

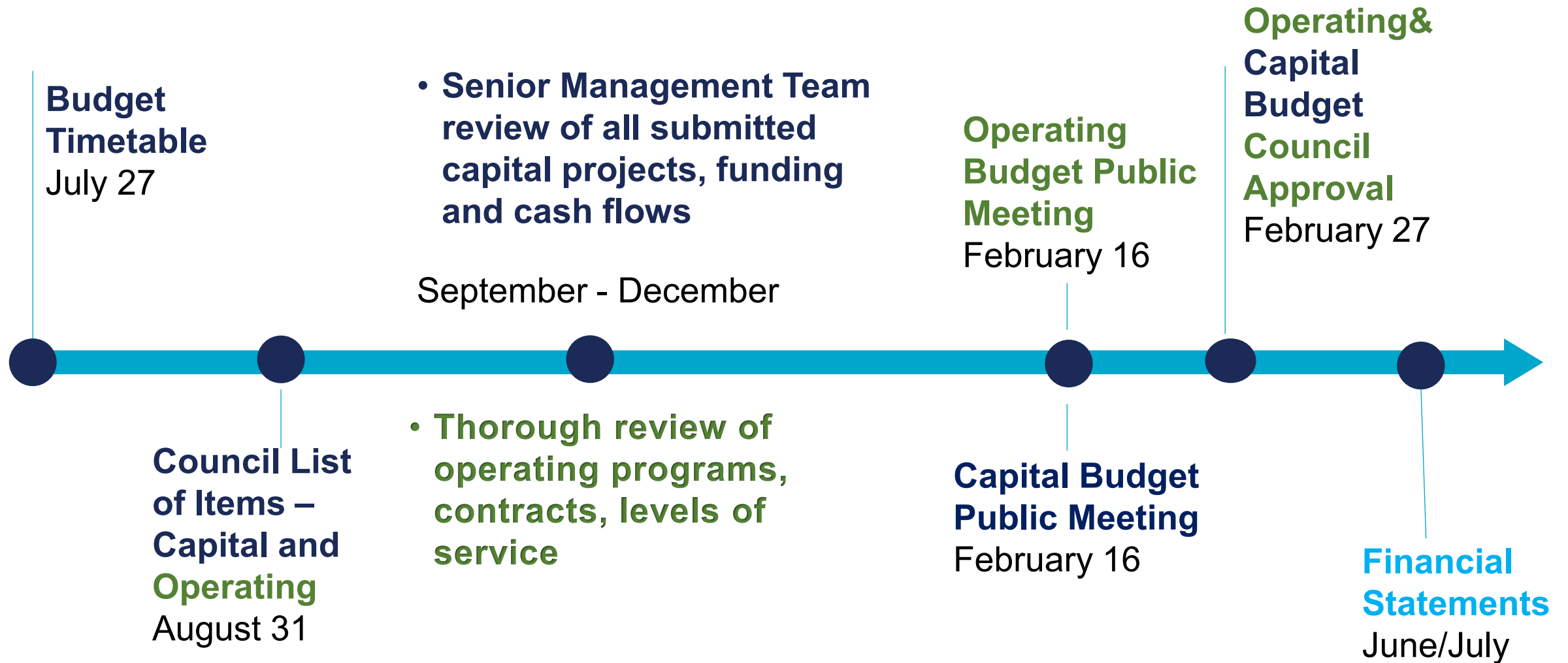


# 2023 Capital Budget

February 16, 2023

**Ajax**

# Process/Timelines



# Capital Budget

- One time projects, mainly infrastructure (roads, trails, bridges, parks, buildings), studies and information technology (IT)



# How is Capital Funded

- Reserves
  - General Levy allocations
  - Ajax Casino Revenues
  - Elexicon
  - Other (Investment Income > \$1,281,000, surplus, donations, grants, external recoveries)
- Reserve Funds
  - Development Charges
  - Canada Community-Building Fund
  - Cash in-lieu of Parkland
- Storm Water User Fee (new)
- Debenture
- External Revenues

# Capital Budget Overview



Studies and Initiatives



Technology



Town Buildings



Parking Lots



Parks & Open Spaces



Vehicles and Equipment



Road Network



Bridges and Culverts



Storm Water Network

# Considerations in Determining Capital Budget

- Inflation (CPI – 6.3%, NRBCI – 15.6%)
- Various Studies and Master Plans (Strategic Plan, Asset Management Plan, RPMP, FMP)
- Supply and Staffing constraints
- Council's list of priority items
- Prioritization of roads projects based on Pavement Management System
- Mitigation of risk: decrease liability and increase safety
- Receipt of confirmed or potential grant funding
- Growth related projects
- Legislative requirements
- Synergies with other organizations (i.e. Region, Developers, etc.)
- Funding constraints
- Economic Impacts
- Environmental Impacts

**TOWN OF AJAX**  
**2023 CAPITAL BUDGET / 2024-2032 LONG RANGE CAPITAL FORECAST**  
**DETAIL SHEET**

<b>Department</b>	Operations & Environmental Services	<b>Initially budgeted in</b> 2023
<b>Section</b>	Fleet / Equipment Maintenance	
<b>Project Name</b>	<b>Multi-use Tractor with Implements</b>	
<b>Submitted By</b>	Dylan Quigley, Interim Supervisor Fleet & Inventory	
<b>Start Year</b>	2023	
<b>Project Number</b>	23003001	
<b>PROJECT DESCRIPTION / JUSTIFICATION</b>		



**Stand along Projects**

**Project Number**

**26000101**

Initial Project Requirement Year

Sequence of Projects

End with 01

Development Charge (DC) , Life Cycle (LC) projects, and Community Benefit Charge (CBC)

# Project Number

26030014

Initial Project Requirement Year

Program Type

Sequence of Project



## TOWN OF AJAX

### 2023 CAPITAL BUDGET / 2024-2032 LONG RANGE CAPITAL FORECAST

#### DETAIL SHEET

Project Name Stormwater Lifecycle Maintenance Program

Project Number LC041000

#### Program Description

#### EXPENDITURES / FUNDING

	2023	2024	2025	2026-2032	Total
<b>Expenditures</b>					
23041001 SWM Pond 19 Rehab (Carruthers Ph 2)	400,000	-	-	-	400,000
23041002 Stormwater Network Inspection	75,000	-	-	-	75,000
23041003 Stormwater Maintenance	100,000	-	-	-	100,000
24041001 SWM Pond 26 Lakeside Ph 1 Rehab	-	250,000	-	-	250,000

## Development Charge (DC) , Life Cycle (LC) projects, and Community Benefit Charge (CBC)

# Project Number

26030014

Initial Project Requirement Year

Program Type

Sequence of Project

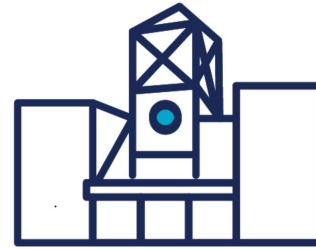


Life Cycle Projects – Program Type	0101 – 0800
Development Charge – Program Type	0901 – 0905
Community Benefit Charge – Program Type	0950

# New for 2023 – Capital Project Maps

- Three comprehensive WARD maps— for 2023 projects only

- Facilities



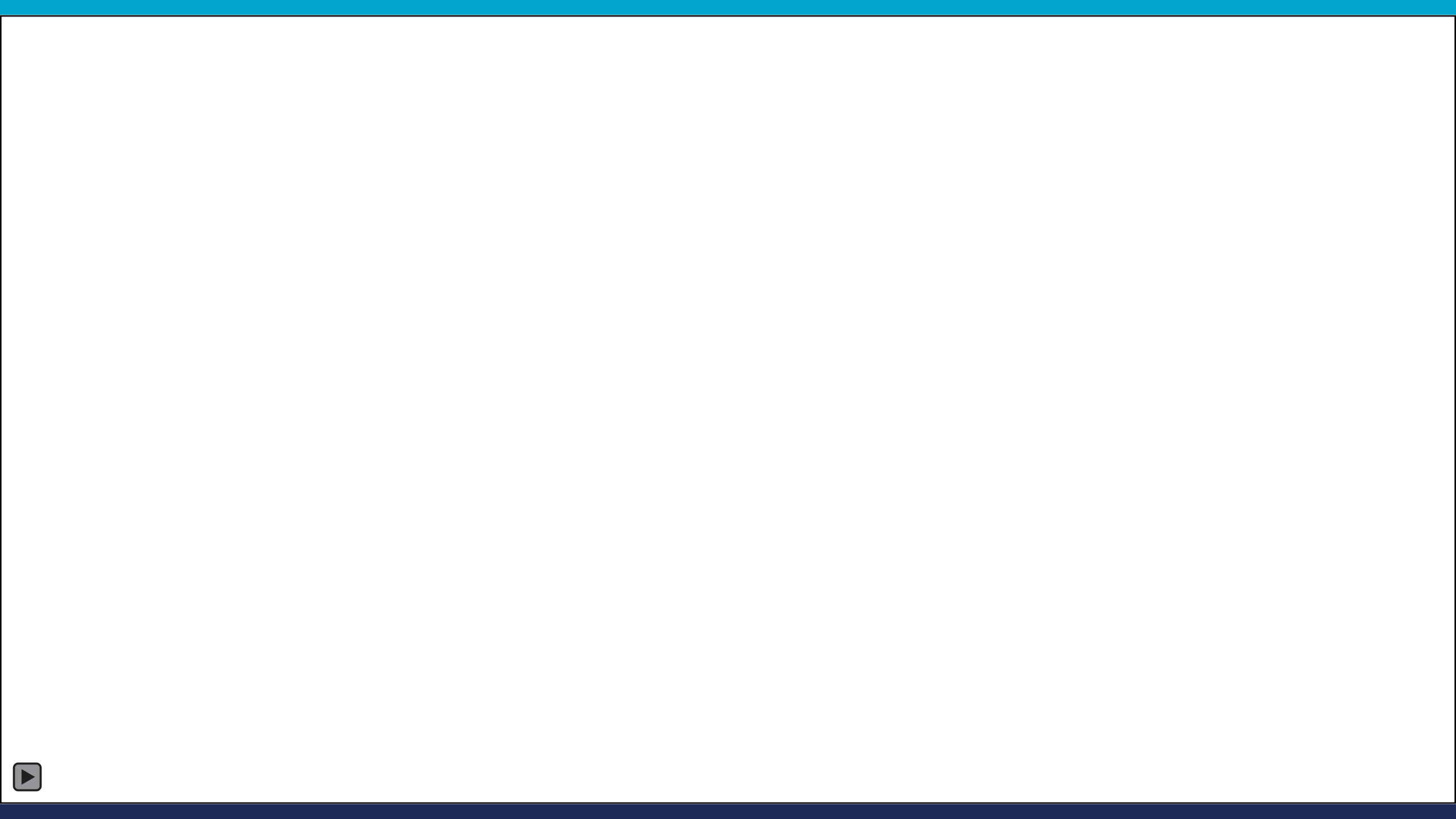
- Parks and Recreation



- Traffic Signals, Bridges and Storm Water

- Roads & Multi Use Paths, Bike Lanes and Streetlights





# Capital Budget Revenue Assumptions

- General Levy Allocations
- Elexicon Dividends / Income
- Canada Community-Building Fund
- Casino Ajax / Slots Revenues
- Development Charge Revenues
- Grants

# Financial Sustainability Plan

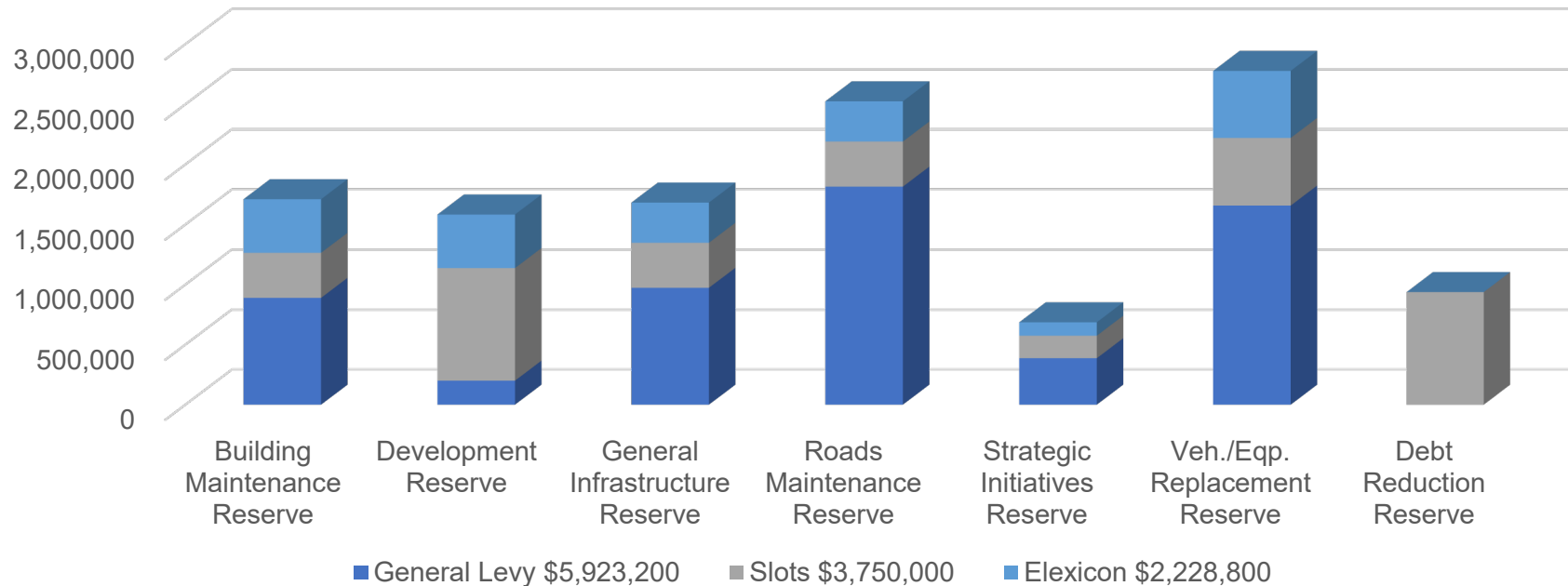
Defined Spending Caps - 95% of annual budgeted revenues applies to six active capital reserves:

- Vehicle & Equipment Replacement
- Roads Maintenance
- General Infrastructure
- Building Maintenance
- Strategic Initiatives
- Development



# 2023 Allocation to Reserves

- 94% of Casino Ajax revenues are allocated to Capital Reserves
- 100% of Elexicon Revenue are allocated to Capital Reserves
- General Levy reserve allocations support the maintenance / replacement of existing infrastructure, Strategic Initiatives and new assets and infrastructure

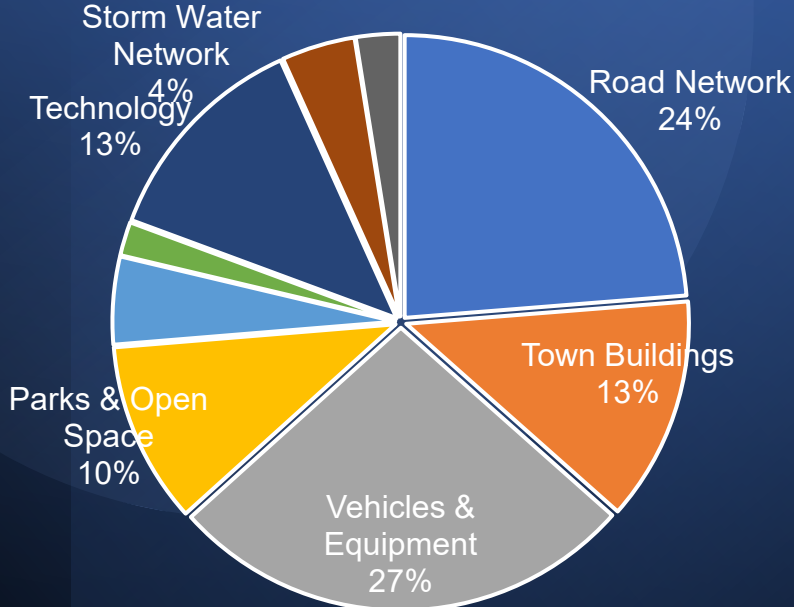


# 2023 Stormwater User Fee

- Flat Rate to residential properties - \$48
- Non-residential rate based on impermeable surface – variable
- Estimate \$2.67M collected in 2023 to fund operating and capital projects
- Approximately \$655,000 will be allocated to funding Operating – previously funded through the tax base
- \$1,041,700 is identified in 2023 Capital Budget
- Balance will help build the reserve to fund the backlog of projects and ensure there is funding available for any emergency Stormwater repairs

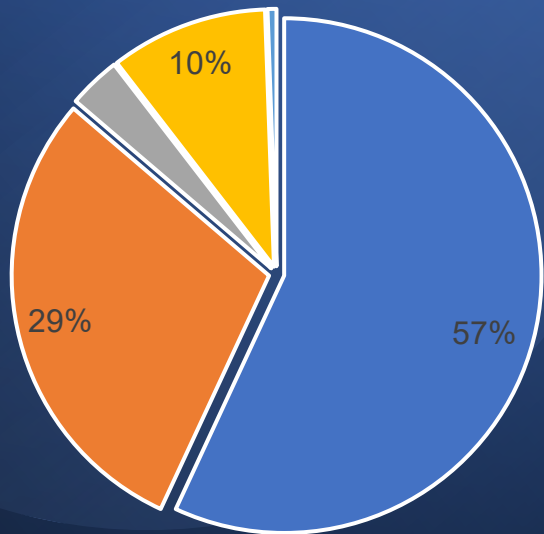


# 2023 Draft Capital Budget



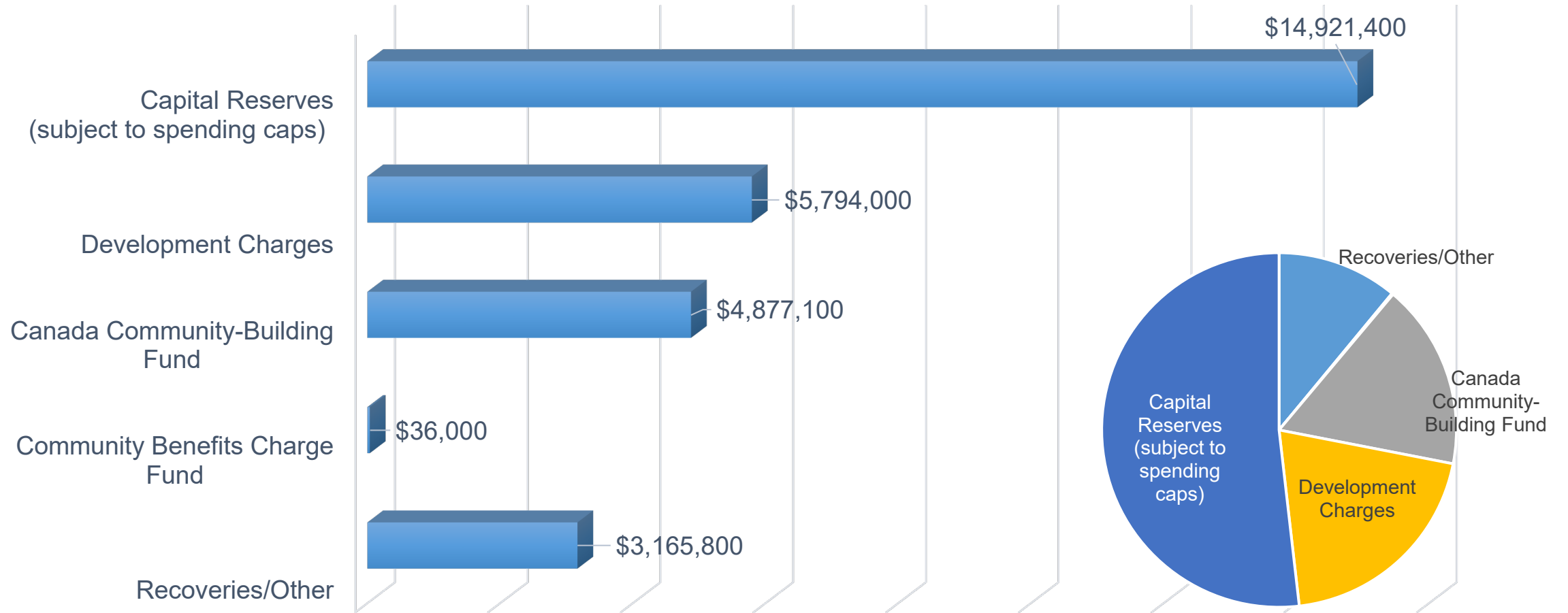
Project Type	Budget Estimate
Studies & Other Initiatives	\$555,500
Technology	\$3,635,700
Town Buildings	\$3,690,000
Parking Lots	\$1,442,500
Parks & Open Spaces	\$3,987,700
Vehicles & Equipment	\$7,708,000
Road Network	\$6,834,700
Bridges & Culverts	\$728,500
Storm Water Network	\$1,211,700
<b>Total Draft Capital Budget</b>	<b>\$28,794,300</b>

# 2023 Draft Capital Budget



Project Type		Budget Estimate
Studies		\$947,500
Other Initiatives		\$160,500
New	29%	\$8,446,800
Replacement	57%	\$4,823,100
Rehabilitation		\$11,041,400
Maintenance		\$525,000
Upgrades	10%	\$2,850,000
<b>Total Draft Capital Budget</b>		<b>\$28,794,300</b>

# 2023 Capital Project Funding





## Canada Community- Building Fund (CCBF)

- \$3.9M contribution (2023)
- For rehabilitation of or new capital asset as defined under Generally Accepted Accounting Principles or for Capacity Building
- Must be used within 5 years of receipt
- Output/Outcomes Reporting

# Canada Community-Building Fund (CCBF) Revenue

In 2023, \$4.877 million of CCBF revenues will be invested in our transportation network, facility energy projects and greenhouse gas emission reductions

## Key investments include:

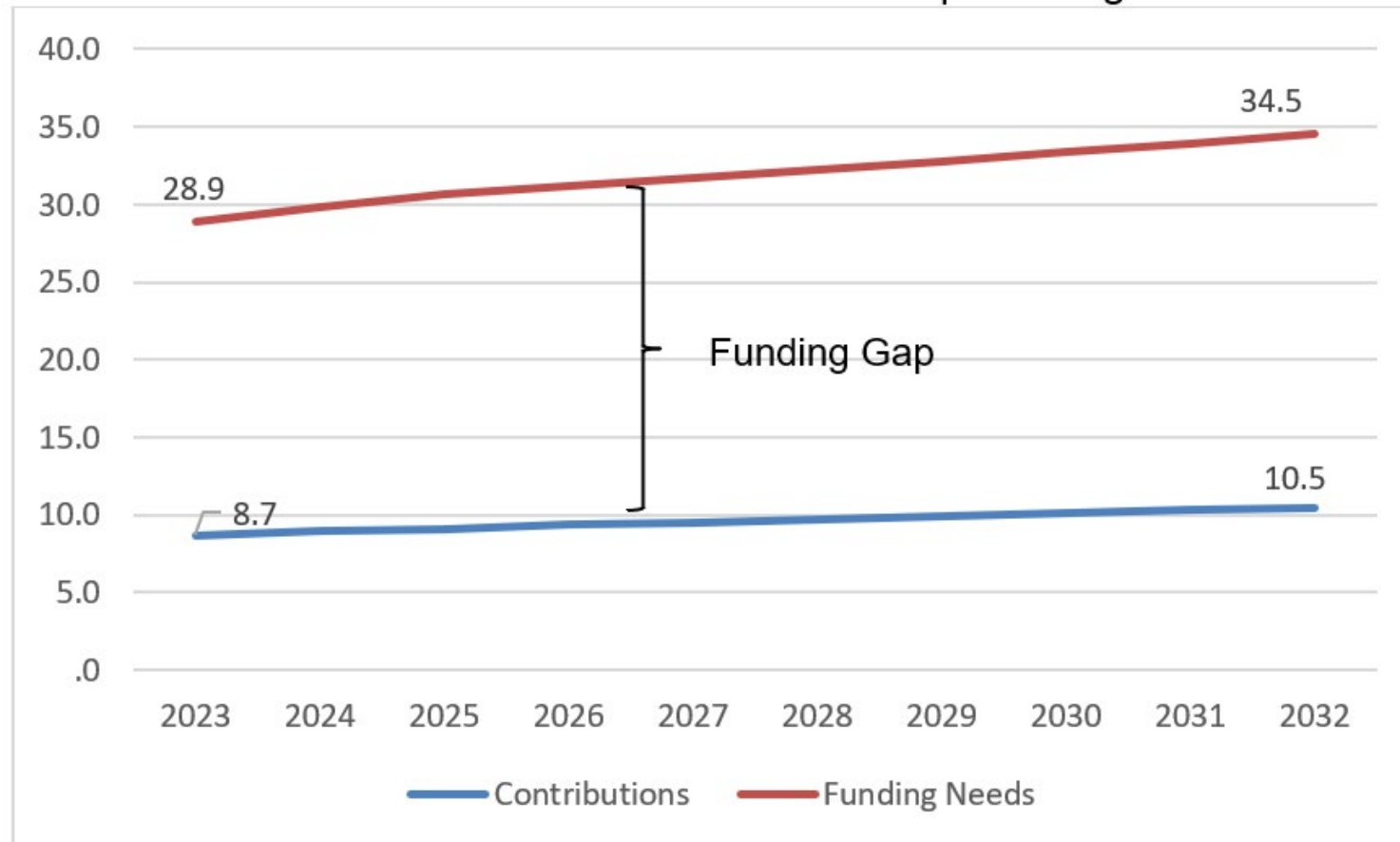
Project Type	Amount
Local Road Resurfacing & Reconstruction	\$3,572,100
Facilities/Playground Upgrades and Energy Retrofits	\$55,000
Parks & Open Spaces	\$630,000
Studies & Other Initiatives	\$200,000
Storm Water Network	\$420,000
<b>Total</b>	<b>\$4,877,100</b>

# Multi-Year Approval

- Capital projects that have been cash flowed over two or more years to mitigate impact to reserves in a given year. These are typically large projects that will span over more than one year.

Project	2023 Budget	2024 Budget
Aerial Fire Apparatus Unit #A42 (2006)	\$630,000	\$1,470,000
Pumper Apparatus Unit #P45 (2022 - \$374,000)	\$1,100,000	n/a
Human Resource Management System (HRMS)	\$2,098,700	\$1,281,200
<b>Total</b>	<b>\$3,828,700</b>	<b>\$2,751,200</b>

# Asset Management Needs vs Budgeted Contributions

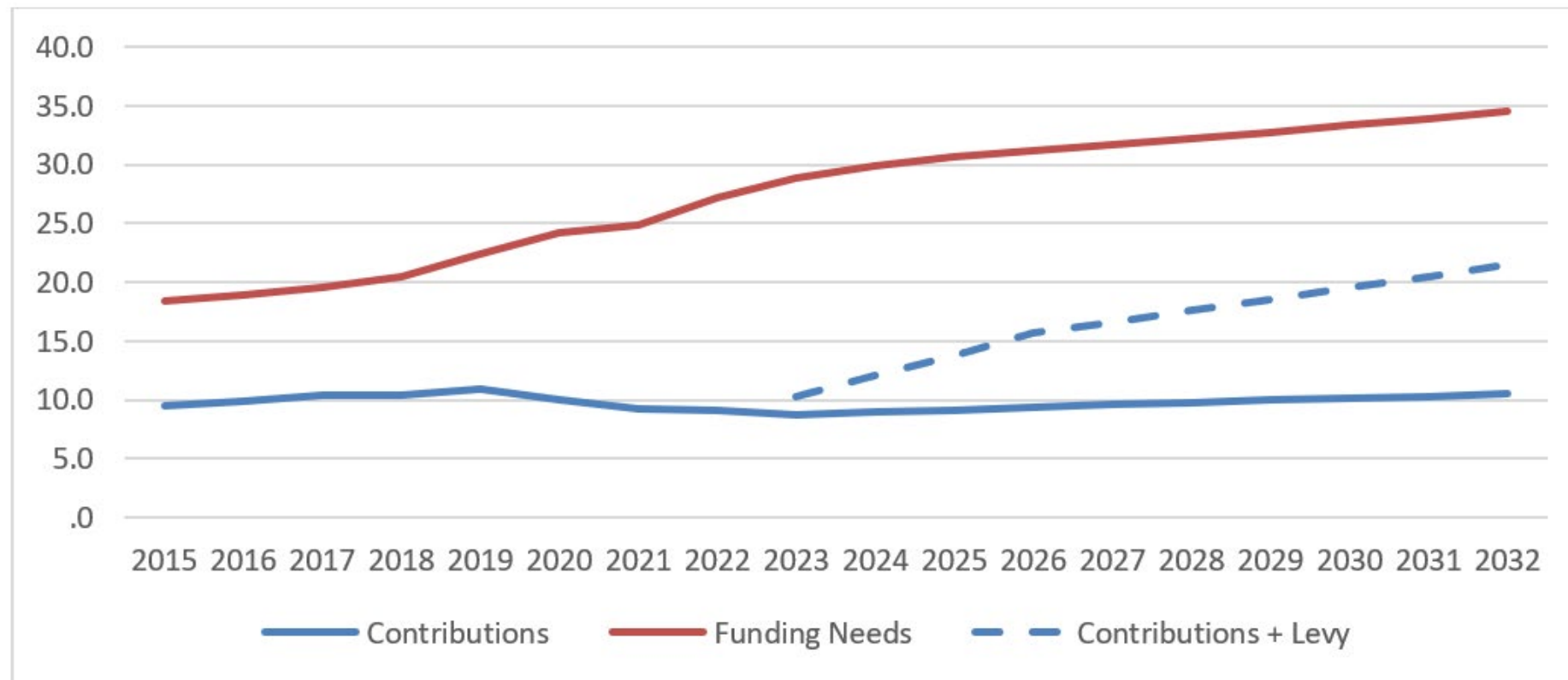


# New Infrastructure Levy

- Many municipalities already have implemented an infrastructure levy
- An infrastructure or capital levy is considered best practice in municipal financing and helps ensure funding is available to replace assets based on the Town's asset management plan
- 2023 budget estimates
  - Oakville –\$2.2M (1%)
  - Richmond Hill - \$1.22 M (1%)
  - Cambridge - \$400,000 (0.4%)
  - Hamilton - \$5M (0.5%)
  - Toronto - \$ 6.1B (1.5%)

# Closing of funding gap with new Infrastructure Levy

- Implement a 2% Infrastructure Levy from 2023 – 2026
  - 2023 – 2% = \$1,571,000 (Vehicle & Equipment Reserve and Building Reserve)
- 1% levy 2027 onward
- Reviewed as part of the Asset Management Financing Strategy due by July 1, 2025



# Next Steps

February 16 - Review Budget document

February 27<sup>th</sup> – Operating Budget Ratification

Questions and comments

- [budgets@ajax.ca](mailto:budgets@ajax.ca)
- IMO (<https://imo.ajax.ca/2023-ajax-budget>)

# Thank You / Questions

**Dianne Valentim, CPA**

*Director of Finance / Treasurer  
Finance | Town of Ajax*

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