

The Corporation of the Town of Ajax

**SPECIAL GENERAL GOVERNMENT COMMITTEE
2020 OPERATING BUDGET WORKSHOP**



Monday, January 6, 2020

1:00 p.m.

River Plate Room, Town Hall

65 Harwood Avenue South

PRESENTATIONS

Alternative formats available upon request by contacting:

accessibility@ajax.ca or 905-619-2529 ext. 3347

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.

R. Tyler Morin, Chair

1. Presentations

- 3.1 **2020 Operating Budget Workshop and Discussion**
~ S. Serrao, Acting Director of Finance / Treasurer

2020 Operating Budget Education Session



January 6, 2020

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Agenda

- Operating Budget Overview
- Framework – Process, Timelines and Funding
- Pressures
- Exceptions
- 2020 Operating Budget Summary
- Wrap up – Next Steps
- Questions?

Operating Budget Overview

- Covers the day-to-day operation
- 8 Departments:
 - ✓ Mayor and Council
 - ✓ Office of the CAO/ HR Services
 - ✓ Legislative & Information Services
 - ✓ Finance
 - ✓ Operations & Environmental Services
 - ✓ Recreation, Culture & Community Development
 - ✓ Fire & Emergency Services
 - ✓ Planning & Development Services
- Library Grant

Operating Budget Overview

Money is spent on the day-to-day expenses for program and service delivery including:

- road & sidewalk maintenance including winter control
- recreation, parks, trails & waterfront maintenance
- emergency services
- library services
- grass cutting

Process/Timelines

June – November

- Departments complete operating budget which is then reviewed with Finance

September - December

- Senior Management Team review/recommend any submitted staffing and new/expanded service requests and tax rate increase

January 6th – Operating Budget Workshop

February 3rd – 2020 Operating Budget Presentation

- Budget will be published on website one week prior

February 24th – Council Approval

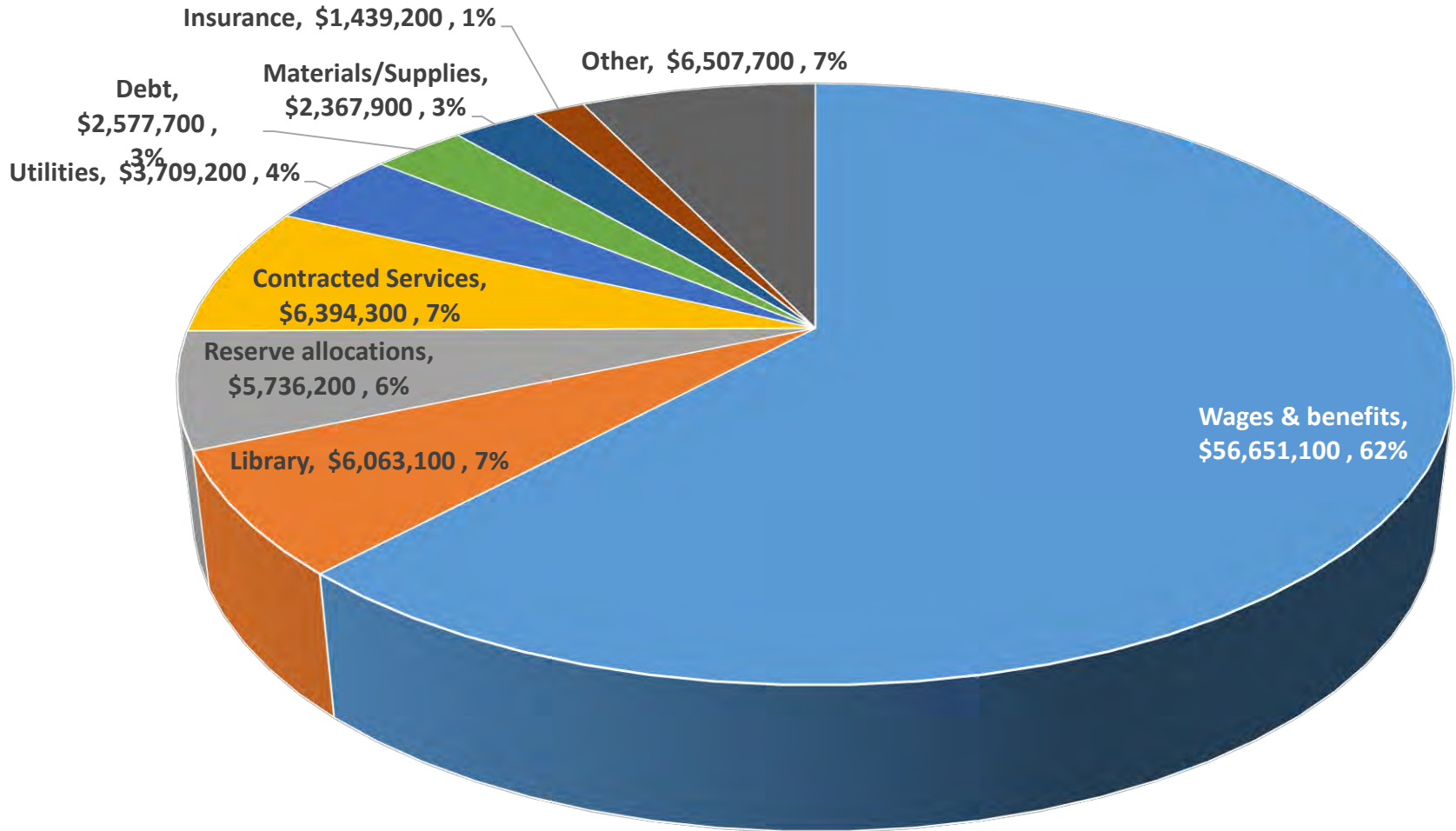
Operating Budget Framework

- The Town is required by provincial law to balance its operating which means that money raised must balance the money spent. To balance the budget, the Town can either:
 - ✓ Increase its revenue stream through raised property taxes and fees; or
 - ✓ Manage expenses by reducing the cost of programs and services

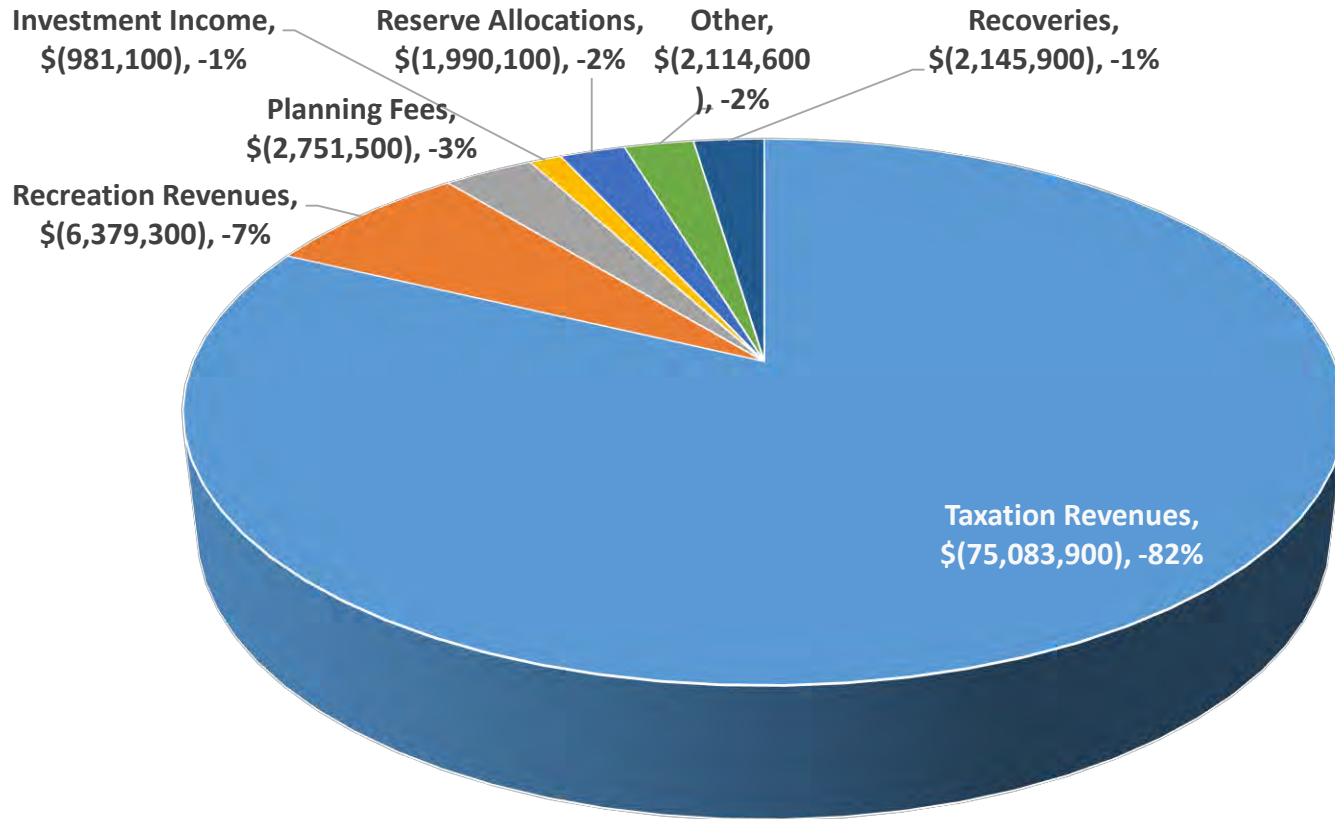
Operating Budget Framework

- Ongoing monitoring and reporting throughout the year
- Operating Budget Forecast Report
- Final year-end reporting

Expenditures by Category



Funding/Revenue Sources



Exceptions to the Tax Rate:

Limited in scope and generally fall into one of the following categories:

- Opening of New Town Facility/Building
- New Services, Service Improvements/Increases in Existing Service Levels
- Legislative Change

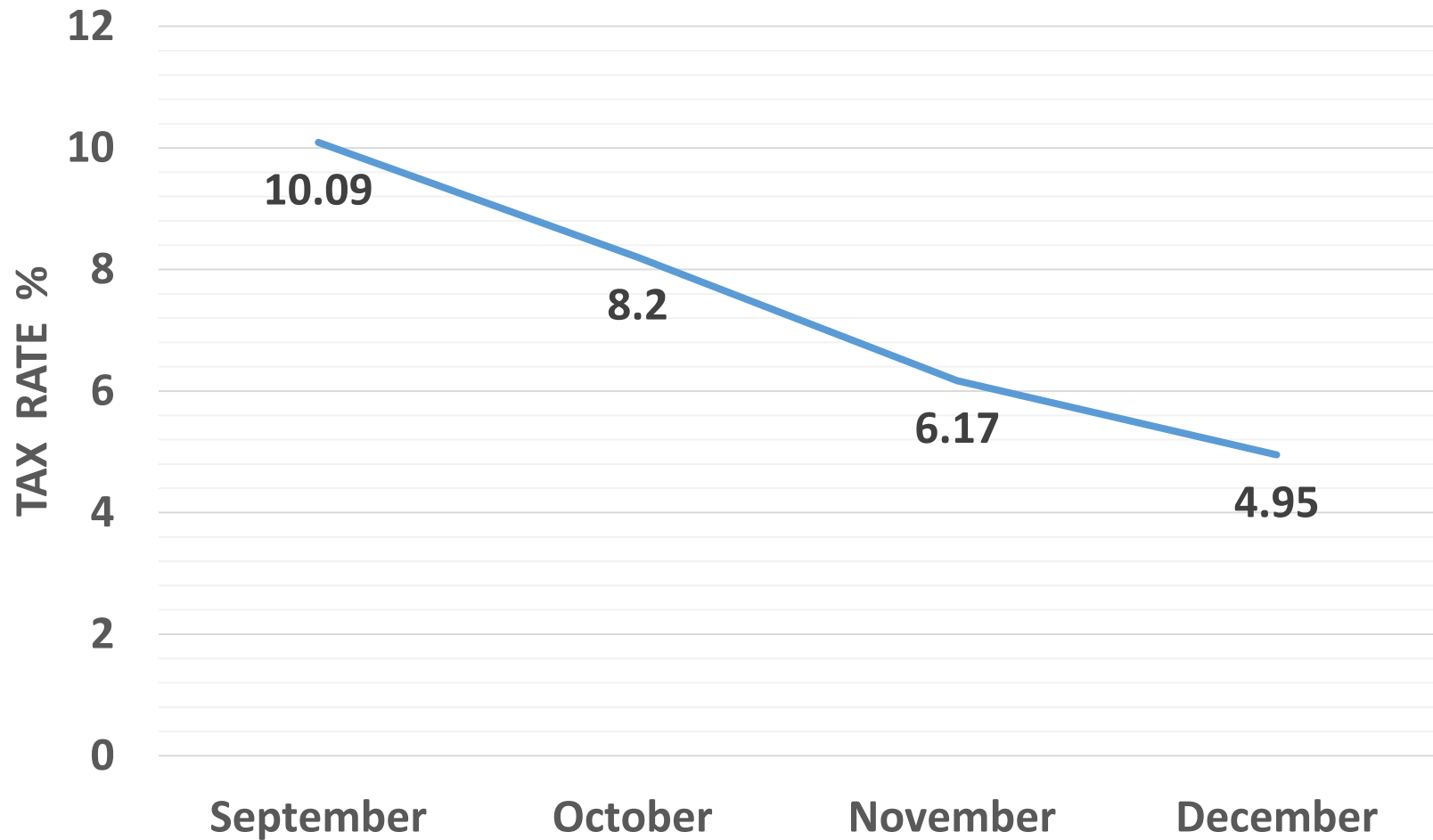
Operating Budget Pressures

- Annualization impact of prior year decisions
e.g. ARC, staffing
- CIP – taxation & planning fees
- Growth related to new subdivisions assumed
- Contractual labour increases
- Inflationary increases – contracted services
- Winter control maintenance

Winter Control Maintenance

- Hours of work legislation
- (MMS) - Minimum Maintenance Standards
- Resources
- Assumption of additional subdivisions

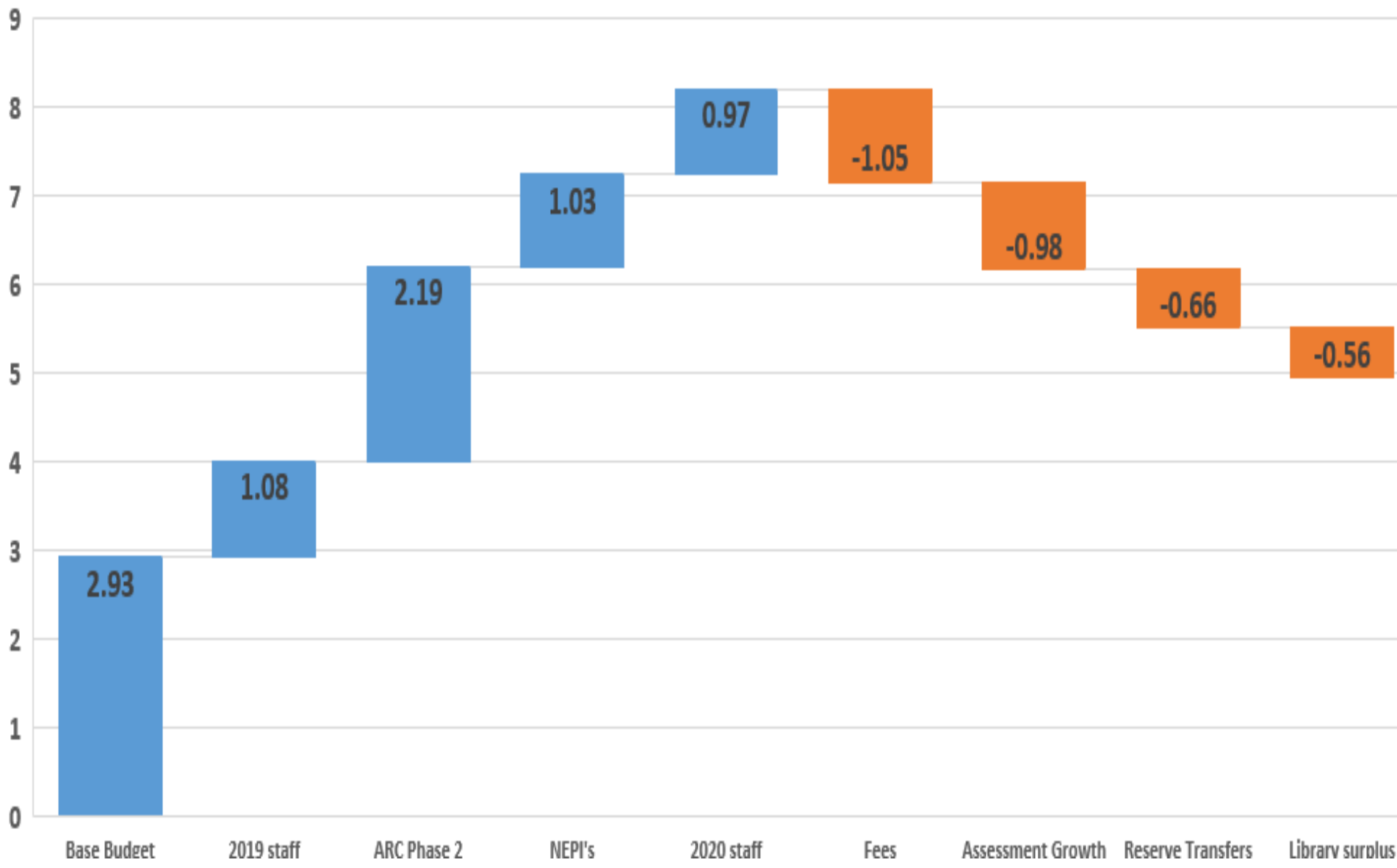
2020 Operating Budget Tax Rate



2020 Draft Operating Budget	Increase / (Decrease)	Tax Rate	Exception	Tax Rate	Total
Base Budget			ARC Phase 2	2.19	
Wages & benefits	1,597,900				
Library annual increase	77,100				
Winter Control maintenance	138,100				
Vehicle rentals (pending Fleet utilization study)	73,300				
Education & training	65,500				
Contracted security	65,200				
On-going routine software maintenance	63,400				
LED savings	(192,000)				
Other	(35,900)				
	1,852,600	2.76			
Annualization - 2019 approved positions	724,300	1.08			
Reserve allocation - approved by Council Dec 20	104,300	0.16			
New Staff requested in 2020	651,100	0.97			
New/Expanded Services - 2020	692,200	1.03			
	4,024,500	6.00			
Fees	(701,500)	(1.05)			
Assessment Growth - Final	(657,500)	(0.98)			
Reserve Transfers (debt/strategic initiative/turf)	(444,900)	(0.66)			
Library Surplus	(373,000)	(0.56)			
	(2,176,900)	(3.24)			
Net Base Increase	1,847,600	2.76		2.19	4.95

2020 Tax Rate - 4.95%

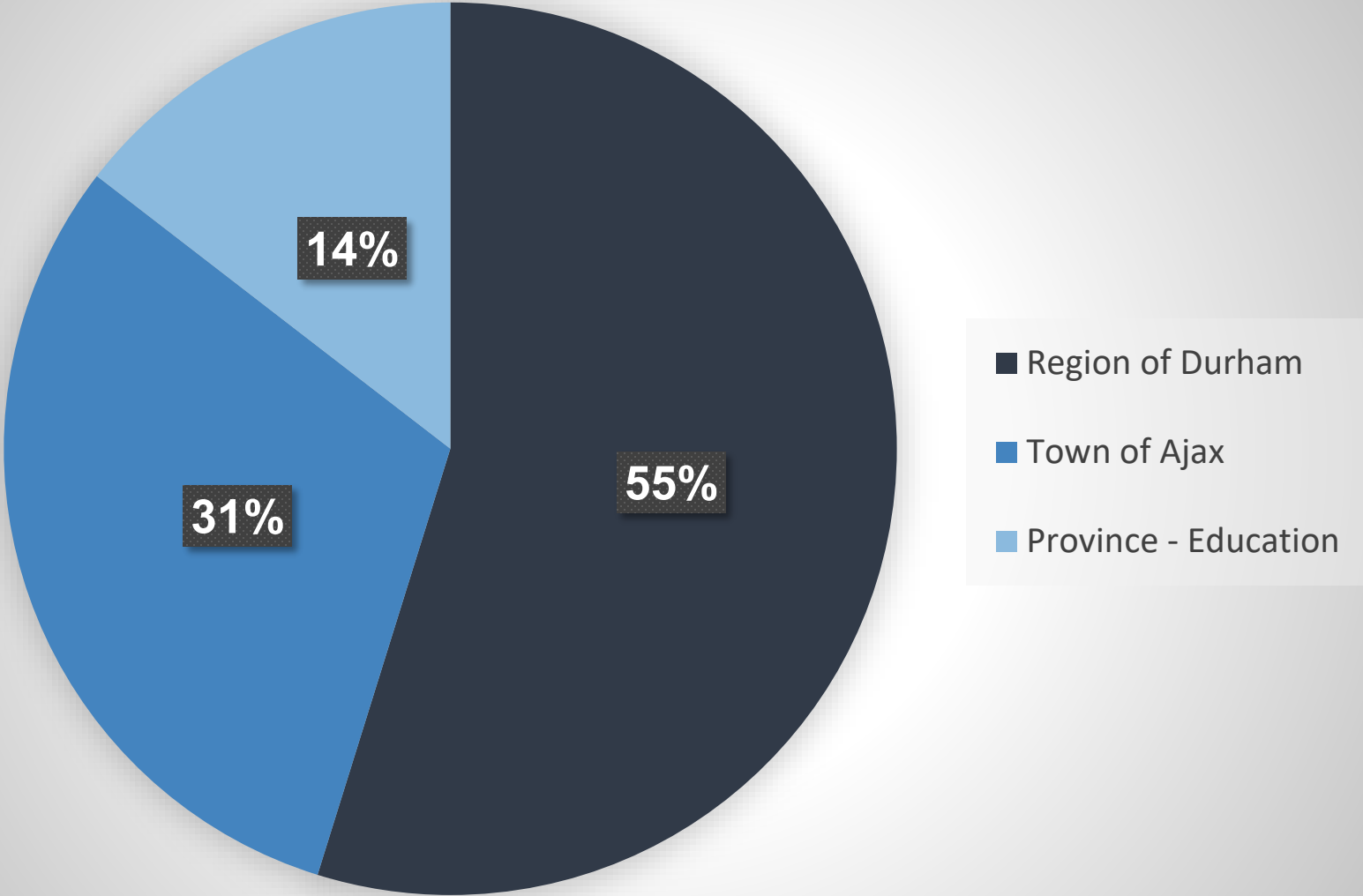
Chart Area



Tax Rate Increase

2020 Average Assessed Home		\$ 486,600
2020 \$ Increase	Town (4.95%)	\$ 81.75
	Region (2.5%)	\$ 73.83
	Education	\$ -
Total		<u>\$ 155.58</u>
2020 Combined rate		<u>2.89%</u>
Monthly - Town		\$ 6.81
Monthly - Region		\$ 6.15

Property Taxes Distribution



2020 Draft Operating Budget	Tax Rate
Non Discretionary	
Audley Recreation Centre Phase 2	2.19
Annualization - 2019 approved positions	1.08
Reserve allocation - approved by Council Dec 20	0.16
	3.43
Proposed tax rate increase	4.95
Additional request	1.52

THANK YOU/ QUESTIONS?

Sandy Serrao

Acting Director of Finance

Finance

Town of Ajax

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