

The Corporation of the Town of Ajax

GENERAL GOVERNMENT COMMITTEE

Thursday, September 18, 2014

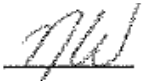
In-Camera at 12:30 p.m.

Open Meeting at 2:00 p.m.

River Plate Room, Town Hall

65 Harwood Avenue South



Confirmed by: 

AGENDA

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

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

R. Ashby, Chair
M. Crawford, Vice Chair

Open Meeting

1. **Call To Order**
2. **Disclosure of Pecuniary Interest**
3. **Adoption of In-Camera Minutes – September 4, 2014** (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 matter pertaining to the 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 litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board [Sec. 239 (2)(e), Municipal Act, 2001, as amended]*
- 4.1 Duffin Creek Water Pollution Control Plant Outfall EA Status Update
- 4.2 Confidential Legal Property Matter
- 4.3 Confidential Property Matter
- 4.4 Confidential Legal Update
- 4.5 Confidential Property Matter

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*

- 5.1 **Durham Municipal Insurance Pool – Partial Distribution of Surplus**, R. Ford, Director of Finance/Treasurer3
- 5.2 **Development Charges & Discretionary Capital Reserve Activity**, R. Ford, Director of Finance/Treasurer / D. Valentim, Senior Financial Analyst.....5
- 5.3 **Completed Capital Accounts, July 31, 2014**, R. Ford, Director of Finance/Treasurer / D. Valentim, Senior Financial Analyst.....8
- 5.4 **Contract Award – Wide Area Network (WAN) Services**, M. de Rond, Director of Legislative & Information Services/Town Clerk / P. Edwards, Manager, Information Technology Services11

6. Presentations / Discussion

- 6.1 **Installation of Fire Hydrants Marker Flags**, Councillor M. Crawford verbal

7. Departmental Updates

8. Adjournment

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

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

SUBJECT: **Durham Municipal Insurance Pool – Partial Distribution of Surplus**

WARD(S): All

DATE OF MEETING: September 18, 2014

REFERENCE: July 3, 2014 GGC – Insurance Renewal July 1 2014 to June 30, 2015
Financial Sustainability Plan
2011-2014 Community Action Plan Strategy

- Rebuild and further strengthen financial reserves

RECOMMENDATION:

That the report on Municipal Insurance Pool – Partial Distribution of Surplus be received for information

BACKGROUND:

One of the advantages of the Durham Municipal Insurance Pool (DMIP) is that any surplus funds are retained by the pool. While the majority of the surplus must be set aside to fund current and future insurance claims, the surplus does earn investment income that is used to reduce the member's contributions to the pool. As reported previously, the 2014 insurance increase (excluding the re-basing of the pool allocation) was 0%.

Based on the current financial results of the Pool as confirmed by its actuaries and auditors, the following resolution was unanimously approved by the DMIP Board of Directors:

"The Board of Directors of the Durham Municipal Insurance Pool (DMIP) agree to distribute \$1.5 million in surplus funds to the founding subscribers as stated in the executed Subscribers Agreement, and

The Board of Directors further agree to recommend that each members share be re-invested into their local Insurance Reserve Fund to provide for future program costs related to their insurance and risk management requirements"

DISCUSSION:

Ajax's share of the surplus distribution is \$214,950, which represents the Town's 14.33% share as a founding member of the DMIP. Under the Financial Sustainability Plan (FSP) the Town's Insurance Reserve was eliminated and moved into the newly established Stabilization Reserve. This reserve is currently at its Council approved target balance. As a result, the funds from the DMIP will be recorded as General Revenue and form part of the 2014 Operating Budget Surplus.

FINANCIAL IMPLICATIONS:

As required under FSP Policy #121 Discretionary Reserve Administration, the Director of Finance/Treasurer recommends the allocation of any operating budget surpluses to Council for their approval. The \$214,950 will be part of the 2014 surplus which will be reported to Council in December (forecast) and May (actual).

CONCLUSION:

The distribution of \$1.5 million in surplus is further evidence of the financial strength of the DMIP and is one more benefit of the Town's long standing membership in the pool. The \$214,950 will provide much needed funding for the Town's discretionary reserves.

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

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Rob Ford, CPA, CMA, AMCT

PREPARED BY: Dianne Valentim, CPA, CGA

SUBJECT: **Development Charges & Discretionary Capital Reserve Activity**

WARD(S): All

DATE OF MEETING: September 18, 2014

REFERENCE: **Financial Sustainability Plan**

RECOMMENDATION:

That the report on Development Charges & Discretionary Capital Reserve Activity be received for information.

BACKGROUND:

The Financial Sustainability Plan (FSP) that was approved by Council in June of 2013, established several policies and various tools for short and long term financial planning. This new report, which will be issued 2-3 times per year, supplements the reporting on the Development Charge Reserve Funds and Discretionary Capital Reserves that is included as part of the Capital Budget/Long Range Capital Forecast.

DISCUSSION:

Development Charges

Development Charges are collected by the Town of Ajax upon building permit issuance. Building permit projections are done annually to help provide revenue estimates for both the operating and capital budgets. The tables below show the actual building permit activity compared to the 2014 budget.

| Building Permits | January 1 - July 31, 2014 | 2014 Budget | % of Budget |
|---------------------------------|--------------------------------------|------------------------|------------------------|
| Residential (Single/Semi units) | 280 | 630 | 44.4% |
| Residential (Apartment units) | 120 | - | |
| Non-Residential (square metres) | 11,634 | 24,307 | 47.9% |

| Revenues | January 1 - July 31, 2014 | 2014 Budget | % of Budget |
|---------------------------------|--------------------------------------|------------------------|------------------------|
| Residential (Single/Semi units) | \$ 3,640,233 | \$ 8,727,143 | 41.7% |
| Residential (Apartments units) | 573,899 | | |
| Non-Residential | 574,985 | 1,201,009 | 47.9% |
| Total Revenue | \$ 4,789,117 | \$ 9,928,152 | 48.2% |
| | | | |

Discretionary Capital Reserves

The Town maintains eleven discretionary capital reserves, including the CIP Development Improvement and Debt Repayment Reserves, both of which have small balances and low volumes of activity. As a result, they have not been included in this report.

The year to date activity and July 31, 2014 balances of the nine primary reserves are detailed in Attachment 1.

FINANCIAL IMPLICATIONS:

To date, the Town has received \$4,789,117 in Development Charge revenue which is on target, with revenues expected to continue in a similar manner for the second half of the year. The July 31st reserve balances are in line with the forecast estimates identified in the 2014 Capital Budget/2015-2018 Long Range Capital Forecast.

CONCLUSION:

The Town will continue to report the reserve balances and reserve continuity schedules on a regular basis. The next reporting will be included in the annual Capital Budget and Long Range Capital Forecast.

ATTACHMENTS:

ATT-1: Discretionary Capital Reserve Activity & Balances to July 31, 2014

Dianne Valentim, B.Comm, CPA, CGA
Senior Financial Analyst

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

TOWN OF AJAX
DISCRETIONARY CAPITAL RESERVE ACTIVITY & BALANCES
TO JULY 31, 2014

| | Building Maintenance Reserve | Development Reserve | Strategic Initiatives Reserve | Roads Maintenance Reserve | General Infrastructure Maintenance | Veh/Equip Replacement Reserve | Capital Contingency Reserve | Post Growth Reserve | Debt Reduction (Slots) Reserve | Total |
|---|------------------------------------|------------------------|-------------------------------------|---------------------------------|--|-------------------------------------|-----------------------------------|------------------------|---|-----------------------|
| Opening Balance, Janaury 1, 2014 | (\$9,472,730) | (\$13,586,307) | (\$626,210) | (\$3,866,087) | (\$4,698,676) | (\$7,324,263) | (\$2,700,000) | (\$7,526,046) | (\$5,026,440) | (\$54,826,759) |
| Revenue | | | | | | | | | | |
| Budget Allocation | (410,500) | (142,000) | (385,000) | (995,800) | (785,000) | (1,625,900) | | (150,000) | | (4,494,200) |
| Veridan Revenue | (150,870) | (150,870) | (37,718) | (113,153) | (113,153) | (188,588) | | | | (754,352) |
| Slots Revenue | (346,249) | (865,624) | (173,125) | (346,250) | (346,250) | (519,374) | | | (865,624) | (3,462,496) |
| Developer Contributions | | | | | (1,240) | | | | | (1,240) |
| St. Francis Giving Campaign | (2,000) | | | | | | | | | (2,000) |
| Sale of Scrap | | | | | | (16,634) | | | | (16,634) |
| Total Revenues | (909,619) | (1,158,494) | (595,843) | (1,455,203) | (1,245,643) | (2,350,496) | - | (150,000) | (865,624) | (8,730,922) |
| Expenditures | | | | | | | | | | |
| Transfers to Capital | 1,243,634 | 1,223,105 | 502,427 | 1,318,000 | 1,155,500 | 4,151,816 | 77,849 | | | 9,672,331 |
| Transfers from Closed Capital Accounts | (63,021) | (899,584) | (345,002) | (37,328) | (219,757) | (323,941) | | | | (1,888,633) |
| Debenture Payments | | | | | | | | | 313,315 | 313,315 |
| Total Expenditures | 1,180,613 | 323,521 | 157,425 | 1,280,672 | 935,743 | 3,827,875 | 77,849 | - | 313,315 | 8,097,013 |
| Reserve Balance, July 31, 2014 | (9,201,736) | (14,421,280) | (1,064,628) | (4,040,618) | (5,008,576) | (5,846,884) | (2,622,151) | (7,676,046) | (5,578,749) | (55,460,668) |
| Committed | 1,530,000 | 9,905,065 | | | | 500,000 | | | 340,094 | 12,275,159 |
| Uncommitted Reserve Balance, July 31, 2014 | (7,671,736) | (4,516,215) | (\$1,064,628) | (\$4,040,618) | (\$5,008,576) | (\$5,346,884) | (\$2,622,151) | (\$7,676,046) | (\$5,238,655) | (\$43,185,509) |

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

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

PREPARED BY: Dianne Valentim, B.Comm, CPA, CGA
Senior Financial Analyst

SUBJECT: Completed Capital Accounts, July 31, 2014

WARD(S): All

DATE OF MEETING: September 18, 2014

REFERENCE:

RECOMMENDATION:

That Council approve the funding transfers from the July 31, 2014 capital account closings to/from the Reserve/Reserve Funds.

| Reserve/Reserve Fund | Transfers to | Transfers from | Net |
|---|---------------------|-----------------------|---------------------|
| Strategic Initiatives Reserve | (125,557.76) | 2,976.38 | (122,581.38) |
| Roads Maintenance Reserve | (91,106.18) | | (91,106.18) |
| Building Maintenance Reserve | (9,562.13) | | (9,562.13) |
| Vehicle / Equipment Replacement Reserve | (758.70) | | (758.70) |
| Developer Deposit | (16,609.50) | | (16,609.50) |
| Building Approvals Reserve | | 10,526.41 | 10,526.41 |
| Total | (243,594.27) | 13,502.79 | (230,091.48) |

BACKGROUND:

The Financial Sustainability Plan requires a report to Council identifying the results of capital account closings. There are typically three capital account closings annually. This is the second closing report for 2014 and indicates, on a project by project basis, the specific transfers and balances required for capital project accounts which have been completed or cancelled.

DISCUSSION:

Attachment 1 is a listing that shows the capital accounts closed as of July 31, 2014 and their balances. Balances are allocated as per Corporate Policy 123, Discretionary Capital Reserves.

FINANCIAL IMPLICATIONS:

The balances of the capital accounts to be transferred to/from reserves are as follows:

| | |
|----------------------|---------------------------|
| Transfer to | (\$243,594.27) |
| Transfer from | <u>\$13,502.79</u> |
| Net | (\$230,091.48) |

CONCLUSION:

The presentation of this report to Council complies with the requirements of Corporate Policy 120, the Financial Sustainability Plan.

ATTACHMENTS:

ATT – Closed Capital Projects as of July 31, 2014

Dianne Valentim, B. Comm, CPA, CGA
Senior Financial Analyst

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

ATT - 1: CLOSED CAPITAL PROJECTS AS OF July 31, 2014

| ACCT | PROJECT NAME | Year Approved | Approved Budget | Funding not Required (Note 1) | Over Budget - Previously Approved by Council | Expenditures | Project Balance | Note | Transfers | Reserve / Reserve Fund |
|---|--|------------------|-----------------------|-------------------------------------|---|-------------------|---------------------|------|---------------------|-------------------------------|
| OFFICE OF THE CAO | | | | | | | | | | |
| 951811 | Customer Polling - 2014 | 2014 | (60,000.00) | | | 46,692.55 | (13,307.45) | | (13,307.45) | Strategic Initiatives Reserve |
| TOTAL OFFICE OF THE CAO | | | (60,000.00) | - | - | 46,692.55 | (13,307.45) | | (13,307.45) | |
| HUMAN RESOURCES | | | | | | | | | | |
| 942711 | Employee Self Service (ESS) | 2013 | (20,000.00) | | | 22,976.38 | 2,976.38 | | 2,976.38 | Strategic Initiatives Reserve |
| TOTAL HUMAN RESOURCES | | | (20,000.00) | | | 22,976.38 | 2,976.38 | | 2,976.38 | |
| FIRE | | | | | | | | | | |
| 953111 | Auto Extrication Rescue Equipment Repl | 2014 | (15,000.00) | | | 14,241.30 | (758.70) | | (758.70) | Veh & Equipment Repl. Reserve |
| TOTAL FIRE | | | (15,000.00) | - | - | 14,241.30 | (758.70) | | (758.70) | |
| OPERATIONS & ENVIRONMENTAL SERVICES - OPERATIONS | | | | | | | | | | |
| 944811 | Bridges, Culverts & Guiderails - 2013 | 2013 | (100,000.00) | | | 8,893.82 | (91,106.18) | | (91,106.18) | Roads Maintenance Reserve |
| TOTAL - OPERATIONS | | | (100,000.00) | - | - | 8,893.82 | (91,106.18) | | (91,106.18) | |
| OPERATIONS & ENVIRONMENTAL SERVICES - ENVIRONMENTAL SERVICES | | | | | | | | | | |
| 945111 | Sustainable Forest Cover - 2013 | 2013 | (222,240.00) | | | 205,630.50 | (16,609.50) | | (16,609.50) | Developer Deposit |
| 945211 | Emerald Ash Borer Management Plan | 2013 | (291,000.00) | | | 178,749.69 | (112,250.31) | | (112,250.31) | Strategic Initiatives |
| TOTAL ENVIRONMENTAL SERVICES | | | (513,240.00) | - | - | 384,380.19 | (128,859.81) | | (128,859.81) | |
| RECREATION & CULTURE - FACILITIES | | | | | | | | | | |
| 947711 | St. Andrews CC - Main Door Replacement | 2013 | (16,000.00) | | | 10,735.69 | (5,264.31) | | (5,264.31) | Building Maintenance Reserve |
| 947311 | MCC - Main Entrance Door Replacement | 2013 | (40,000.00) | | (15,335.55) | 51,037.73 | (4,297.82) | | (4,297.82) | Building Maintenance Reserve |
| TOTAL RECREATION & CULTURE - FACILITIES | | | (56,000.00) | - | (15,335.55) | 61,773.42 | (9,562.13) | | (9,562.13) | |
| PLANNING & DEVELOPMENT | | | | | | | | | | |
| 950311 | Comprehensive DAAP Analysis | 2013 | (20,000.00) | | | 30,526.41 | 10,526.41 | | 10,526.41 | Building Approvals Reserve |
| 904411 | Chambers Drive - Carruthers Creek | 2009 | (300,000.00) | 58,185.39 | | 241,814.61 | - | 1 | - | |
| TOTAL PLANNING & DEVELOPMENT | | | (320,000.00) | 58,185.39 | - | 272,341.02 | 10,526.41 | | 10,526.41 | |
| BALANCE TO BE TRANSFERRED / FUNDED | | | (1,084,240.00) | 58,185.39 | (15,335.55) | 811,298.68 | (230,091.48) | | (230,091.48) | |

Note 1 Funding methodology for reserve funds dictates that funds are only transferred as expended.

TOWN OF AJAX REPORT



REPORT TO: General Government Committee

SUBMITTED BY: Martin de Rond
Director, Legislative and Information Services

PREPARED BY: Paul Edwards
Manager, Information Technology Services

SUBJECT: **Contract Award – Wide Area Network (WAN) Services**

WARD(S): All

DATE OF MEETING: September 18, 2014

REFERENCE: RFP No. P14010 - Wide Area Network [WAN] Solution

RECOMMENDATION:

That Council award the contract for Wide Area Network Services, to Rogers Business Solutions in the estimated amount of \$619,993.71 (inclusive of all taxes), for a period of 5 years, subject to contract performance review throughout the life of the contract.

BACKGROUND:

The Town's wide area network (WAN) consists of a series of leased fibre optic links that connect remote sites to the Town Hall data centre. These links provide sites with access to data, applications, telephone services and internet.

These links currently have data speeds ranging from 1.5 Mbps to 5.0 Mbps and connect the following sites:

- Fire Station – Monarch
- Fire Headquarters
- ARC
- Carruthers Pavilion
- St Francis Centre
- Fire Station – Westney
- ACC
- MCC
- Village Library
- Operations Centre

The contract for these links with the current telecommunications provider will expire in February 2015.

DISCUSSION:

Request for Proposals (RFP) documents were issued to 14 prospective Proponents with Proposals being received back from two of these, prior to the closing on August 12, 2014. Listed below is a summary of the Proposals received:

| NAME OF PROPONENT |
|---------------------------|
| Bell Canada |
| Rogers Business Solutions |

The following is the Proposal Evaluation Criteria used for this RFP:

| PROPOSAL EVALUATION CRITERIA FORM | |
|--|------------------|
| EVALUATION CRITERIA | AVAILABLE POINTS |
| <u>Qualifications & Experience</u> Demonstrated Experience of the Firm [5 points] Demonstrated Experience of Key Personnel [5 points] Information Obtained through References [10 points] | 20 |
| <u>Submission/Quality of Proposal</u> Responsiveness/Completeness of Submission [5 points] Demonstrated Willingness to Comply with Terms of the RFP [15 points] | 20 |
| <u>Project Deliverables/Technical Response</u> Demonstrated Understanding of the Requirements [10 points] Quality/Completeness of Approach/Work Plan/Methodology [10 points] Functional Requirements [10 points] Ability to Meet Time Estimates/Deadlines [10 points] | 40 |
| <u>Pricing</u> Cost effectiveness of the Proposal | 20 |
| TOTAL POINTS | 100 |
| Interview (if applicable) | 50 |
| Grand Total Points | 150 |

An Evaluation Committee, made up of Information Technology staff, reviewed all of the Proposals received. Based on the evaluation criteria, specified in the RFP document, Rogers Business Solution was the highest scoring Proponent and met all of the needs of the Town.

FINANCIAL IMPLICATIONS:

The new contract provides substantially more bandwidth to remote sites at a cost that is less than our current contract.

Funds for Wide Area Network Services are included in the Information Technology operating budget

COMMUNICATION ISSUES:

CONCLUSION:

It is the recommendation of staff that Rogers Business Solutions be awarded the contract for Wide Area Network Services, being the lowest bidder meeting minimum specifications

Paul Edwards – Manager, Information Technology

Martin de Rond – Director, Legislative and Information Services