier selections will be made based on the following:

- Total cost of ownership
- Ability to deliver the goods and services
- Quality
- Innovation in the supplier's solution
- Supply chain and employment diversity practices

FINANCIAL IMPLICATIONS:

The funding for the Town's capped contribution will come from Infrastructure Reserve (slots) and the Capital Projects Reserve. Based on the available reserve balances in the Current Long Range Capital Forecast, approximately \$2,400,000 will come from Infrastructure Reserve (slots) and the remaining \$1,560,000 from the Capital Project Reserve. No capital projects in the current Long Range Capital Forecast will be eliminated or reduced in scope due to proceeding with this project. The net impact is lower balances in two of the Town's reserves. It is important to note that both of these reserves are specifically designed to be used as a source of funding when these type of partnership opportunities arise. Both reserves have been used to fund a number of recent Federal/Provincial infrastructure programs.

COMMUNICATION ISSUES:

Staff have had an opportunity to meet with key user groups from both baseball and soccer and present the preferred staff option. Discussions have gone well, with overall support being provided by each of the groups. Further discussions will take place through the design development phase. In addition, discussions will take place with each of the groups to make accommodations during the construction phase, as well as during the 'exclusive use' period leading up to, during and after the Games (see attached Letters of Support).

CONCLUSION:

Hosting one of the premier sporting events for the 2015 Pan/Parapan America Games is a unique opportunity for the Town of Ajax. In considering a number of options, staff are recommending a venue that will provide community, sport and economic benefits to the Town of Ajax well beyond the Pan/Parapan Am Games. It is critical to ensure that the venue not only stages a world class sporting event during the Games, but also produces long standing benefits for Ajax residents and local sports user groups, while at the same time being developed in a manner that is affordable to the Town of Ajax.

ATTACHMENTS:

ATT-1: Letters of Support

ATT-2: Draft Memorandum of Understanding

Dave Meredith
Director of Operations and Environmental Services



Ajax FC

77 Centennial Road, Ajax, ON L1S 4S4
Phone: (905) 683-0740 Fax: (905) 683-7197
Website: www.ajaxfc.ca

Date: Wednesday June 27th, 2012

To whom it may Concern

Re: Town of Ajax – Letter of Support

This letter is to confirm that Ajax FC supports the Town of Ajax's bid in hosting the Toronto 2015 Pan Am Games Baseball and Softball event at Sportsplex Park, based on the conceptual layout and legacy items detailed in staff's presentation.

Furthermore, we also support the Town of Ajax building into the project two artificial turf fields at Sportsplex and will welcome the opportunity to partner with the Town in this project.

If you require any further information, please do not hesitate to contact me at the above number.

Yours in soccer,

Ken Burgess
President, Ajax FC



AJAX SPARTANS MINOR BASEBALL ASSOCIATION INC.

March 15, 2012

Letter of Support

That we support the Town of Ajax to proceed with the submission of an expression of interest to host the Toronto 2015 Pan Am Games Baseball and Softball Venue.

Ajax Minor Baseball Association

STEVE AVERY

Steve Avery – President

A handwritten signature in blue ink, appearing to read "Steve Avery", written over a horizontal line. The signature is stylized and cursive.

Signature



March 15, 2012

Letter of Support

That we support the Town of Ajax to proceed with the submission of an expression of interest to host the Toronto 2015 Pan Am Games Baseball and Softball Venue.

Ajax Women's Slo-Pitch Association

Sherry Noble – AWSA President

Print Full Name/Title of Authorized Representative

Signature

***AJAX SENIOR MEN'S
SLO-PITCH LEAGUE***

March 15, 2012

Town Of Ajax
Director of Recreation Services
65 Harwood Avenue, South
Ajax, Ontario
L1S 2H9

Re: The Toronto 2015 Pan Am Games Baseball and Softball Venue.

Dear Mr. Howie Dayton,


Please accept this as a **Letter of Support** from the Ajax Senior Men's Slo-Pitch league.

We support the Town of Ajax to proceed with the submission of an expression of interest to host the Toronto 2015 Pan Am Games Baseball and Softball Venue.

We wish the Town of Ajax the best of luck with this endeavor and would look forward to be of any future assistance that our league can provide.

Yours truly,

Ajax Senior Men's Slo-Pitch League


Jerry Tone
President - ASMSL

*Ajax Senior Men's Slo-Pitch League 55 Millstone Crescent, Whitby, Ontario L1R 1T4
Phone 905-430-8422 – Bus 905-887-9122*

Appendix A

ANNEX B

Municipal/University/Other Corporate Party Joinder Agreement

Reference is hereby made to the "2015 Pan and Parapan American Games Multiparty Agreement" ("Agreement") dated the 10th day of December, 2009 among Her Majesty the Queen in Right of Canada, as represented by the Minister of Canadian Heritage and Official Languages and the Minister of State (Sport), Her Majesty the Queen in Right of the Province of Ontario as represented by the Minister of Health Promotion, the City of Toronto, the Canadian Olympic Committee, the Canadian Paralympic Committee, and the Toronto 2015 Pan Am Games Bid Corporation ("BidCo") and the HostCo later by Joinder Agreement.

The Town of Ajax agrees that all the terms and conditions of the Agreement relating to the Town of Ajax, and the Town of Ajax rights, interests, obligations and liabilities provided for in the Agreement, shall be legally binding on the Town of Ajax as if it were a party to the Agreement, and, without limiting the generality of the foregoing, in particular the following provisions: 5.0, 12.0, 18.0, 19.0, 20.0, 22.0, 29.0, 30.0, 32.0, 33.0, the General Provisions and the following Annexes B and D and the Town of Ajax hereby agrees to adhere to all such terms and conditions and to *accept* the assignment and assumption of all such rights, interests, obligations and liabilities provided for in the Agreement.

For the purposes of section 44 of the Agreement, notices to the Town of Ajax shall be sent to:

**Howie Dayton, Director, Recreation & Culture c/o Town of Ajax 65 Harwood Ave. S.
Ajax, Ontario L1S 2H9 fax (905) 427-3629
email: howie.dayton@townofajax.com**

or such other address or addresses as the Town of Ajax may, from time to time, notify the other Notice Recipients in writing.

For the purposes of section 45 of the Agreement, amendments by the Parties will not automatically apply to those sections, provisions and annexes identified within the Joinder Agreement, but will require written agreement of the Town of Ajax.

IN WITNESS WHEREOF, in consideration of the sum of One Dollar and other valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Town of Ajax have caused this Joinder Agreement to be executed and delivered in its name and on their behalf as of the 10th day of December 2009.

THE TOWN OF AJAX

By:



Howie Dayton
Director, Recreation & Culture

July _____, 2012

THE CORPORATION OF THE TOWN OF AJAX

65 Hardwood Avenue South
Ajax, Ontario
L1S 2H9

Attention: *

Dear Sirs:

RE: Baseball-Softball Venue in Support of the 2015 Pan American and Parapan American Games

The purpose of this Letter Agreement is to set out the terms and conditions upon which the Ajax Sportsplex will be developed as the main venue for baseball and softball events to be held during the 2015 Pan American and Parapan American Games.

1. Background. Toronto Organizing Committee for the 2015 Pan American and Parapan American Games ("TO2015") has entered into a Multi-Party Agreement dated November 5, 2009 (the "MPA") pursuant to which TO2015 has accepted the mandate to organize and execute the 2015 Pan American and Parapan American Games (the "Games") in the summer of 2015. The Corporation of the Town of Ajax ("Ajax" or the "Town") has executed a Joinder Agreement dated December 10, 2009 pursuant to which Ajax has agreed to be bound by the terms and conditions of the MPA. The MPA sets out the responsibilities of the parties thereto for the Games and the legacy component of the Games (the "Legacy").

2. Description of Parties. TO2015 is a not-for-profit organization that has been granted the mandate to mount the Games as set out above.

Ajax is a municipal corporation located in Durham Region which owns the lands in red on Schedule A attached (the "Lands") containing approximately _____ acres.

TO2015 and Ajax are collectively referred to as "**Parties**". The Ajax Sportsplex is referred to herein as the "**Venue**".

3. Objectives of the Parties. The Parties have agreed that the Venue shall be the location of baseball and softball events to be held during the Games and, to that end, that the Venue will be renovated and improved and used in the manner set out herein (the "**Project**").

The Parties are each committed to ensuring that the Project is delivered on-time and on-budget while meeting the quality standards and technical field of play requirements to be established in the scope definition of the Project which shall include, among other issues, scope of the Project, functional programming, budget creation and specifications.

4. Conduct of the Parties. In respect of the performance of their roles and responsibilities under this Letter Agreement, each Party agrees that it will (a) act in a cooperative and collaborative manner in carrying out its respective roles with respect to the Project as necessary, so as to facilitate the effective and efficient delivery of the Project; (b) throughout the Project, keep the other Party informed with respect to the status of the Project, as necessary; (c) at all times, act in an open and transparent manner and in accordance with the best interests of the Project; and (d) endeavor to minimize sources of disagreement and take timely action before they become matters of dispute.

Notwithstanding the foregoing, the Parties acknowledge and agree that, if TO2015 determines that a particular course of action must be taken, or that a decision is required to be made in a certain way in order to meet TO2015's responsibility to deliver the Project in time for and in the manner required by the Games, then TO2015 may direct that a particular course of action be taken or decision be made and the other Party shall comply with such direction, to the extent reasonable, including, if considered necessary by Ajax, by amending other agreements and leases to which TO2015 may not be a party where such direction would affect such agreements.

5. Obligations of Ajax. Ajax agrees that it will perform the following obligations:

- (a) Oversee and manage the Project pre-development activities necessary to prepare the Venue for construction activities including but not limited to: (i) conducting necessary provincial and federal environmental assessments in accordance with applicable legislation; and (ii) securing and managing any necessary leases, restrictions, options agreements and land transfers as between Ajax and any other parties to ensure that the appropriate parties control the Venue and that Ajax has the requisite power and authority to enter into this Agreement and the Facility Agreement and to enforce same; (iii) any zoning or use amendments; (iv) demolition activities; and (v) servicing and enabling works;
- (b) the Town acknowledges and agrees that if remediation or related mitigation measures on the Lands are required either before or after occupancy of the Project facilities, the Town shall be responsible for any costs which are actually incurred and directly attributable to such additional remediation and related mitigation measures, including but not limited to financial losses arising from delays to construction and other schedule impacts and any requirement for additional building design measures and equipment requirements;
- (c) the Project Lands must be zoned and all applicable planning and municipal requirements shall have been complied with so as to permit the construction of the Project in accordance with the requirements set forth in the Facility Agreement;
- (d) lead in obtaining all applicable permits, licenses, agreements (including utility agreements) and approvals from federal, provincial, and municipal governmental and regulatory agencies (which permits, licenses, agreements and approvals will be outlined more specifically in the Facility Agreement);
- (e) lead in obtaining all applicable permits, licenses, agreements and approvals from federal, provincial, and municipal governmental and regulatory agencies which

are required to be obtained for the site plan approval, minor variances required and all required building permits for the Project (which permits, licenses, agreements and approvals will be outlined more specifically in the Facility Agreement);

- (f) In consultation with TO2015, develop a functional program for the Project to the level required for the Project procurement processes including meeting and incorporating all information and statutory requirements, working with Toronto 2015 to ensure that user and community input, as necessary, is reflected in the Project development and ensuring that the Project meets functional program requirements including all applicable international sport technical requirements, all of which will be incorporated into the design and build documents;
- (g) engage users and the community, as appropriate, to ensure that their input is reflected in the Project;
- (h) lead all procurement required for the Project through any required Request for Qualifications/Proposals ("RFP") processes, obtaining approval from Toronto 2015 prior to issuing any procurement documents and prior to contracting with consultants or contractors and involving Toronto 2015 as active members of the evaluation and selection process in all instances, including full participation in establishing the criteria for and approving the RFPs; All procurement shall be in accordance with approved open, fair and transparent contract competition procedures, in accordance with Ajax's purchasing policy (but in any event in a manner that is no less rigorous than the procurement processes used by TO2015) in a way that respects the diversity strategy of TO2015;
- (i) lead in developing or causing to be developed the drawings and specifications for the Project to the level required for the Project procurement processes based on the approved delivery model, including meeting and incorporating into the completed Project all information, statutory and functional programming requirements established by Ajax and Toronto 2015;
- (j) lead in developing or causing to be developed the drawings and specifications to support review and approval of the Venue by TO2015 and the international sports federations for baseball and softball;
- (k) provide all drawings to TO2015 in autocad format to support development of Games overlay;
- (l) keep Toronto 2015 informed, at regular project update meetings, with respect to the status of the procurement for the Project, and seek input from Toronto 2015 to ensure the effective and efficient delivery of the Project;
- (m) lead in the provision of project management activities during execution of the Project construction work;
- (n) provide the following reports and information to Toronto 2015: (a) monthly construction reports in a form and manner as further directed by Toronto 2015, in order to keep Toronto 2015 informed with respect to the status of the Project; and (b) financial information, records and documentation related to the Project

quarterly during construction in accordance with generally accepted accounting principles and in a manner that clearly distinguishes between "hard" and "soft" costs and the components thereof;

- (o) lead in the provision of day-to-day on-site contract management and administration, including change order management of the contractor and all consultants during construction of the Project facilities to facilitate an on-time and on-budget Project delivery, which includes contract management and administration with parties after substantial completion of the Project, but excludes contract management and administration for agreements with respect to work (including construction and demolition work) related to Project overlay for the Games;
- (p) employ best practices for the procurement of goods and services, project management, design and construction in order to support the efficient, effective delivery of the Project in a manner that will meet or exceed the requirements and expectations of TO2015;
- (q) be responsible for all insurance needs of the Project and the usual activities associated with the operation of the Venue and name TO2015 as an additional insured;
- (r) be solely responsible to TO2015 for Ajax's share of the Project Budget as set forth herein;
- (s) provide access to TO2015 and its designates who shall have full access and full disclosure rights during all phases of the Project;
- (t) enforce, on behalf of Ajax and Toronto 2015, the applicable provisions of the contract documents with consultants and contractors
- (u) provide TO2015 with access to the Lands upon reasonable prior written notice for any reasonable purpose;
- (v) enforce all Project warranties for the benefit of the Games;
- (w) enter into the Facility Agreement;
- (x) complete all of the foregoing with due dispatch and within the timelines established by TO2015 to ensure that the Venue is complete and ready in advance of the Games and in any event by no later than July 1, 2014.

6. Obligations of TO2015. TO2015 agrees that it will perform the following:

- (a) provide Games-related information on a timely basis to assist the Parties with the timely development of the Project;
- (b) provide timely approvals, subject to rights and obligations under the MPA, when and as required to allow the timely development of the Project;

- (c) contribute to and lead in causing the Town to develop a functional program for the Project to the level required for the Project procurement processes based on the approved delivery model, including meeting and incorporating all information and statutory requirements, ensuring that user and community input as necessary, is reflected in the Project development and ensuring that the Project meets functional program requirements including all applicable international sport technical requirements, all of which will be incorporated into the design and build documents;
- (d) participate as an active member of the evaluation processes in all instances for the necessary procurement processes required for the Project through any required RFP processes including establishing selection criteria, providing input to the RFP and approving procurement documents prior to issuance and approving the selection of the consultant or contractor prior to engagement;
- (e) participate in the development, review and approval of the design documents at designated intervals as they are being prepared for the Project to the level required for the Project procurement processes based on the approved delivery model, including meeting and incorporating all information, statutory and continuity of functional programming requirements;
- (f) subject to invoice approval and audit rights, contribute up to 56% of the Project Budget as set out in Paragraph 10 below;
- (g) upon receipt of the required drawings and information from Ajax, facilitate review and approval of the Venue by the international sports federations for baseball and softball;
- (h) lead in the development of Games overlay plans for the Project;
- (i) provide Games overlay and operational oversight consistent with the requirements of the Games;
- (j) lead in the development, negotiation and execution of the Facility Agreement with Ajax;
- (k) be responsible for any supplemental insurance needs at the test events and Games events hosted at the Venue which supplemental insurance shall be in addition to insurance placed by Ajax and will name Ajax as an additional insured.

7. Project Schedule. The Parties agree that time is of the essence for all aspects of the Project schedule and each Party shall use commercially reasonable measures to ensure that critical dates are met. To this end, the Parties acknowledge and agree that the Venue must be ready for pre-Games activities (including test events and training) by no later than July 1, 2014. Critical dates and milestones will be further defined in the Facility Agreement.

8. Project Budget. The Parties acknowledge that the actual costs of completing the Project have not yet been determined but that they are estimated to be in the order of \$XX.

TO2015, in consultation with Ajax, will prepare a budget for the Project (the "**Budget**") which will include an appropriate contingency for unanticipated circumstances or cost overruns.

9. Allowable Costs. Budget Allowable Costs and Excluded Costs shall be defined in the Facility Agreement and shall generally be determined as follows:

- (a) Allowable Costs will include:
 - (i) Hard construction costs including direct and indirect costs attributable to the construction of the Project;
 - (ii) On-site development costs as required by the site plan application process including, as applicable, costs related to archeological assessment, , storm water management report, traffic impact study, soil stability and geotechnical report, lighting study, Federal Environmental Assessment and hydro-geological study;.
 - (iii) TO2015 soft costs including TO2015 advisor costs, and TO2015 Project management fees..

- (b) Excluded Costs will include:
 - (i) Offsite enabling works, if required;
 - (ii) Ajax administrative and other soft costs
 - (iii) Costs for which Ajax is solely responsible for in accordance with the terms of this Agreement
 - (iii) Costs of remediation, if any;
 - (iv) Costs to the Project that result from increases in scope which are requested and approved by Ajax including as a result of enhancements to the functional program; and
 - (v) HST.

All costs associated with environmental assessment and remediation of the Project shall be the sole responsibility of Ajax. However, TO2015 agrees that the initial costs associated with an environmental assessment consultation shall be included in the Budget. Remediation costs arising from prior use of the Venue shall be paid by Ajax. Soft costs of Ajax, including the costs associated with pre-development studies, shall not be included in the Budget and shall be for the sole account of Ajax.

10. Project Funding.

- (a) Subject to the provisions of paragraph (b) and (c) below, Ajax shall be responsible for the payment of all capital costs associated with the Budget plus HST.
- (b) The Town's capital contribution to the Project shall be capped at 44% of the total costs associated with the Budget to a maximum of \$_____
- (c) In accordance with the MPA, TO2015 (on behalf of the Federal Government) will

contribute 56% towards the total costs associated with the Budget (excluding HST) to a maximum of \$_____.

- (d) TO2015 will not contribute to Excluded Costs.
- (e) Ajax will be responsible for all HST payable in connection with the Budget.
- (f) Hard costs and soft costs will be invoiced by Ajax to TO2015 on a monthly basis.
- (g) The Budget and all invoices issued thereunder shall be subject to audit rights by TO2015.

11. Budget management.

The Parties agree that:

- (a) it is the obligation of each Party to ensure that the expenditures will not exceed the amounts estimated and shown in the Budget;
- (b) each Party will monitor its expenditures diligently and will provide timely notice to the other Party of any potential over-runs;
- (c) each Party will ensure that appropriate contingencies are incorporated into the Budget so as to provide funds in the event of any expenditure over-runs.
- (d) In the event that the costs associated with the proposals received from proponents under the RFP are in excess of the approved Project budget, the Parties agree to explore value engineering, mutually agreed upon scope reductions and other cost mitigations strategies so as to bring the Project within the capped amount described in Section 10.

12. Signage during construction and Games. Ajax agrees that from the date of execution of this Agreement to and during the Games period, TO2015 reserves the right to:

- (a) Designate the name for the Venue;
- (b) Erect signage for the Venue including without limitation signage on construction hoarding;
- (c) Associate any trademarks or branding with the Venue including;
- (d) Install any TO2015 or Games signage at the Venue.

Any of the foregoing rights may be sublicensed to any sponsor of TO2015 or the Games and Ajax will not enter into nor permit anyone else to enter into any agreement or commitment with any party that conflicts with such sponsors rights or interferes with or derogates from TO2015's rights hereunder. No later than July 1, 2015, the Venue shall be "clean" from a signage and sponsorship perspective.

13. Disclosure under FIPPA. TO2015 may be required to disclose this Letter Agreement under the Freedom of Information and Protection of Privacy Act ("FIPPA") or, alternatively, may choose to make voluntary disclosure by way of posting on its website. Ajax expressly agrees to such disclosure.

14. Publicity. Any publicity or publications related to this Letter Agreement shall be at the sole discretion of TO2015. TO2015 may, in its sole discretion, acknowledge the relationship with Ajax. Ajax shall not make use of its association with TO2015 without the prior written consent of TO2015. Without limiting the generality of this paragraph, Ajax shall not, among other things, at any time, directly or indirectly, communicate with the media in relation to this Letter Agreement unless it has first obtained the express written authorization to do so by TO2015.

15. No association with Games. Nothing contained in this Letter Agreement shall be deemed to confer on Ajax the right to associate with TO2015 or the Games in any way without the consent, in writing, of TO2015. Without limiting the generality of the foregoing, Ajax shall not have the right to: advertise or promote itself as an official supplier to TO2015 or the Games; claim any official affiliation with TO2015 or the Games; use any official marks, symbols or nomenclature of TO2015 or the Games. Ajax further agrees that none of its sponsors shall have any right to associate with the Games or to supply the Games and that any association of TO2015 with Ajax or any of its sponsors shall be in the sole discretion of TO2015.

16. Facility Agreement. The Parties agree that, upon execution of this Letter Agreement, they will work toward execution of a more comprehensive facility agreement (the "**Facility Agreement**") for the Venue that will outline, in more particularity, the obligations of the Parties with respect to construction, Project Budget, Games overlay, operation during the Games, and post-Games period consistent with the provisions herein.

Without limiting the generality of the foregoing or the other matters dealt with in this Letter Agreement, the Parties acknowledge that the Facility Agreement will address the following non-exhaustive list of items:

- The official language requirements established by the MPA (French & English) and by the Pan Am Sport Organization (Spanish);
- Financial penalties associated with the late delivery of the Project to TO2015;
- Participation of all Parties in a Venue Works Committee to monitor the Project;
- Operation and maintenance of the Venue by Ajax in the period between substantial completion of the Project and Games time;
- Use of the Venue for training events in the period between substantial completion of the Project and Games time;
- Exclusive use of the Venue for test events in the period between substantial completion of the Project and Games time;
- Pre-Games inspections and planning activities
- Exclusive use of the Venue for Games overlay and Games, currently expected to be the period from June 10 to August 15, 2015, with an additional period of non-exclusive use to be determined;
- The provision of sufficient utilities and services for Games use;
- Staffing during Games time, union cooperation and volunteer participation;
- Exclusive broadcast rights during Games time;
- Security, accreditation and controlled access to Venue;
- Exclusive control by TO2015 of advertising, marketing, sponsorships, retail, food and beverage, supply contracts, concessions, ticketing, furniture and equipment during Games time;
- Legacy use including access for community use and high performance sport.

17. Representations and Warranties by Ajax. Ajax covenants, represents and warrants to TO2015 that it has the exclusive right and ability to enter into this Letter Agreement and Facility Agreement with TO2015 and to perform its obligations hereunder and that such performance will not constitute a breach of any other agreement to which Ajax is a party. Ajax further covenants that it will fully enforce the provisions of this Letter Agreement and the Facility Agreement against all other parties who may have an interest in the Venue by virtue of

agreements entered into with Ajax.

18. Key Project Management Positions and Contact Information

Each Party acknowledges and agrees that timely access to the other Party's key decision-makers is required in order to facilitate the successful implementation of the Project.

Each Party will assign individuals to certain key positions as follows:

- (a) Toronto 2015 will assign a lead executive (the "**Toronto 2015 Executive Lead**"), a Director responsible for the Project (the "**Toronto 2015 Director**") and a Project Manager (the "**Toronto 2015 Project Manager**") who together will have authority (as among Toronto 2015 and the Town) to speak for Toronto 2015 in respect of matters arising from or related to the Project and this Agreement and who will be responsible for the development and implementation of the Project in accordance with the staging of the Project set out in Agreement, each of whom are set out below;

Toronto 2015 Executive Lead: Murray Noble

Toronto 2015 Director: Jason Fellen

Toronto 2015 PM: Sarah Martin

- (b) the Town will assign a Director responsible for the Project (the "**Town Director**") and a Project Manager (the "**Town PM**") who will have authority (as among Toronto 2015 and the Town) to speak for the Town, as applicable, in respect of matters arising from or related to the Project and this Agreement and who will be responsible for the development and implementation of the Project in accordance with the staging of the Project as set out in this Agreement, each of whom are set out below;

Town Director: Dave Meredith

Town Project Manager: Catherine Bridgeman

- (c) the Parties will facilitate regular communication between each Party's senior management team working on the Project;
- (d) each of the Parties will assign key staff as that Parties' project team (the "**PMT**"), to be described more fully in the Facility Agreement. Each Party shall ensure that all members of the PMT are appropriately qualified to enable that Party to fulfill its obligations under this Agreement, the Facility Agreement and other contract documents; and
- (f) except as provided in the Facility Agreement, each Party shall endeavour to ensure that members of the PMT are not replaced prior to the expiry of this Agreement.

19. Escalation of Decision-Making

If any disagreement arises between the Parties with respect to any issue or matter in connection with the Project or this Agreement (a "Dispute"), any Party may require that the following procedure be followed to the extent necessary to resolve the Dispute:

- (a) the representatives of the Parties working on the Project will attempt to resolve any Dispute informally by meeting as often, for a duration and as promptly as those individuals deem necessary to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;
- (b) if the representatives of the Parties are unable to resolve any Dispute through informal discussions or negotiations and a Party wishes to escalate the decision-making in respect of such Dispute pursuant to the terms of this section, then such Party may refer the Dispute to the Toronto 2015 Executive Lead and the Town CAO who will attempt to resolve the Dispute through discussion and good faith negotiation;
- (c) in the event that a Dispute arises that does not affect or impact all of the Parties to this MOU, the affected Parties agree to keep the unaffected Parties informed of all matters related to the Dispute on a timely and regular basis from such time as the Dispute first arises until the Dispute is resolved; and
- (d) the Facility Agreement will include a formal arbitration mechanism in the event that a Dispute cannot be resolved pursuant to the foregoing procedures.

20. Notices: Any notices or written consents or approvals to be provided by the Parties under this MOU shall be provided to the following individuals at the following addresses:

If to Toronto 2015:

Murray Noble
Senior Vice-President Infrastructure
Toronto 2015 Pan/Parapan American Games
Corus Quay
25 Dockside Drive, 7th floor
Toronto, Ontario M5A 0B5
416-957-2010
murray.noble@toronto2015.org

If to the Town of Ajax:

[Insert Contact and Address]

This Letter Agreement shall remain in full force and effect until the earlier of (a) execution of the Facility Agreement; (b) completion of the Games.

If the foregoing is acceptable to you, please so indicate by signing below and returning a fully signed copy to the undersigned at TO2015.

We look forward to working with you to achieve successful Games.

Yours truly,

TORONTO ORGANIZING COMMITTEE FOR THE 2015 PAN AMERICAN AND PARAPAN AMERICAN GAMES

Murray Noble
Senior Vice President, Infrastructure

Agreed to and accepted this ____ day of July, 2012

THE CORPORATION OF THE TOWN OF AJAX

Per: _____

Name:
Title:

Per: _____

Name:
Title:

I have authority to bind the corporation.

**TOWN OF AJAX
REPORT**



REPORT TO: General Government Committee

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

SUBJECT: **Financial Sustainability Plan – Project Scope**

WARD(S): All

DATE OF MEETING: July 5, 2012

REFERENCE:

RECOMMENDATION:

1. **That the report titled, Financial Sustainability Plan – Project Scope, be received for information.**
2. **That Council endorse the project scope for the development of the Financial Sustainability Plan.**
3. **That a report on the draft recommendations for the Financial Sustainability Plan be presented to General Government Committee in March/April 2013.**

BACKGROUND:

As detailed in ATT-1, the Town's existing strategic financial plan is informal in nature and consists of a combination of policies, by-laws, resolutions and practices that have been developed over a number of years. Many of the critical elements of the plan have been implemented within the last 10-15 years.

Long term strategic financial planning and management has benefited the Town's residents and businesses in a number of ways, including:

- 1) *Significantly Lower Tax Rate Increases*
 - from 2004 through 2012, Ajax's average annual tax increase was the lowest of all eight municipalities in Durham Region
 - Ajax's average increase was 20% lower than the average increase of the eight area municipalities
- 2) *Improved Short and Long Term Financial Strength & Stability*
 - mainly from the creation of discretionary reserves/reserve funds and low debt levels

BACKGROUND: (cont'd)3) *Advancement of Key Capital Projects*

- includes Audley Recreation Centre Phase 1, Employment Land Servicing, Fairall St./ Station St. realignment, Commercial Ave. extension, Outdoor Pool redevelopment and the St. Francis Centre

4) *Effectively & Efficiently Meeting The Demands of Growth*

- primarily through the construction of new municipal facilities and roads, and the delivery of services to new residents and businesses, with no elimination of services or reductions in service levels

5) *Lower Long Term Debt Issued*

- from 2008 through 2013, long term borrowing will have been reduced by \$14.6 million, avoiding interest charges and eliminating tax rate increases that would otherwise be required to cover the debt payments

6) *Leveraged Federal/Provincial Infrastructure Funding*

- from 2009 to 2011, completed five significant projects totaling approximately \$15.6 million, with \$8.1 million of the costs provided by the Federal and Provincial governments

7) *Increased Infrastructure Maintenance*

- through a variety of means, including effective use of the Slots, Veridian and Federal Gas Tax revenues, the budget funding allocated to maintaining existing roads, trails, buildings, parks, streetlights, etc. has steadily increased in recent years

The existing informal strategic financial plan has served the Town well. However, there are a number of reasons why a comprehensive review should be undertaken and a formal Financial Sustainability Plan developed and approved by Council:

- To align with strategies identified in the 2011-2014 Community Action Plan; specifically to "Ensure tax rates remain reasonable and competitive" and to "Rebuild and further strengthen financial reserves"
- A comprehensive review will build upon the Town's current long range financial planning, by recommending solutions to known gaps/issues, as well as introducing new policies based on best practices within the municipal sector
- A formal, Council approved financial plan will guide the decision making of both current and future Councils
- To ensure long term financial sustainability as the Town approaches greenfield and intensification buildout

DISCUSSION:

The Town's current practices in the area of budget management and short/long range forecasting already represent municipal best practices. As a result, they are not included within the scope of this project. The Capital Expenditure Control Policy, Four Year General Levy Forecast, Four Year Long Range Capital Forecast and the annual Operating Budget Forecast will remain as key operational and financial planning tools.

DISCUSSION: (cont'd)

The three main areas of review that form the scope of this project are:

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

While all aspects in these three critical areas will be reviewed, two core principles within the current strategic financial plan, which must be the foundation of sustainable financial planning, will not be changed. They are:

- 1) 100% of operating budget surplus will continue to be allocated to reserves
- 2) Veridian (100%) and Slots (96%) revenues will continue to be allocated to reserves

This section of the report contains the following seven discussion areas:

Discussion Area	Page #'s
A) External Issues/Pressures	3
B) Future Capital Budget Tax Rate Pressures	4
C) Future Operating Budget Tax Rate Pressures	4-5
D) Discretionary Reserves & Reserve Funds	5-7
E) Capital Project Funding	7-8
F) Long Term Debt	8-9
G) Project Approach/Timing	10

A) External Issues/Pressures

The following three external issues and pressures will have an impact on the development of the plan, in particular the first two items that are under Provincial control.

1) Provincial/OLG Changes to the Gaming Industry

- pending changes, which include a new revenue sharing model for municipalities, a GTA area casino, creation of gaming zones and the elimination of revenue sharing with the horse racing industry, have created a degree of uncertainty with respect to the Town's share of the Ajax Downs slots revenues

2) Provincial Review of Electricity Sector

- scope of Provincial review includes Local Distribution Companies (LDC's) such as Veridian, with the range of issues for LDC's to include savings from consolidations, benefits for ratepayers and potential risks
- Town's 32.1% ownership in Veridian is valued at \$52.9 million and generates \$2.6 million in annual revenue for the Town

3) Continuing Low Interest Rates

- a positive outcome is lower costs for long term debt, which saves interest charges and lowers annual payments which are funded by the General Levy
- however, on the investment side, reduced interest income has a direct negative impact on the General Levy
- also results in slower growth in the reserves/reserve funds that accumulate interest

DISCUSSION: (cont'd)**B) Future Capital Budget Tax Rate Pressures****1) Existing Fund Gap – Current Master Plans, Studies, Strategies, EA's**

- as detailed in ATT-2, there are currently 51 of these documents in existence
- the majority of the documents recommend additional capital spending, most of which cannot be accommodated with the amount of capital funding available, both short and long term

2) Non-Building Infrastructure & Equipment - Major Maintenance/Replacement Costs

- funding requirements continue to increase as existing infrastructure and equipment ages, new infrastructure is constructed and subdivisions are assumed from developers

3) Existing/New Facilities – Major Maintenance/Rehabilitation

- within the last 5-6 years, the Town has built five new major facilities and completed major renovations at two other facilities; all of these facilities will require major expenditures in the coming years
- in addition, existing facilities built in the 1990's and early 2000's are now reaching the stage where major maintenance/rehabilitation is required

4) Long Term Debt

- will likely be required for future phases of Audley Recreation Centre

5) Legislative & Regulatory Requirements

- imposed by all levels of senior government and includes such things as playground safety requirements, Fire bunker gear and SCBA equipment replacement schedules and AODA building accessibility requirements

6) Land Acquisitions

- includes key waterfront properties as well as other strategic property acquisitions
- no sustainable funding source, as developer parkland payments are declining and the proceeds from all land disposals are being directed to the CIP Development Improvement Reserve, to be used for the redevelopment of the Ajax Plaza

C) Future Operating Budget Tax Rate Pressures**1) Existing Fund Gap – Current Master Plans, Studies, Strategies, EA's**

- these documents also identify operating budget funding needs, in addition to the capital requirements noted above in "Future Capital Budget Tax Rate Pressures"

2) Managing Growth

- residential and non-residential growth should remain steady prior to buildout and existing services must be maintained and provided to new residents and businesses

3) Declining Development Fees

- intensification will still generate planning & engineering revenues, but far less than currently being generated under greenfield development
- in addition, intensification will occur within Community Improvement Areas, where fees are exempt or significantly reduced

DISCUSSION: (cont'd)

DISCUSSION: (cont'd)C) Future Operating Budget Tax Rate Pressures (cont'd)4) *Lower Assessment Growth*

- should remain consistent approaching greenfield buildout, drastically drop off under intensification, then virtually disappear post buildout
- additional taxation revenue from assessment growth provides needed funds for maintaining services levels, but also plays a strong role in directly minimizing tax rate increases and providing long term financial stability

5) *Two Year Freeze on New Full Time Staff Positions*

- excluding the staff required for the Audley Recreation Centre, no full time staff have been added in any department in 2011 and 2012
- there is now a backlogged need for staff, as well as additional demand created by the Town's continuing growth

6) *Legislative & Regulatory Requirements*

- mainly imposed by the Province, with one of the most significant items being the Minimum Maintenance Standards prescribed in the *Municipal Act, 2001*

7) *Elimination of Building Approvals Reserve*

- imposed by the Province, surpluses from building permit revenues must be transferred to this reserve; on the positive side, funds can be withdrawn from the reserve to offset the impact of lower building permit revenues
- while it likely won't happen until the Town gets closer to full buildout (estimated 2031), this reserve will eventually be reduced to \$0

D) Discretionary Reserves & Reserve Funds1) *Overview*

Discretionary reserves and reserve funds are monies set aside by Council for specific purposes, and their funding sources and use is determined solely by Council. Reserves are generally established by resolution while reserve funds are created by by-law. These discretionary funds differ from Obligatory or Statutory reserves/reserve funds (e.g. Development Charges Reserve Fund), whose collection and use is dictated by legislation or regulation.

Discretionary reserves and reserve funds are usually categorized into two types, Capital and Tax Rate/Financial Management. The Town's current discretionary funds are summarized below, with details provided in ATT-3 Capital, ATT-4 Tax Rate/Financial Management and two charts in ATT-5.

Type	Total Reserves	Total Reserve Funds	Dec. 31, 2011 Uncommitted Balance
Capital	11	1	\$40,476,300
Tax Rate/Financial Management	4	0	3,619,600
Total	15	1	\$44,095,900

DISCUSSION: (cont'd)**D) Discretionary Reserves & Reserve Funds (cont'd)*****2) Discussion on Specific Reserves/Reserve Funds***

While all existing discretionary reserves and reserve funds will be reviewed as part of the project, some existing reserves/reserve funds merit additional discussion.

Vehicle/Equipment Replacement Reserve Fund

- the 0% tax rate increases of the mid to late 1990's were largely achieved by drastic reductions in the budget allocations to discretionary reserves/reserve funds
- the hardest hit by those budget reductions was this reserve fund
- without immediate financial action, the impact of the cuts made well over a decade ago, combined with continuing low interest rates, will see this reserve fund fully depleted by 2017

Capital Projects Reserve

- the original and by far still the largest capital reserve
- current flexibility in the use of the reserve has been both an advantage and disadvantage, at budget time and during the year
- the feasibility of "splitting up" the reserve and creating new asset specific reserves will be an important part of the review

Post Buildout Capital Reserve

- use of the reserve was purposely left open ended when it was created in 2005; the by-law includes a restriction that prohibits use of this reserve until 2021
- the review will look at the following options:
 - eliminate the reserve and transfer the funds to other asset specific reserves
 - maintain the reserve and define its allowable uses, timing, funding, etc.
 - maintain the reserve and leave unchanged until closer to buildout

Infrastructure Reserve (Slots)

- one of two reserves created from the slots revenues, this reserve has taken the lead role in the capital budget/long range capital forecast for the funding of roads, trails and economic development infrastructure projects
- however, the reserve is currently funding both the development of new infrastructure and the maintenance of existing infrastructure; this is an inherent conflict as a reserve generally funds one of the requirements, not both

Tax Rate Stabilization Reserve & Working Funds Reserve

- both reserves can be used to mitigate tax rate increases caused by external factors
- Tax Rate Stabilization is used only at budget time, while Working Funds is only used during the year, if required
- among other things, the review will determine if a single reserve is sufficient for these purposes

DISCUSSION: (cont'd)

D) Discretionary Reserves & Reserve Funds (cont'd)

3) Other Review Areas

There are a number of policy matters that will be investigated during the review, including:

- which reserves/reserve funds to receive funding from Veridian, Slots and Operating Budget Surplus
- recommended uses of the Feed-In-Tariff (FIT) revenues (est. \$75,000 per year)
- practice of allocating interest to reserves
- use of assessment growth, including the % allocated to reserves/reserve funds
- resolutions and/or by-laws for establishing and managing reserves
- creation of new reserves/reserve funds; e.g. capital asset specific, stabilization for operating budget activities that fluctuate widely from year to year relative to budget (e.g. winter control, tax adjustments)
- new policies; e.g. allocation of one time revenues to reserves/reserve funds

4) Core Philosophies

While all options and opportunities will be investigated, there are some core philosophies that will guide the recommendations in this area:

- a) new specific reserves/reserve funds may be needed, but not so many that the funds are spread too thinly for their use to be an effective financial planning tool
- b) structure must provide the flexibility to participate in special infrastructure programs, as well as other opportunities, that usually require action on very short notice
- c) individual reserves/reserve funds should have a realistic objective target balance; e.g. % of insured value of buildings, % of annual operating revenues, total insurance premiums, etc.
- d) revenue sources must be sustainable to not only grow the reserve/reserve fund, but to replenish and rebuild the reserve after use
- e) general levy budget allocations to reserves/reserve funds should be increased; currently there is an over reliance on Veridian, Slots and Operating Budget Surplus
- f) must have objective, comparable measures of overall strength of reserves/reserve funds; e.g. Reserves as a % of Taxation, Reserves as a % Own Source Revenues, etc.

E) Capital Project Funding

1) Overview

The Town's well established, current methodology for the funding of capital projects is detailed in ATT-6. Developed over a number of years, the current funding approach ensures consistent, effective capital budgeting and long range capital forecasting, while still providing the flexibility required to deal with emerging issues and opportunities.

DISCUSSION: (cont'd)**E) Capital Project Funding (cont'd)****2) Review Areas**

There are three areas in capital project funding that require review:

a) Pressures On General Levy Funded Capital

- while the primary use is for infrastructure (non building) maintenance, four types of distinct capital projects compete for the limited funding that is available each year:
 - Infrastructure Maintenance – e.g. roads, trails, streetlights, parks, sportsfields
 - Infrastructure New – e.g. sustainable forest cover, splashpads
 - Non Infrastructure – e.g. traffic calming, studies, customer polling, etc.
 - Misc. Equipment – new (e.g. beachcomber) and replacement (e.g. SCBA)

b) Computer Hardware and Software Licensing

- the current funding for these expenditures is from the Capital Projects Reserve, which is inconsistent with the general philosophy of the current capital funding methodology
- funding for these projects should come from the General Levy

c) Major Infrastructure Maintenance – Capital Budget vs. Operating Budget

- some major maintenance is included in the capital budget (e.g. trails, bridges, guiderails), while others such as sidewalks, curb & gutter are included in the operating budget

F) Long Term Debt**1) Overview**

Long term debt includes externally issued debentures, as well as internal borrowing from the Town's reserves. Debt is further classified by the source that provides the funding for the annual debt payments, the General Levy and Other (e.g. Development Charges, User Surcharges). ATT-7 details the Town's outstanding long term debt as at December 31, 2011, while ATT-8 forecasts the total outstanding debt and the annual debt payments for 2011 to 2016 based on the current Long Range Capital Forecast.

2) Annual Repayment Limit (ARL)

The ARL is a Provincial calculation that limits the amount of debt a municipality can issue without requiring approval from the OMB. Under the ARL, annual debt payments cannot exceed 25% of Net Revenues. For the following reasons, the ARL is generally considered an administrative calculation, not a benchmark for effectively managing long term debt.

- debt payments anywhere near 25% of net revenues are not financially sustainable
- internal long term debt is not included in the calculation
- calculation results are skewed by onetime events that do not occur annually, such as Development Charge Front Ending payments and Balloon Payments on debentures that are refinanced

DISCUSSION: (cont'd)**F) Long Term Debt (cont'd)****2) Annual Repayment Limit (ARL) (cont'd)**

The following charts summarize the Town's ARL for 2013 (based on 2011 financial statements), as well as the Town's current debt position for both internal and external debt. The ARL numbers have been adjusted to eliminate the impact of a Development Charge Front Ending payment that was made in 2011.

2013 Town ARL – Annual Debt Payments	
Debt Limit – 25% of Net Revenue	\$19,293,800
Less: Current Annual Debt Payments	1,394,600
Debt Capacity Based on ARL	\$17,899,209

Dec. 31, 2011 Debt Levels as % of Net Revenues		
Payment Funding Source	External Only	External & Internal
General Levy	1.6%	1.8%
Other	0.2%	1.0%
Total	1.8%	2.8%

Note: The estimated annual debt payments for Audley Recreation Centre Phase 1 will add approximately 1.4% to the debt levels.

A key outcome of the long term debt review will be to establish a specific debt limit for the Town. The recommended limit will be well below 25% and will likely include both internal and external debt.

3) Other Review Areas

The Town's existing practices for the use and management of long term debt will be reviewed, and where necessary revised, in the development of formal debt policies. The review areas include:

- uses for which long term debt can and can't be issued
- length of debenture terms
- maximum amount of long term debt that can be issued on a single project
- temporary borrowing pending the issuance of the debt
- use of internal vs. external debt
- other debt management measures beyond the ARL
- use of the budget room/capacity created when debt is paid off or otherwise retired

DISCUSSION: (cont'd)**G) Project Approach/Timing**

The vast majority of the work in developing the Financial Sustainability Plan, including all research, analysis and the development of recommendations will be completed by Town staff. Staff's work will be supplemented with the use of external expertise in the areas of best practices, benchmarking, etc.

The project timing is structured so that the approved Financial Sustainability Plan will be used to inform the 2014-2017 General Levy Forecast, 2014 Operating and Capital Budgets and the 2015-2018 Long Range Capital Forecast.

Date/Time Period	Activity
July 2012	Council approval of project scope
July 2012 to March 2013	Research, analysis, draft recommendations
March/April 2013	Draft recommendations to GGC
April to June 2013	- Input from business community and public - Adjustments based on Council input
June 2013	Plan approved by Council

FINANCIAL IMPLICATIONS:

The 2012 budget includes \$5,000 for external expertise and advice in the areas of benchmarking, best practices, etc. It is anticipated that a similar amount may be required in 2013.

COMMUNICATION ISSUES:

Information on the development of the Financial Sustainability Plan will be communicated in a variety of ways including press releases, Ajax Today articles and through the Town's website. Once the draft recommendations have been presented to Council, comments on the recommendations will be requested from the general public, as well as directly from the business community through the Ajax-Pickering Board of Trade and both Business Improvement Areas.

CONCLUSION:

Council's endorsement of the project scope will allow staff to begin the comprehensive work required to develop the draft recommendations for the Financial Sustainability Plan.

ATTACHMENTS:

- ATT-1: Existing Strategic Financial Plan – Overview
- ATT-2: Consolidated List of Master Plans, Studies, Strategies, EA's
- ATT-3: Existing Discretionary Reserves & Reserve Funds - Capital
- ATT-4: Existing Discretionary Reserves & Reserve Funds – Tax Rate/Financial Management
- ATT-5: Existing Discretionary Reserves & Reserve Funds – By Type
- ATT-6: Current Funding of Capital Projects – By Major Category
- ATT-7: Existing Long Term Debt
- ATT-8: General Levy Debt – 2011 to 2016

Rob Ford, CMA, AMCT
Director of Finance/Treasurer

ATT- 1: Existing Strategic Financial Plan - Overview

Background

The Town's Strategic Financial Plan consists of formal Council policy decisions as well as practices approved by Council through the budget/forecast process. Many of the strategic plan elements relate to the creation, management and use of discretionary reserve funds.

It is important to note that all of the various plan elements are linked or interrelated. A change in one element will have a direct impact on another decision or practice, as well as an impact on both the operating budget and capital budget/long range capital forecast.

Plan Elements

1) Discretionary Reserves/Reserve Funds

- are guided by the following strategic policies and practices:

Item	Details
Interim Strategy (2005)	<ul style="list-style-type: none"> - created two new reserves: <ul style="list-style-type: none"> ▪ Working Funds ▪ Post Buildout Capital - provided "top up" funding for four existing reserves - revised the allocation of the Veridian Revenues
Reserves Created for Specific Purposes	<ul style="list-style-type: none"> - these include: <ul style="list-style-type: none"> ▪ Tax Rate Stabilization ▪ Vehicle/Equipment Replacement ▪ Public Art ▪ Election
Disposal/Sale of Land	<ul style="list-style-type: none"> - net proceeds are allocated to CIP Development Improvement Reserve; to be used for Ajax Plaza
Insurance	<ul style="list-style-type: none"> - budget surpluses from insurance activities are allocated to the Insurance Reserve
Annual Increase In General Levy Reserve Allocations	<ul style="list-style-type: none"> - the general levy allocations are increased each year for the following Reserves <ul style="list-style-type: none"> ▪ Vehicle/Equipment Replacement ▪ Building Repair ▪ Capital Projects
Debt Payments – Paid Off Debt	<ul style="list-style-type: none"> - after the debt is paid off, an amount equal to the annual debt payment is transferred to the Debt Repayment Reserve and used to reduce future debt requirements
Building Repair Reserve "Funding Cap"	<ul style="list-style-type: none"> - to grow the reserve balance, only 60% of the total reserve revenues received are spent over the capital forecast period

2) Multi-Year Forecasting

- for both operating and capital budgets, a multi-year outlook ensures that Council decisions are based on both short and long term impacts

ATT- 1: Existing Strategic Financial Plan - Overview

Plan Elements (cont'd)

3) Operating Budget Surplus Allocated To Capital Reserves

- considered one of the cornerstones of the plan, 100% of any operating budget surplus is allocated to the following three Capital Reserves:
 - 75% Capital Projects
 - 15% Building Repair
 - 10% Post Build Out Capital

4) Key Non Tax Revenues Allocated to Capital Reserves

- the Town's two major non tax revenues are primarily allocated to capital reserves
 - Veridian – 100%
 - Slots – 96%
- same allocations as 3)

5) Long Term Debt - Use and Payment Term

- is only used for the construction of new buildings or for the renovation/expansion of existing buildings
- issued for a fifteen year term which achieves two objectives
 - minimizes future interest costs which are usually funded from the general levy
 - ensures that future taxpayers who will benefit from the facility share in the cost

6) Internal Long Term Borrowing

- where possible, borrow internally rather than from the external debenture market
- can only be accomplished with strong discretionary reserve/reserve fund balances, both current and projected
- three significant advantages are:
 - interest is recorded as operating budget (i.e. general levy) revenue and the rate earned is much higher than short term investments and bank account interest
 - reduces the cost of borrowing by eliminating fiscal agent fees and lowering legal fees
 - interest rate is set prior to the debenture issue

7) Capital Project Funding

- capital projects are funded using well established practices, whereby capital expenditures are funded from defined sources, based on the nature of the each project

**ATT- 2 Consolidated List of Master Plans, Studies, Strategies, EA's
Updated to June 2012**

Note: Excludes those that do not impact the Town's Operating and Capital Budgets and/or Long Range Capital Forecast

Source	Total
Council Approved or Received *	46
Internal	5
Total	51

Office of the CAO

- 1) Community Action Plan*
- 2) Community Safety Strategy*
- 3) Customer Service Strategy*
- 4) Diversity & Community Engagement Plan*

Legislative & Information Services

- 1) Information Technology Master Plan*
- 2) Accessibility Plan*
- 3) Records and Information Management Strategy*

Finance

- 1) Development Charges Background Study*

Fire & Emergency Services

- 1) Fire Master Plan*

Library

- 1) Library Master Plan*

Planning & Development Services

- 1) Official Plan*
- 2) Pedestrian & Bicycle Master Plan*
- 3) Economic Development & Tourism Strategy*
- 4) Carruthers Creek EA Flood Management & Analysis*
- 5) EA Master Plan For Storm Water Quality & Retrofit Study*
- 6) Pickering Village Land Use Planning & Urban Design Study*
- 7) Pickering Village Heritage Conservation District Study*
- 8) Downtown Community Improvement Plan*
- 9) Pickering Village Community Improvement Plan*
- 10) Real Estate Strategy*
- 11) Traffic Calming Warrant Program*
- 12) Transportation Master Plan*
- 13) Central Road Connectivity Review*
- 14) Central Ajax Employment Area Compatibility Study*
- 15) Intensification Strategy*
- 16) Vision 2020 - A Bicycle and Leisure Trails System Plan*
- 17) Lower Harwood Avenue Study and Street Treatment Design*

ATT- 2 Consolidated List of Master Plans, Studies, Strategies, EA's
Updated to June 2012

Note: Excludes those that do not impact the Town's Operating and Capital Budgets and/or Long Range Capital Forecast

Operations & Environmental Services

- 1) Waterfront Management Plan*
- 2) Greenwood Management Plan*
- 3) Shoreline Development Strategy*
- 4) Building Conditions Survey
- 5) Municipal Structure Inventory and Inspection Study
- 6) Sports Field Lighting Study
- 7) Pavement Management System
- 8) Green Fleet Initiative*
- 9) Anti-Idling Strategy*
- 10) Urban Forest Management Plan*
- 11) Naturalization and Restoration Plan*
- 12) Salt Management Plan*
- 13) Corporate Waste Reduction Plan*
- 14) Parks & Open Space Restoration Project 2006-2010*
- 15) Integrated Community Sustainability Plan*
- 16) Emerald Ash Borer Strategy*
- 17) Shoreline Improvement Strategy*

Recreation & Culture

- 1) Recreation, Parks & Culture Master Plan*
- 2) Integrated Community Arts & Culture Plan*
- 3) Sports & Physical Activity Strategy*
- 4) Youth Spaces Study*
- 5) Tap Into It*
- 6) Festival & Events Review
- 7) Strong Neighbourhood Strategy*

ATT- 3 Existing Discretionary Reserves & Reserve Funds - Capital

Name	Dec. 31/11 Balance (Uncommitted)	Revenue Sources	Capital Budget/LRCF Funding
Building Repair Reserve	\$6,482,800	<ul style="list-style-type: none"> • annual General Levy budget allocation • 15% of Veridian dividends and promissory note interest • 15% of Operating Budget Surplus 	<ul style="list-style-type: none"> • repair and maintenance of Town buildings/facilities • to build up the reserve balance, funding used for the LRCF is "capped" at 60% of the total revenues received over the five year forecast period
Capital Projects Reserve	\$21,144,200	<ul style="list-style-type: none"> • annual General Levy budget allocation • 75% of Veridian dividends and promissory note interest • 75% of Operating Budget Surplus 	<ul style="list-style-type: none"> • Town's share (i.e. ineligible, benefit to existing) of studies, vehicles/equipment and parks Development Charge projects • computer hardware and software • unbudgeted and over budget capital projects that would normally be funded from the General Levy • real estate acquisitions, where there is insufficient funds available in Property Acquisition Reserve, Parkland Reserve Fund or CIP Development Improvement Reserve
CIP Development Improvement Reserve	\$668,900	<ul style="list-style-type: none"> • disposal/sale of land • 20% of building fees issued for projects in CIP area (excluding priority sites) 	<ul style="list-style-type: none"> • capital projects within the current Downtown CIP area • redevelopment of Ajax Plaza is primary target
Debt Reduction Reserve (Slots)	\$267,300	<ul style="list-style-type: none"> • 50% of Slots revenues (net of grants) 	<ul style="list-style-type: none"> • to reduce the long term debt required for new buildings and major expansions to existing facilities • also used in the operating budget to partially offset the general levy impact of existing debt payments
Debt Repayment Reserve	\$459,000	<ul style="list-style-type: none"> • annual General Levy budget allocation, equal to the payments on debt that has been paid off 	<ul style="list-style-type: none"> • to reduce the long term debt required for new buildings

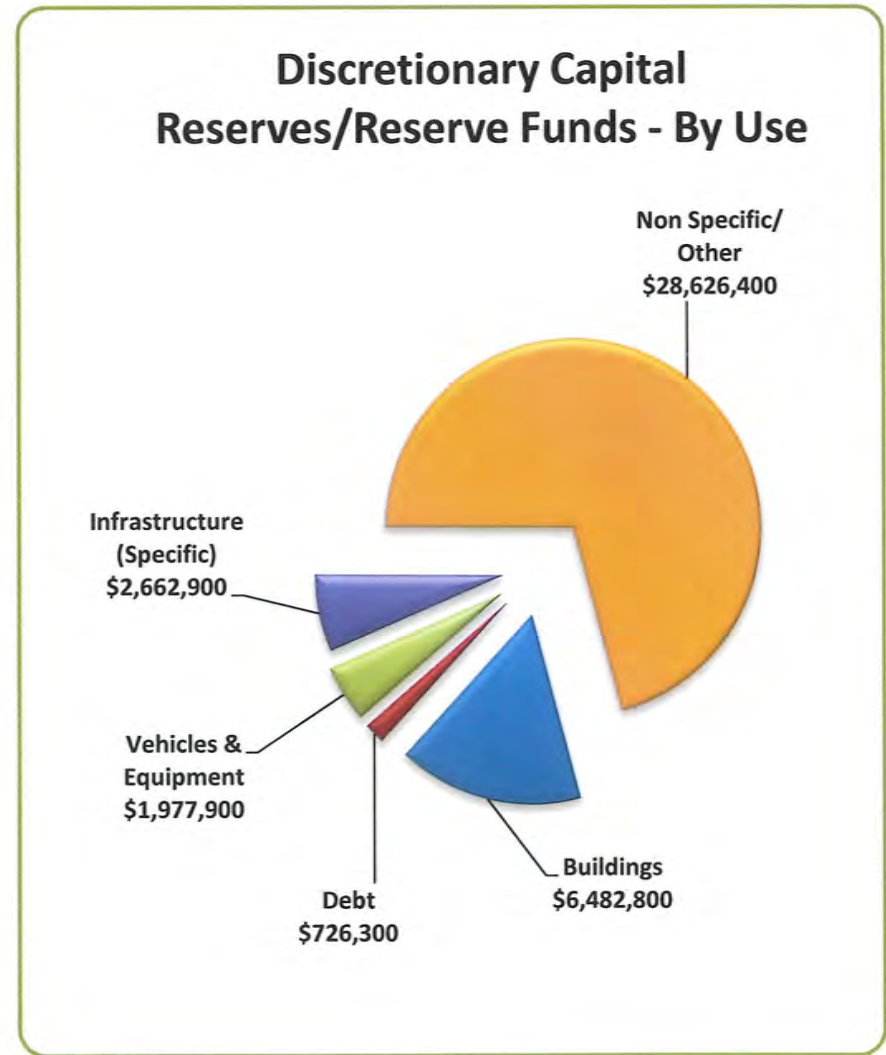
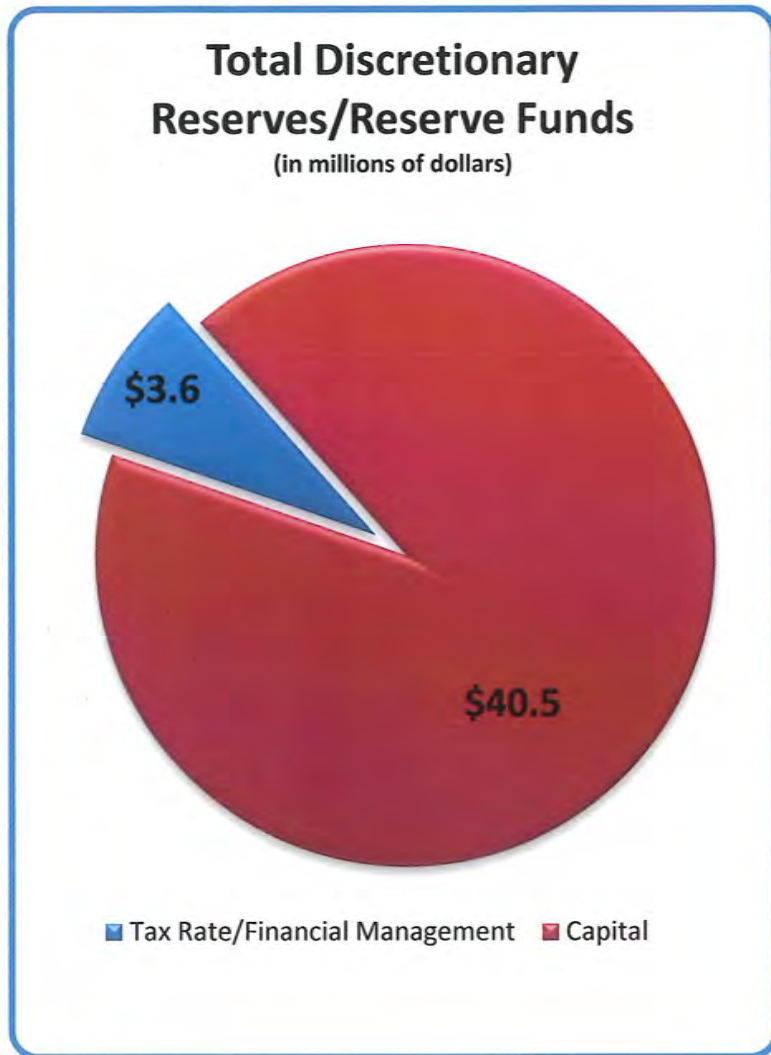
ATT- 3 Existing Discretionary Reserves & Reserve Funds - Capital

Name	Dec. 31/11 Balance (Uncommitted)	Revenue Sources	Capital Budget/LRCF Funding
Entrance Gate Maintenance Reserve	\$283,300	<ul style="list-style-type: none"> • developer contributions through subdivisions and site plans 	<ul style="list-style-type: none"> • maintenance of entrance gate features in assumed subdivisions
Infrastructure Reserve (Slots)	\$1,330,100	<ul style="list-style-type: none"> • 50% of Slots revenues (net of grants) 	<ul style="list-style-type: none"> • Roads & related structures; new and renewal of existing • Trails; new and renewal of existing • Economic Growth/Development infrastructure initiatives • Town's share (i.e. ineligible, benefit to existing) of roads and trails Development Charge projects
Post Buildout Capital Reserve	\$6,244,000	<ul style="list-style-type: none"> • annual General Levy budget allocation based on 10% of assessment growth • interest 	<ul style="list-style-type: none"> • purposely is not currently an active funding source • by-law 109-2005 restricts use prior to 2021
Property Acquisition Reserve	\$466,500	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • acquisition of land and to a lesser extent, buildings • excludes acquisitions required for capital projects(e.g. roads)
Public Art Reserve	\$102,800	<ul style="list-style-type: none"> • annual General Levy budget allocation 	<ul style="list-style-type: none"> • acquisition and installation of art in public spaces
Storm Water Maintenance Reserve	\$1,049,500	<ul style="list-style-type: none"> • developer contributions through subdivisions and site plans 	<ul style="list-style-type: none"> • maintenance of storm water management ponds and related infrastructure
Vehicle/Equipment Replacement Reserve Fund	\$1,977,900	<ul style="list-style-type: none"> • annual General Levy budget allocation • Sale of used and surplus vehicles/equipment • interest 	<ul style="list-style-type: none"> • as per by-law 108-2005, replacement of vehicles/equipment that have reached the end of their economic utility, determined either by age or use • Upgrading obsolete vehicles or equipment

ATT- 4 Existing Discretionary Reserves & Reserve Funds – Tax Rate/Financial Management

Name	Dec. 31/11 Balance (Uncommitted)	Revenue Sources	Use of Funds
Election Reserve	\$280,000	<ul style="list-style-type: none"> • annual General Levy budget allocation 	<ul style="list-style-type: none"> • used every four years to fully offset the cost of the election
Insurance Reserve	\$739,600	<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 • to cover the cost of "insurance type" claims not covered under the Town's policy
Tax Rate Stabilization Reserve	\$1,600,000	<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 Reserve	\$1,000,000	<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

ATT - 5 Existing Discretionary Reserves & Reserve Funds – By Type



ATT- 6 Current Funding of Capital Projects - By Major Category

Capital Budget Category	Funding Source
Bicycle Lanes - New	Federal Gas Tax
Buildings - Repair/Maintenance	Building Repair Reserve General Levy (renovations only) Federal Gas Tax (energy efficiency projects)
Buildings - New	Development Charges Federal Gas Tax (for LEED type expenditures) Debt Reduction Reserve (Slots) Debt Repayment Reserve Capital Projects Reserve Long Term Debt
Computer Hardware/Software - New and Replacement	Capital Projects Reserve
Equipment (Miscellaneous) - New and Replacement	General Levy Capital Projects Reserve
Infrastructure (Other) - Major Maintenance	General Levy Storm Water Maintenance Reserve Entrance Gate Maintenance Reserve
Land/Property Acquisition	Capital Projects Reserve Parkland Reserve Fund Property Acquisition Reserve CIP Development Improvement Reserve (Ajax Plaza only) Development Charges (for new roads and buildings)
Parks & Sports Fields - New	Development Charges Capital Projects Reserve
Parks & Sports Fields - Major Maintenance & Redevelopment	General Levy
Roads - New	Development Charges Infrastructure Reserve (Slots)
Roads - Major Maintenance (Resurfacing/Reconstruction)	General Levy Infrastructure Reserve (Slots) Federal Gas Tax
Studies/Master Plans/Strategies/EA	Development Charges General Levy
Traffic Calming	General Levy

ATT- 6 Current Funding of Capital Projects - By Major Category

Trails - New	Development Charges Infrastructure Reserve (Slots)
Trails – Major Maintenance	General Levy Infrastructure Reserve (Slots); (waterfront only)
Vehicles/Equipment - New	Development Charges Capital Projects Reserve General Levy
Vehicles/Equipment - Replacement	Vehicle/Equipment Replacement Reserve Fund Capital Projects Reserve
Walkways - New	Development Charges Capital Projects Reserve
Walkways - Major Maintenance	General Levy

ATT- 7: Existing Long Term Debt

Existing Debt – Details

Purpose	Internal/ External	Debt Payment Source	Year Issued	Term (In Yrs)	Original Amount	Dec. 31/11 Balance	Annual Payment	Final Payment
Ajax CC Twin Ice Pads	Internal	Surcharges, Revenue	2000	15	\$5,830,000	\$2,078,100	\$554,900	Jul. 2015
New Library Main Branch	External	Dev. Charges	2004	15	1,984,500	1,236,100	188,600	Dec. 2019
Municipal Building – Phase 1	External	General Levy	2004	15	1,165,500	725,900	110,800	Dec. 2019
Municipal Building – Phase 2	External	General Levy	2006	15	7,516,000	5,611,000	724,000	Jul. 2021
Fire Headquarters/Training Facility	External	General Levy	2008	15	4,009,000	3,401,000	383,600	Nov. 2023
New Operations Centre	Internal	General Levy	2011	15	2,570,000	2,570,000	217,800	Jun. 2026
Total						\$15,622,100	\$2,179,700	

Note: Excludes \$1,200,000 payment for Williamson Dr. Bridge Development Charges front ending agreement due Dec. 2015

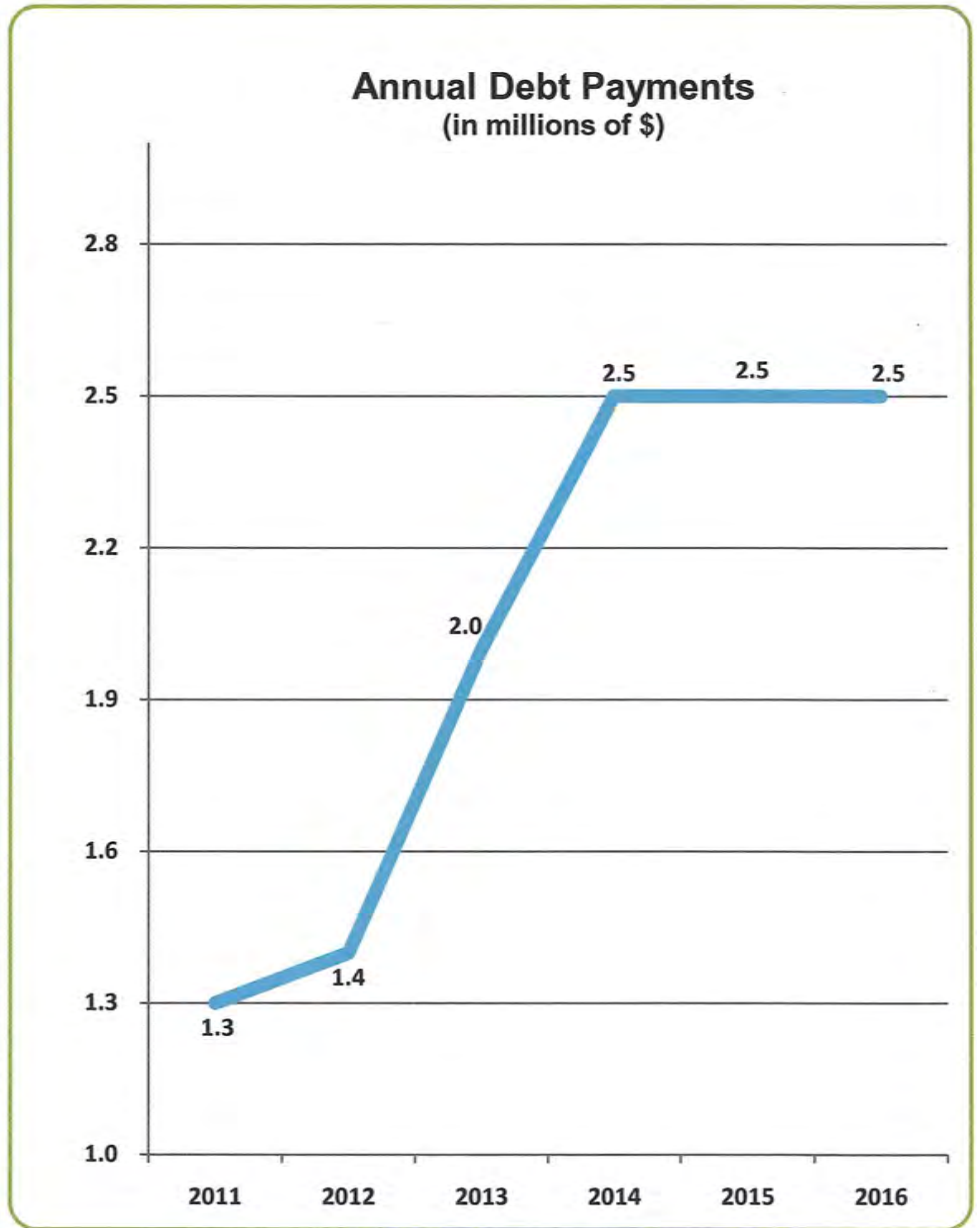
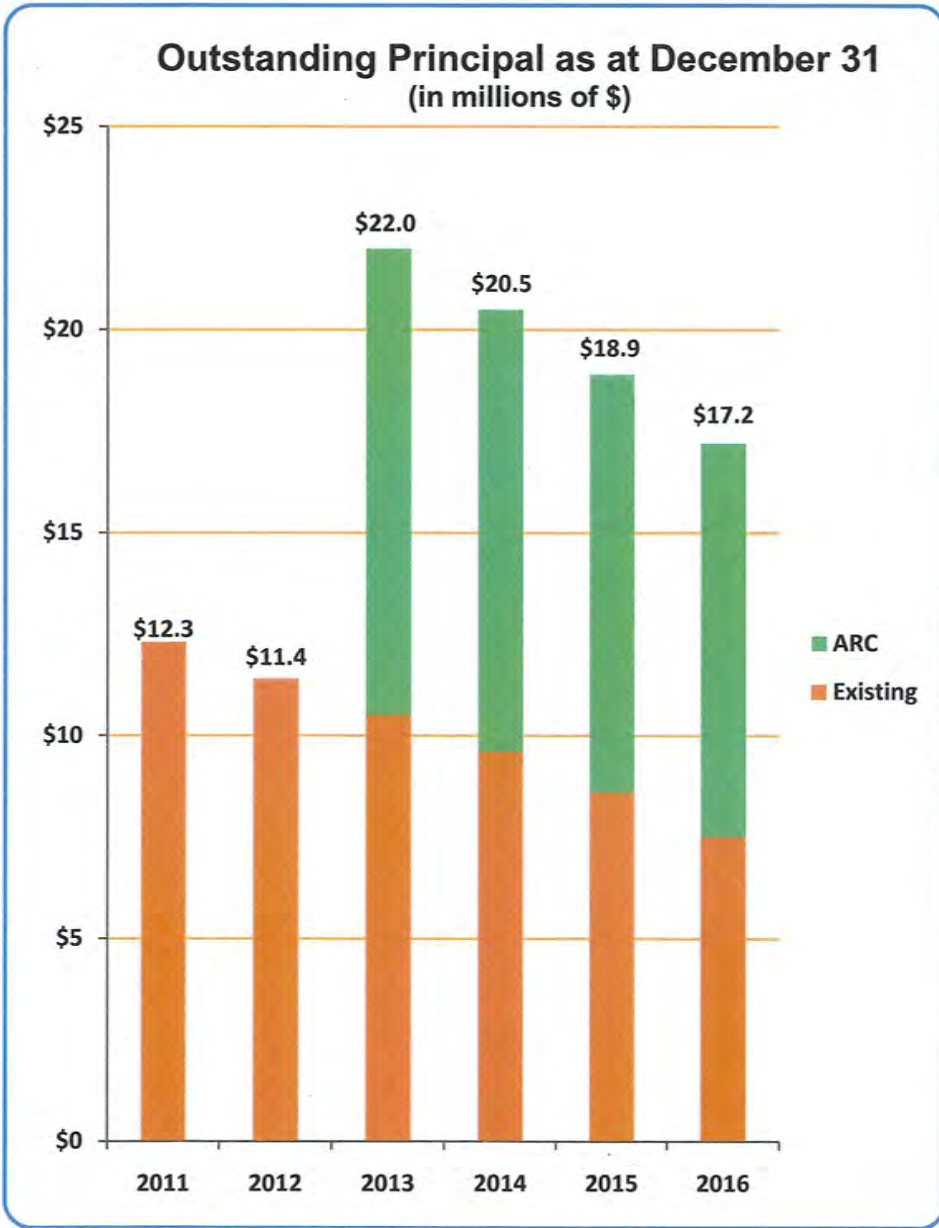
Summary – By Internal/External

Internal/ External	Dec. 31/11 Balance	Annual Payment
External	\$10,974,000	\$1,407,000
Internal	4,648,100	772,700
Total	\$15,622,100	\$2,179,700

Summary – Debt Payment Source

Debt Funding Source	Dec. 31/11 Balance	Annual Payment
General Levy	\$12,307,900	\$1,436,200
Other	3,314,200	743,500
Total	\$15,622,100	\$2,179,700

ATT – 8 General Levy Debt - 2011 to 2016



TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Marilou Murray, Manager of Strategy, Communications and Policy
David Forget, Manager, Quality Service and Special Projects
Louise Soulliere, Customer Service Co-ordinator

PREPARED BY: David Forget, Manager, Quality Service and Special Projects
Louise Soulliere, Customer Service Co-ordinator

SUBJECT: Constituency Inquiry Request Process – 1 Year Review

WARD(S): All

DATE OF MEETING: Thursday, July 5, 2012

REFERENCE: **Constituency Inquiry Request Process – Update Report – December 08, 2011**

RECOMMENDATION:

1. That the report entitled Constituency Inquiry Request Process, dated July 5, 2012 be received for information.

BACKGROUND:

Staff began to track constituent inquiry requests received via members of Council in late May 2011 as a means to effectively manage the volume of requests they receive on an ongoing basis. To date, staff have tracked 615 inquiry requests from constituents (11 per week on average).

Staff have been reporting weekly on the number of inquiry requests completed and those that are pending since July of 2011.

Overview of the Existing Process:

When a constituent inquiry request is received by a member of Council, the following process is followed (as outlined in Corporate Operating Procedure COR-OP-010):

- Mayor / Council acknowledges the request with a standard response and forwards to the Customer Service Co-ordinator
- Customer Service Coordinator forwards request to appropriate staff person for response
- If more time is required, constituent is notified up front
- Completed responses, required within 48 hours of receipt, are forwarded to Council (a draft can be completed by the CSC on request)

- Mayor / Council replies back to the constituent (or by CSC on behalf of Mayor / Council on request)
- Customer Service Co-ordinator follows up on outstanding requests that are in excess of two weeks old where no updates have been filed both internally and externally (i.e.: Region, MP/MPP, AMHC, etc.)

Database Tracking:

An in-house data base was created to:

- Manage the volume of inquiry requests received
- Establish a process that supports Council's ability to respond to enquiries in a timely manner
- Develop a consistent approach to manage constituency requests across all departments
- Establish a system that helps Directors/Managers track and manage timely responses to enquiries within their department
- View inquiry requests completed and outstanding at-a-glance
- Manage the length of time it takes to review and respond to requests
- To view a customer's history
- Put closure on inquiry requests that have been attended to by staff
- Report on completed / pending inquiry requests on a weekly basis by ward and request type

The following is a breakdown of constituent requests by department:

Operations and Environmental Services – 29%
Planning and Development Services – 20%
By-law – 17%
Sent to more than one department - .6%
Region of Durham (various departments) – 14%
Other Town Departments – 11%
Other (AMHC, DRPS, MP/MPP) – 8.4%

DISCUSSION:

Constituents have made requests to the Town on a variety of topic areas ranging from accessibility to zoning inquiries. The following is a summary of the top 20 requests received (in ranked order of requests made):

Garbage / recycling (39)
Parking (38)
Traffic (37)
Transit (27)
Construction Issues (23)
Trees (19)
Safety (18)
Grass (17)
Development inquires (16)
Parks (14)
Ponding water (10)
Sidewalks (10)
Speeding (9)
Noise (9)

Snow Removal (9)
Social Assistance (8)
Recreation Facilities (8)
Property Standards (7)
Water (Regional) (7)
Fences (7)

Review of SWOC Analysis

Staff undertook an analysis to determine the strengths, weaknesses, opportunities and challenges with the current constituency request process.

Many of the identified strengths pointed to the database's ability to track and trend inquiries. Other strengths included the ability to put closure on requests with confidence, improving the coordination of inquiries while meeting the needs for Council.

Quite a number of weaknesses were identified, directed at the shortcomings of the current database and the lack of staff resources to effectively input, track, respond to, follow up and close inquiries. Other weaknesses identified include issues with the process including the transmission of inquiries directly from Council to staff without copying the Customer Service Co-ordinator as well as staff not always providing timely responses or forgetting to copy the Customer Service Co-ordinator once responses are complete. Another key weakness included the confusion and inconsistency about what is put in to the database.

A number of opportunities were identified which would help to alleviate many of the noted weaknesses. Opportunities included the adoption of a corporate CRM to effectively handle and track all feedback including the feedback received via Mayor and Council. Educating staff on the importance of providing timely responses was also identified as well as the inclusion of inquiries submitted through Contact Us in the inquiry process.

Suggested Amendments to the Constituent Inquiry Requests Procedure

As a result of the SWOC analysis, the Constituent Inquiry Request Operating Procedure (COR-OP-010) was amended with suggested improvements (see Attachment 2).

The following amendments are suggested for the Operating Procedure:

- definition of constituent inquiries (Section 2.1)
- clarity on the responsibilities of the Customer Service Co-ordinator (Section 3.3)
- clarification on the timelines for departments to respond to inquiries – making the requirement consistent with the Town's Corporate Customer Service Standards Section 7.3)
- escalation to the CAO for outstanding inquiries after three weeks (Section 7.8)
- inquiries received through Contact Us, directed to Mayor / Council will be included in the process (Section 7.10)
- public meetings and project specific forums will not be included in the Constituency Inquiry process (Section 7.10)
- eliminating the 48 hour response time and replacing it with five working days which is consistent with the Corporate Customer Service Standards (COR-OP-008) (Section 7.1)
- the addition of identification numbers for each request on weekly reports (Section 7.11)

FINANCIAL IMPLICATIONS:

n/a

COMMUNICATION ISSUES:

Communications with constituents have improved with the implementation of the process. Constituents receive an e-mail from Council indicating that their inquiry request has been received. Constituents also receive notice from a member of Council if it's anticipated the response will take additional time to complete. Staff are included in the string of correspondence between the constituent and Council. As a result, staff and Council play an important role in ensuring that responses are made back to constituents in a timely fashion and confidently put closure on inquiry requests that have been responded to.

CONCLUSION:

The constituency inquiry request process has been a successful one to effectively manage concerns, issues and requests received via members of Council. Staff have been able to report to Council on a weekly basis on completed and outstanding inquiry requests as well as providing them with some trending analysis. The process has improved the ability to manage the time it takes to respond to constituents and to put closure on those inquiry requests that have been completed. The process has also reduced duplication of effort in some instances.

The process has also provided some insight as to how the process might be applied corporately to all feedback received from residents, business owners and visitors to the Town. Currently, the Town receives approximately 9000 requests from residents in a variety of formats.

Clarification on the responsibilities of the Customer Service Co-ordinator and Departments will help to streamline the existing process. Communication and education on the importance of timeliness for staff will help to ease the burden of time consumed on following up on constituent requirements. Defining what gets added to the database will also help to reduce the amount of entries made and will allow consideration of constituent input as part of a public meeting or project. This includes the elimination of comments from constituents which typically do not require a formal response. The consideration of calling residents back may be an option for simpler inquiries and would reduce the amount of time spent responding conventionally by e-mail.

ATTACHMENTS:

ATT-1: Constituency Inquiry Requests – Standard Operating Procedure (COR-OP-010)

Louise Soulliere
Customer Service Co-ordinator

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Manager, Quality Service and Special Projects

Marilou Murray
Manager of Strategy, Communications and Policy

Brian Skinner
Chief Administrative Officer

TOWN OF AJAX - OPERATING PROCEDURE			Page 1 of 4
DOCUMENT TITLE: Constituent Inquiry Requests			NO.: COR-OP-010
AUTHORED BY:	David Forget	ISSUE #	3
APPROVED BY:	Marilou Murray	ISSUE DATE:	12 / 07 / 05

1 PURPOSE

- 1.1 To set out general directions and guidelines for replying to external constituent inquiries received through the Mayor and/or Councillor's office.

2 DEFINITIONS

- 2.1 **Constituent Inquiry Request: A request made to Council via telephone, e-mail or in person but does not include feedback received from public meetings on specific subject matter. Inquiries made through Contact Us directed to Council will also be included as Constituent Inquiry Requests.**
- 2.2 Staff: Town of Ajax full-time and part-time employees and volunteers
- 2.3 Constituent Request Database: An access database used to record, track, update and resolve constituent inquiries.
- 2.4 Constituent Request Database Reports:
- 2.4.1 Report by Status: Listing of all inquiries received from external constituents, sorted by open and closed status
- 2.4.2 Report by Request: Listing of all inquiries received from external constituents, sorted by the type of request
- 2.4.3 Report by Due Date: Listing of all open inquiries, sorted by the due date
- 2.5 Inquiry Request Types:
- 2.5.1 Request for an increased/new level of service
- 2.5.2 Request for action
- 2.5.3 Complaint
- 2.5.4 Compliment

3 RESPONSIBILITIES

- 3.1 The Mayor and Councillors have the responsibility for receiving and responding to constituent inquiries in a timely manner.
- 3.2 The Customer Service Co-ordinator has the responsibility to ensure that the operating department receives the inquiry in a timely fashion, **records the inquiry in the database**, provides a weekly update, comments or a resolution within the defined timeframes, and to forward all **inquiry** communication to the **originating** Mayor and/or Councillor.

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Printed on: June 27, 2012

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3.3 The operating department has the responsibility to respond to constituent inquiries received by the Customer Service Co-ordinator / **Mayor / Council** within the defined timeframes.

4 CUSTOMER

- 4.1 Residents of Ajax
- 4.2 Business Owners
- 4.3 Community groups / organizations
- 4.4 Visitors to Ajax

5 LEVEL OF SERVICE

5.1 As defined in Section 7 of the Corporate Customer Service Standards (COR-OP-008)

6 QUALITY RECORDS

6.1 Constituent Request Database Reports

7 PROCEDURE

Constituent inquiries are received by the Mayor and/or Councillor by telephone, email, letter, fax and in person including Council-hosted ward meetings.

7.1 It shall be the responsibility of the Mayor and/or Councillor to forward any constituent inquiries to the Customer Service Co-ordinator.

It shall be the responsibility of the Mayor and/or Councillor to acknowledge the constituent's inquiry **within 24 hours** with the following response:

"Thank you for (your inquiry, sharing your thoughts, providing me with this information). I have forwarded your concern to the appropriate staff for a response. I will follow up with you within **five business days**". The email will be closed with the Councillor's name.

7.2 It shall be the responsibility of the Customer Service Co-ordinator to track all constituent inquiries in the Constituent Request database, promptly forward the inquiry to the appropriate department to research and resolve the inquiry, in accordance with the Town's Customer Service Standards (COR-OP-008).

7.3 It shall be the responsibility of the operating department, in accordance with the Customer Service Standards (COR-OP-008), to provide appropriate detail/data or a response to the

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inquiry within **5 business days**, either back to the Customer Service Co-ordinator, or directly to the Mayor and/or Councillor and copied to the Customer Service Co-ordinator.

- 7.4 If more time is required by the operating department, department staff are responsible to communicate with the Mayor and/or Councillor and the Customer Service Co-ordinator on the anticipated response timeline. In an effort to show progress on the inquiry, and to ensure appropriate communication, the customer will receive a follow up email or phone call by the Mayor and/or Councillor providing them with the anticipated response timeline. A draft response can be prepared upon request of the Mayor and/or Councillor.
- 7.5 It shall be the responsibility of the Customer Service Co-ordinator to record and update the timeline extension in the Constituent Request Database.
- 7.6 It shall be the responsibility of the Customer Service Co-ordinator to forward staff responses to the originating Councillor and/or Mayor, if not sent directly by department staff.
- 7.7 It shall be the responsibility of the Mayor and/or Councillor to reply back to the constituent, based on staff responses. A draft response can be prepared upon request of the Mayor and/or Councillor.
- 7.8** It shall be the responsibility of the Customer Service Co-ordinator to escalate overdue requests to the Manager/Director level after a two week period where updates have not been provided. Requests made to By-law Services and others where deemed necessary, shall be exempt from this requirement due to the nature, complexity and length of time often required to complete requests. **Inquiries not completed within three weeks will be forwarded to the CAO for follow up.**
- 7.9 Constituent inquiries may result in a Corrective and Preventative Action Request. It shall be the responsibility of the Customer Service Co-ordinator to follow the procedures as defined in Corrective and Preventive Action (COR-OP-101).
- 7.10** **The Constituent Inquiry Request process does not apply to public meetings being organized corporately or by a department for a particular subject matter / project. This information / public feedback will be captured by the managing department and/or consultant, if applicable. The information and/or public inquiries generated at the meeting can be forwarded to the Mayor and/or Councillor at their request.**
- 7.11** **It shall be the responsibility of the Customer Service Co-ordinator to provide a weekly status update report to Council and Department Heads. The report shall include a review of the number of inquiries received, a summary of inquiries completed and outstanding, an identification number for each inquiry and a top-ten tracking summary.**

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8 RELATED DOCUMENTATION

- 8.1 Corporate Customer Service Standards (COR-OP-008)
- 8.2 Corrective and Preventive Action (COR-OP-101)

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