

The Corporation of the Town of Ajax

SPECIAL COUNCIL

Friday, December 13, 2024, 9:00 a.m.

Hybrid Meeting

Council Chambers, Town Hall

65 Harwood Avenue South



PRESENTATIONS

Alternative formats available upon request by contacting:

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

Hybrid Meeting: This meeting occurs in person and open portions will be live streamed for viewing at www.ajax.ca/live. Electronic participation is permitted pursuant to Council's Procedure By-law and may be arranged by e-mailing clerks@ajax.ca.

4. Capital Budget and Operating Budget

- 4.1 **Capital and Operating Budget Presentations**
~Dianne Valentim, Director of Finance/Treasurer

2025 Budget

December 13, 2025



ajax.ca/Budget

Ajax

Operating Budget Framework

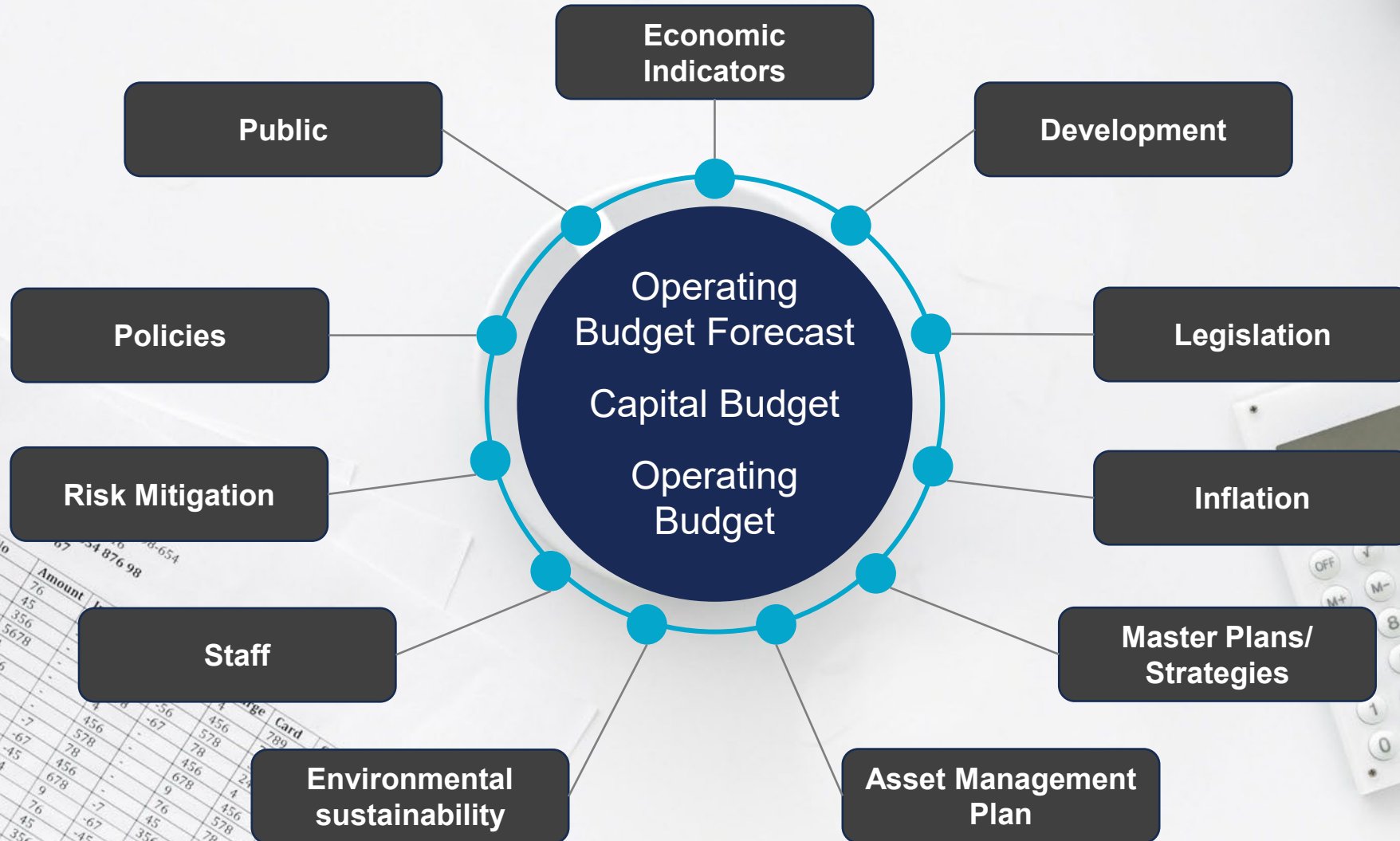
The Town is required by provincial law to have a balanced budget

To balance the budget, the Town can either:

- Increase its revenue stream through raised fees or property taxes; or
- Decrease expenditures by reducing levels of service



Inform the Budget



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
- Grass cutting, boulevard maintenance
- By-law, animal services and enforcement
- Information Technology
- Library services



Capital Budget

- One time projects, mainly infrastructure (roads, trails, bridges, parks, buildings), studies and information technology (IT)
- The capital budget includes the maintenance of existing Town assets and the construction of new assets



2025 Operating Impacts and Pressures

- Labour agreements, salaries and associated costs
- Progression of Exempt Compensation Review (offset with draw from stabilization reserve over 3 years – 2025 is year 2 of 3)
- Annualization of 2024 Business cases (23)
- Commitment to infrastructure levy (2%/yr 2023 – 2026)
- Annual renewal of IT maintenance subscriptions
- New and increases to various annual contracts



2025 Operating Budget adjustments to mitigate tax increase

- Increase in user fee revenues due to rate and volume increase \$920,000
- Increase in penalties and interest revenue \$700,000
- Increase gapping for in-year vacancies \$411,400
- Increase in investment income \$500,000

2025 Operating Budget Business Cases

- New staffing
 - 4 new Full-time positions
 - 2 conversions from Part time to Full-time
 - 8 new Part Time positions
- Increased level of service for all Library branches(earlier Sunday morning opening)



Bill 23, More Homes Built Faster Act, 2022

- Bill 23 impacts are not reflected in the 2025 Operating Budget
- Some of the items in Bill 23 have been walked back – some Regulations have not yet been released by the Province identifying
 - clear definition and criteria for determining attainable housing
- Ongoing Bill 23 impacts will be tracked and reflected in future budgets as required

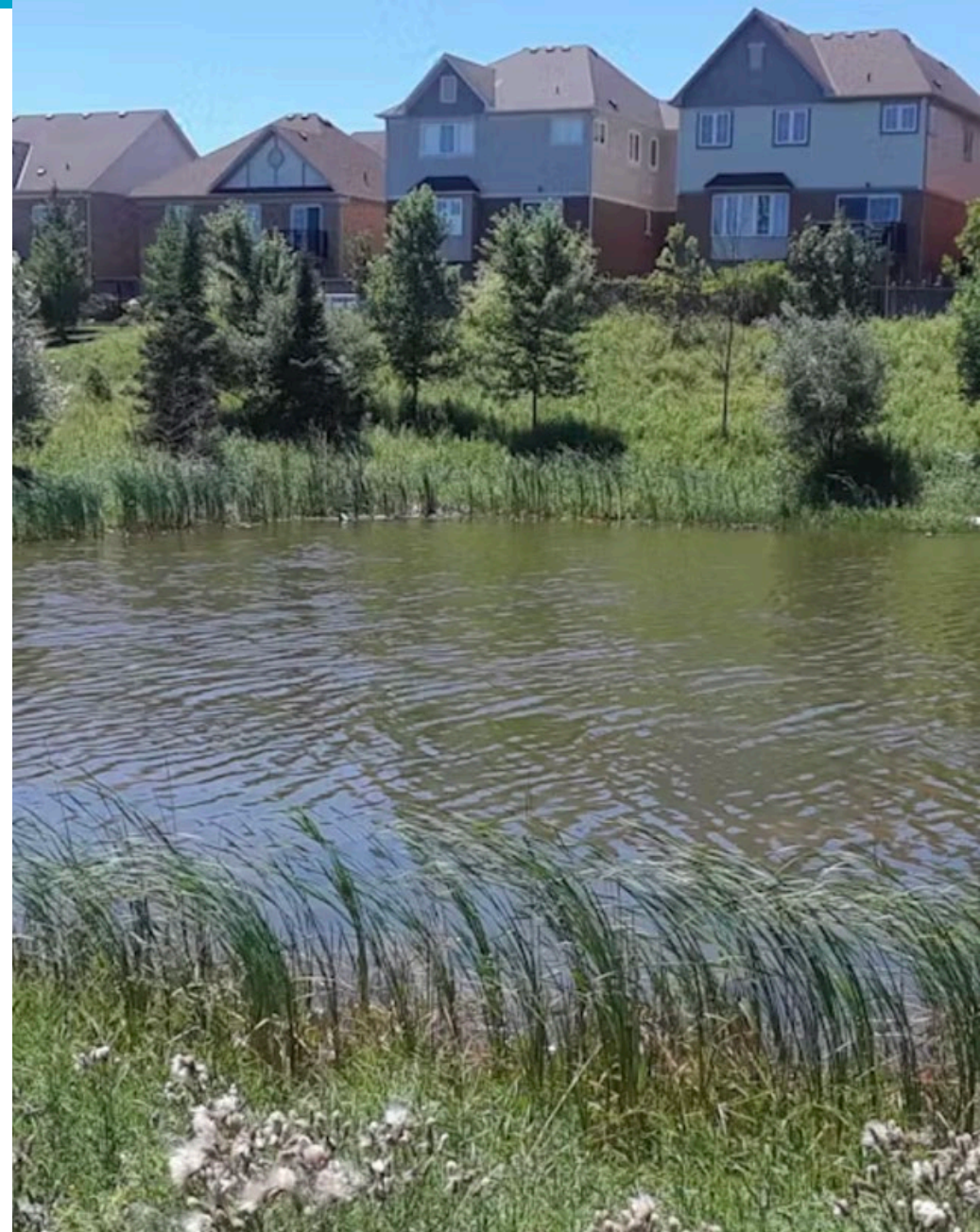


Considerations in Determining Capital Budget

- Inflation
- Legislative requirements
- Various Studies and Master Plans (Strategic Plan, Asset Management Plan (AMP), RPMP, FMP, Green Fleet Strategy)
- Supply and Staffing constraints
- Prioritization of roads projects based on Pavement Management System and AMP
- Mitigation of risk: decrease liability and increase safety
- Receipt of confirmed or potential grant funding
- Growth related projects
- Synergies with other organizations (i.e. Region, Developers, etc.)
- Funding constraints
- Economic & Environmental Impacts

Capital Budget Revenue Assumptions / Funding

- General Levy Allocations
- Elexicon Dividends / Income
- Canada Community-Building Fund
- Casino Ajax Revenues
- Development Charge Revenues
- Grants
- Storm Water Management Fee



The Town's 2025 Capital Budget



\$0.7 million
storm water network rehabilitation
and maintenance



\$2.3 million
in technology improvements and
upgrades



\$4.7 million
on design and replacement of Pad
3 & 4 arena slabs and flooring at
the Ajax Community Centre



\$1.8 million
on bridge repairs and
rehabilitations



\$15.6 million
investment in new and existing
road network

\$40,480,000



\$3.2 million
for Parks and
Open Space



\$3.8 million
for fire vehicles and equipment



\$5.4 million
on other vehicles and equipment

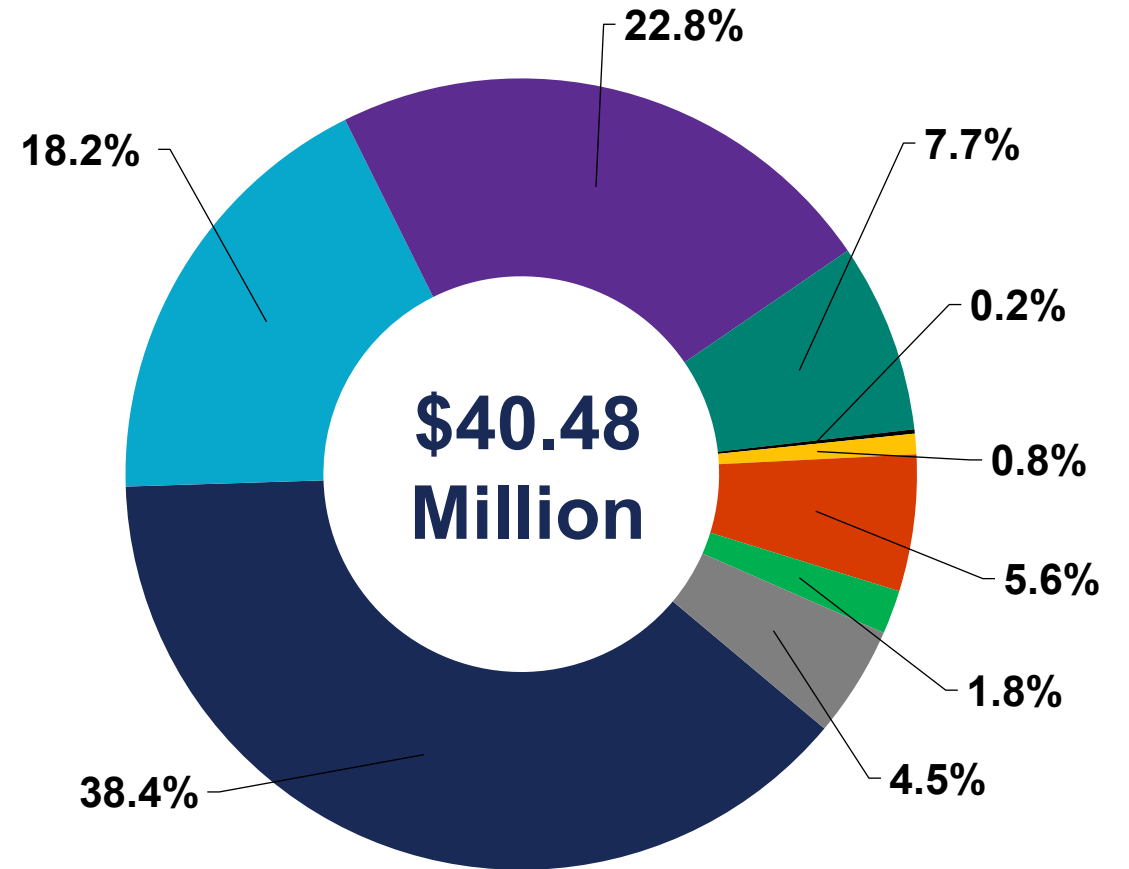


\$2.7 million
on other buildings and building
improvements



\$0.3 million
on studies and other initiatives

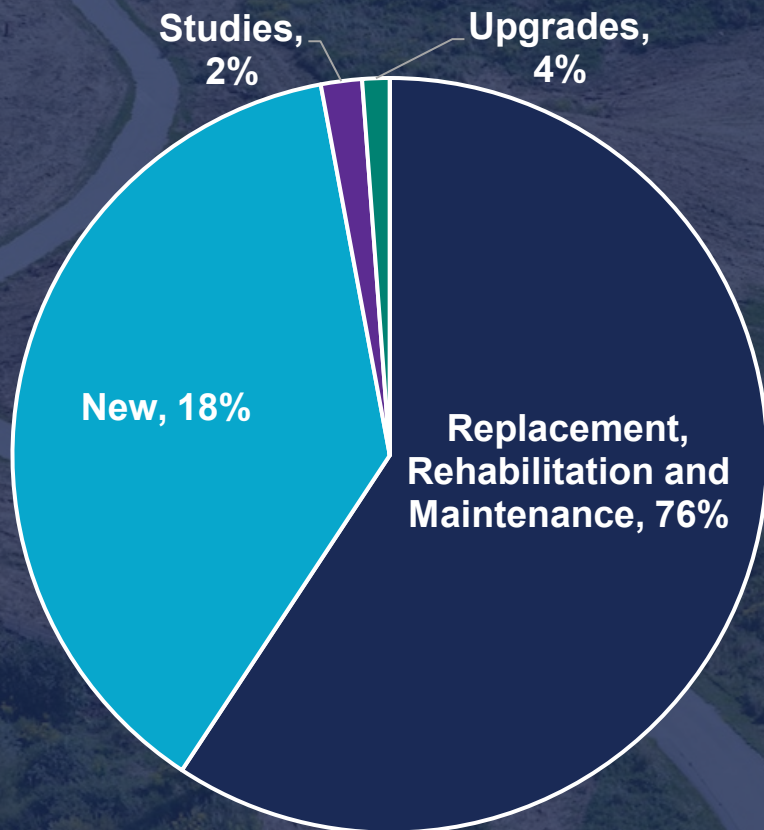
2025 Proposed Capital Budget



- Road Network
- Vehicles & Equipment
- Parking Lots
- Technology
- Bridges & Culverts

- Town Buildings
- Parks & Open Space
- Studies and Other Initiatives
- Storm Water Network

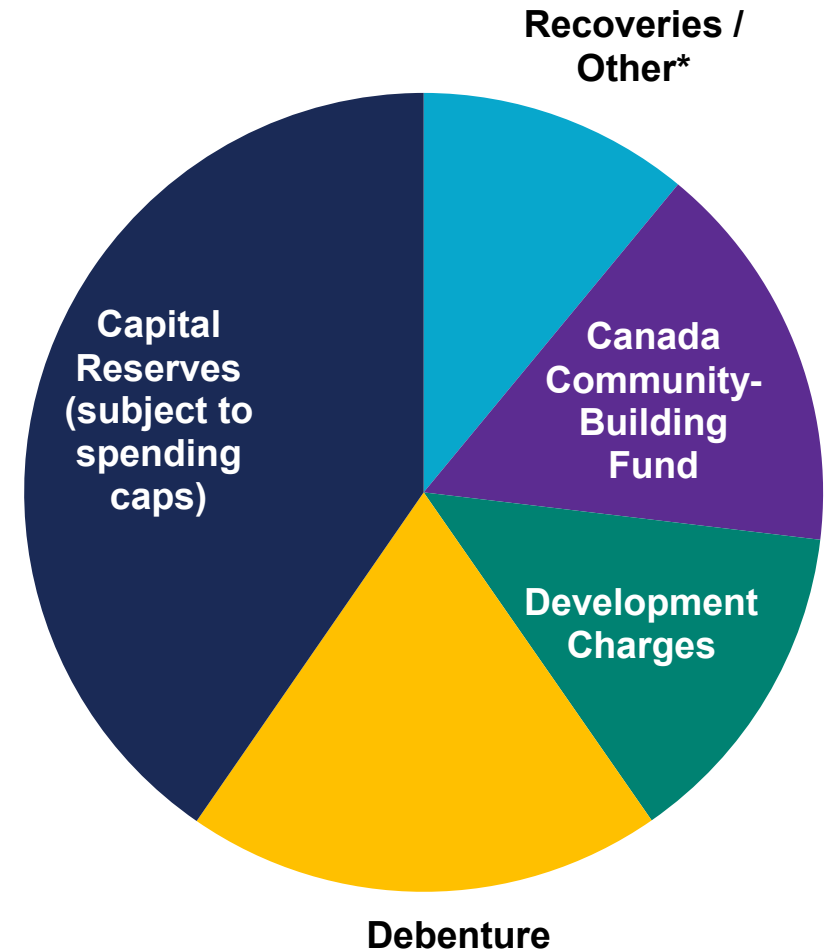
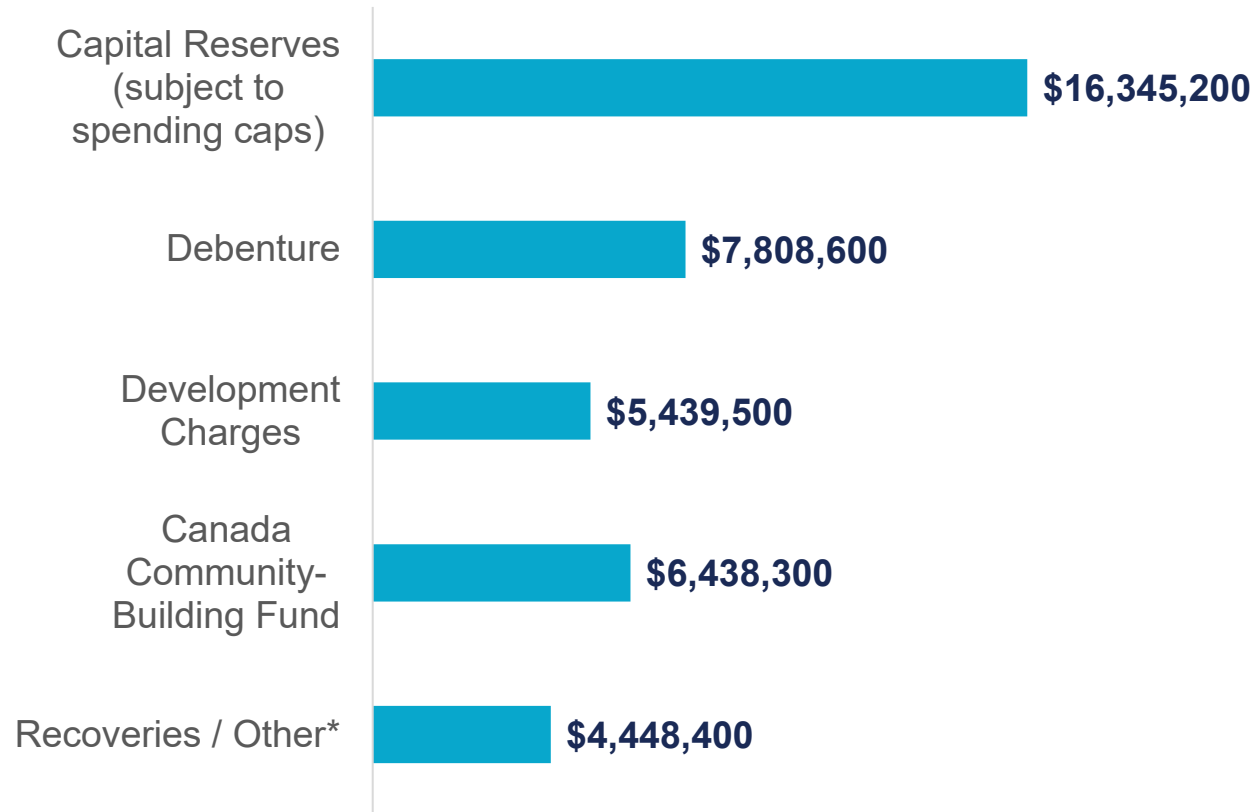
2025 Proposed Capital Budget



Project Type		Budget Estimate
Studies	2%	\$961,400
New	18%	\$7,133,700
Replacement	76%	\$6,636,300
Rehabilitation		\$21,881,000
Maintenance		\$2,161,600
Upgrades	4%	\$1,706,000
Total Draft Capital Budget		\$40,480,000

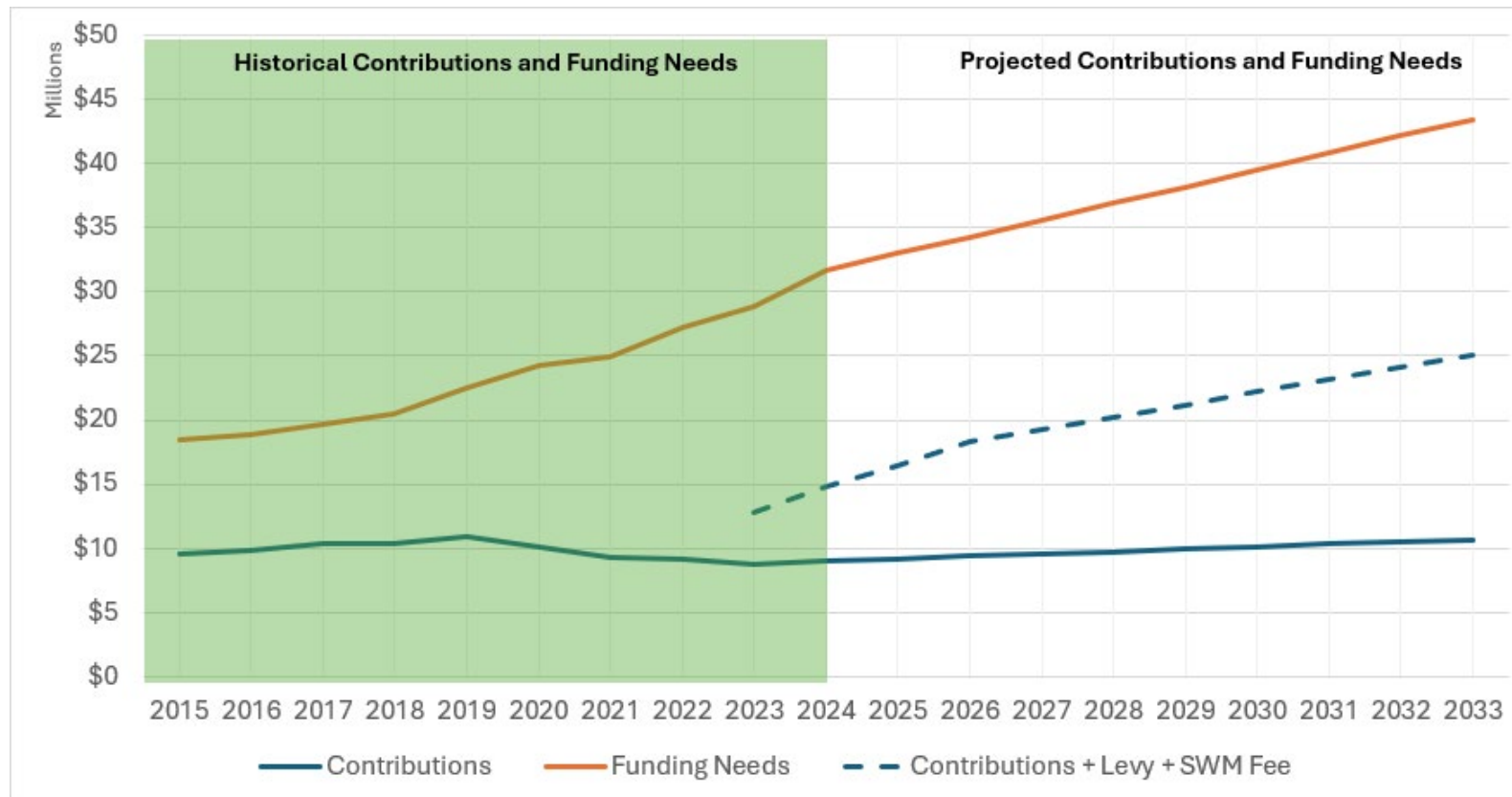
2025 Capital Project Funding

2025 Capital Budget Funding



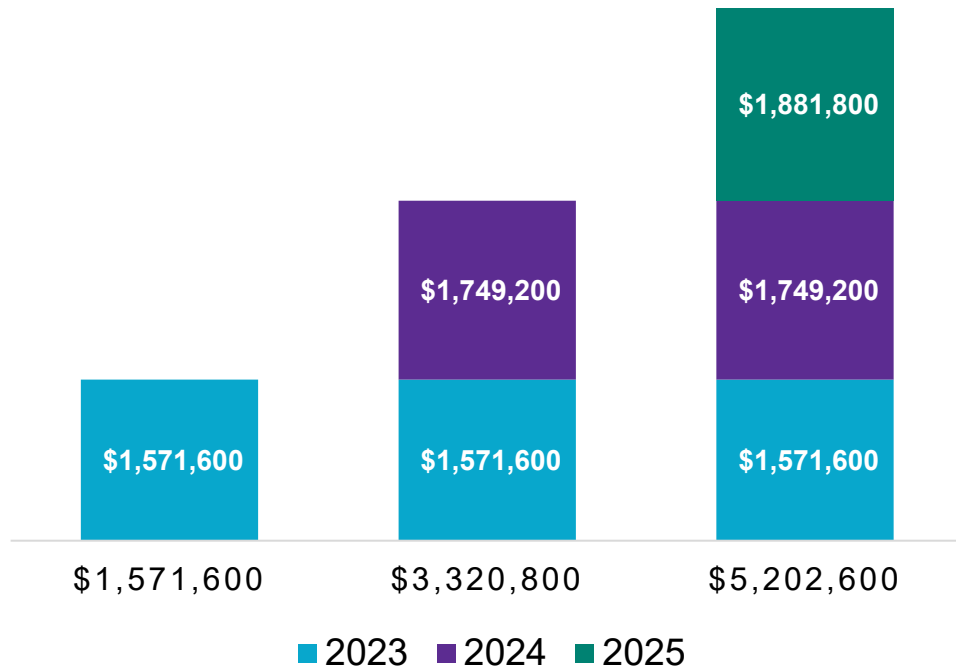
Closing of funding gap with Infrastructure Levy

- Implement a 2% Infrastructure Levy from 2023 – 2026
 - 2025 – 2% = \$1,881,000 (Vehicle & Equipment Reserve and Building Reserve)
- 1% levy 2027 onward
- Reviewed as part of the Asset Management Financing Strategy due by July 1, 2025

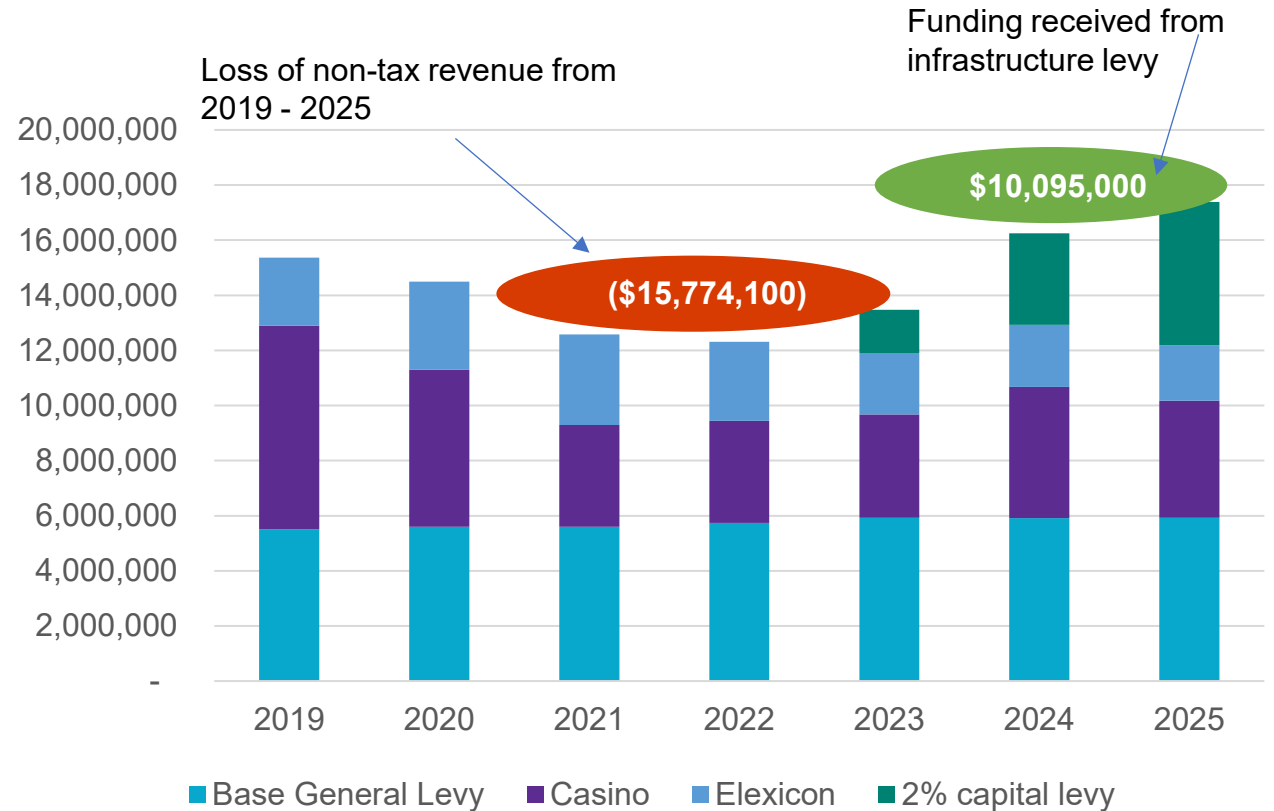


Capital infrastructure levy

New Annual Contribution



Contributions to Capital Budget



Capital infrastructure levy



- Reduction of external funding to Capital Reserves since 2019 - \$15M
- 2% Capital infrastructure levy since 2023 has filled \$10M of this loss
- Still \$5M gap from 2019 revenue levels



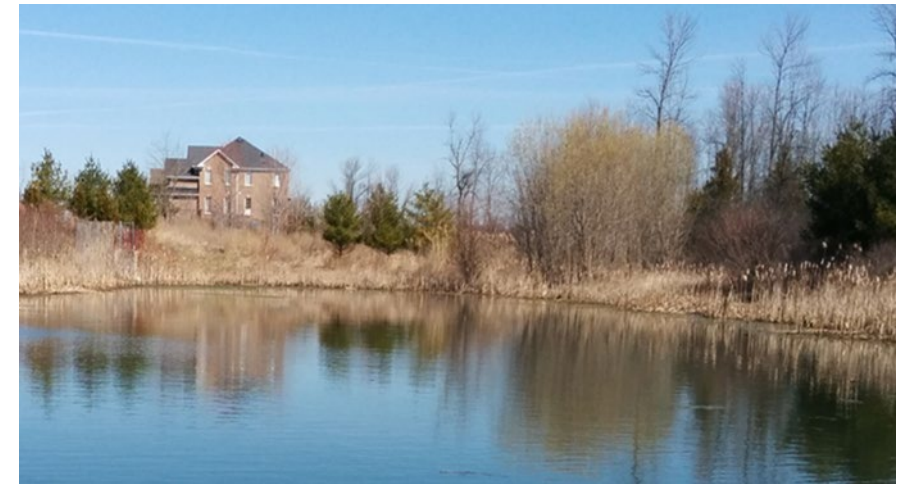
- Town has added \$131M in new assets since 2019
 - Contributed assets from development (assumptions) \$42.6M
 - ARC Phase 2 - \$38.7M
 - Rossland Road Expansions - \$15.5M
 - Church Street Bridge and Road Widening - \$11.3M



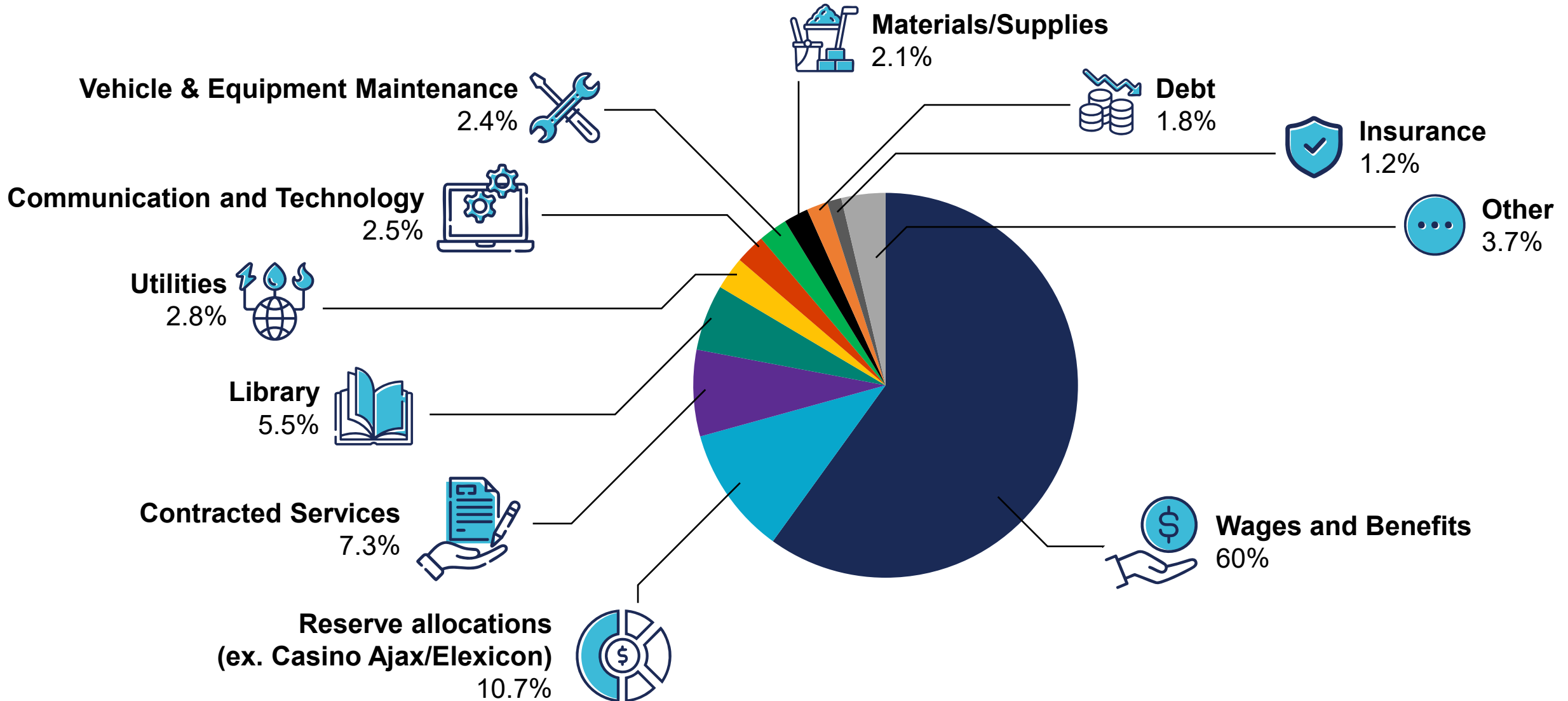
- Inflation on Construction has increased by approximately 45% since 2019

2025 Stormwater User Fee

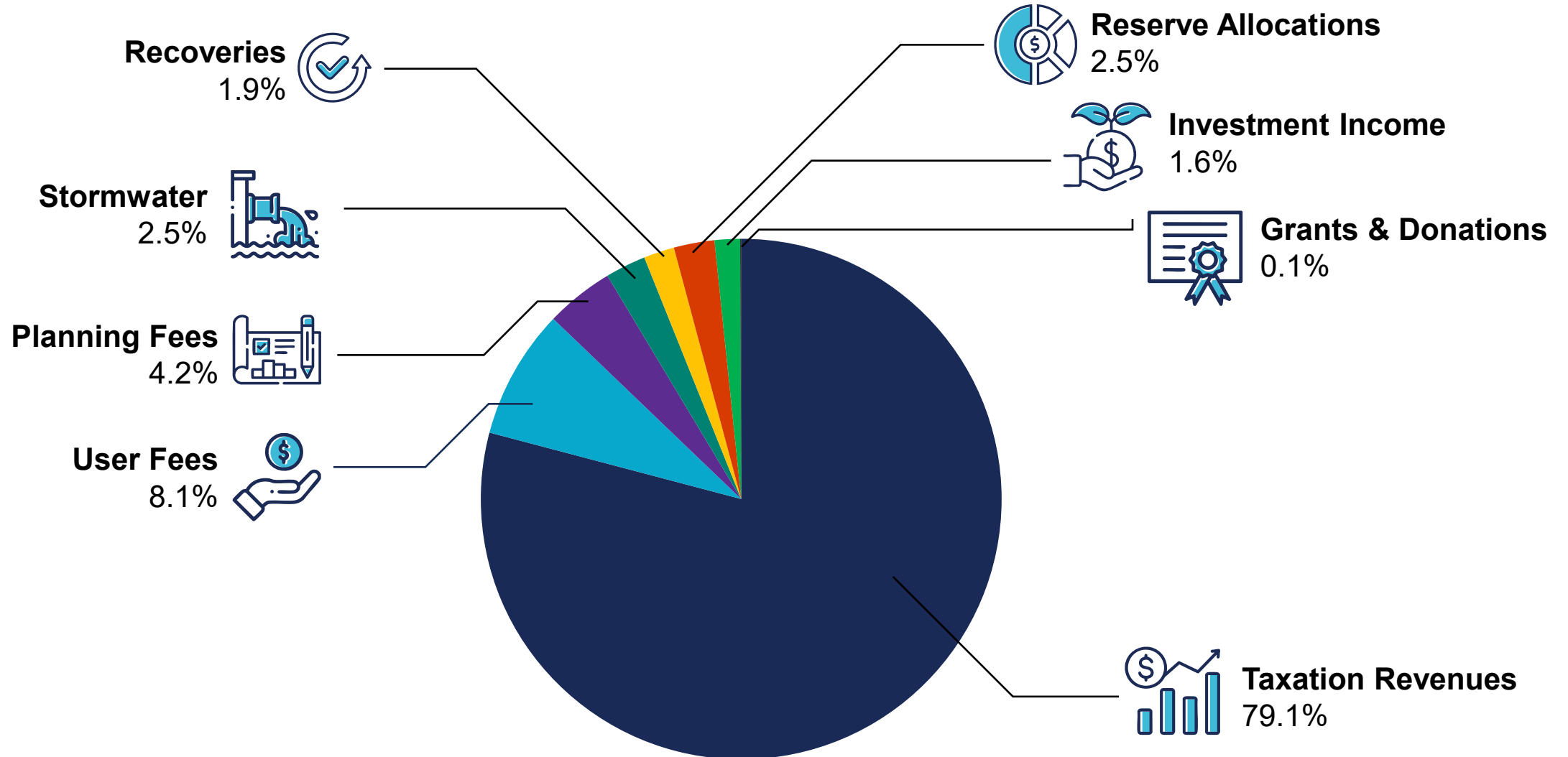
- Flat Rate to residential properties – implemented in 2023
- Non-residential rate based on impermeable surface – variable
- Prior to SWM fee – there was no sustainable funding source for these assets
- Stormwater Assets Under Management \$470M
- The maintenance of these assets is very important for the health of the creeks and watercourses within Ajax
- Collected since 2023 to date \$6,322,200 to fund both operating and capital
- Approximately \$773,200 is allocated to Operating Budget – redirected from the tax base



2025 Operating Expenditures by Source



2025 Operating Revenues by Source

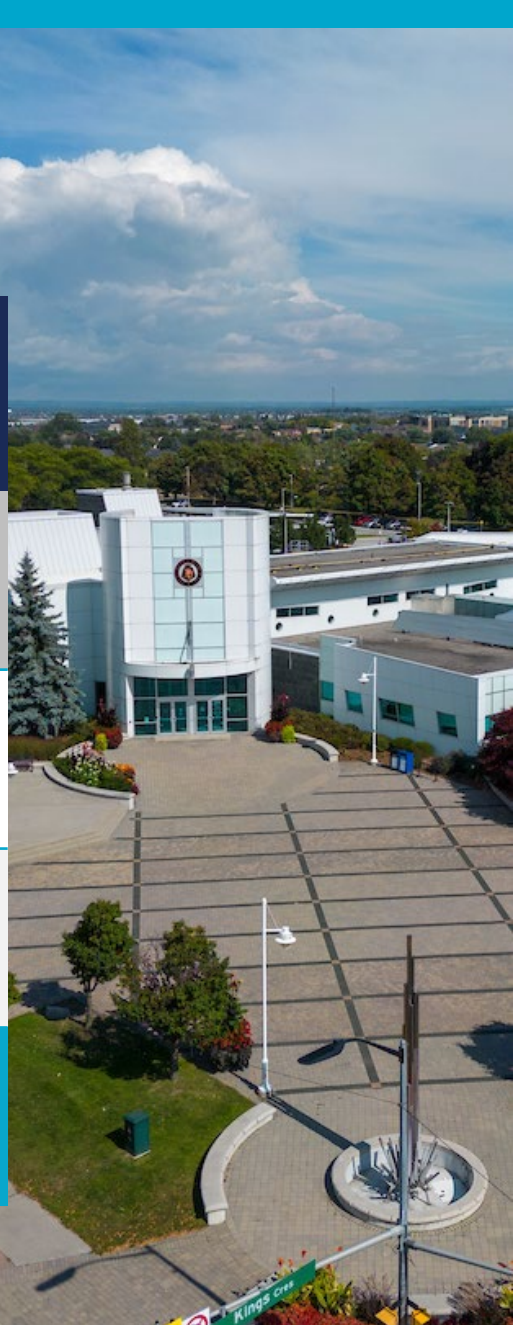


2025 Budget – Base Budget

2025 Tax Levy Impact	\$ Increase (Decrease)	% Increase (Decrease)	% Tax Bill Impact
2025 Inflationary Increase (net of PIL)	\$3,987,700	4.20%	1.38%
One-time charges	\$294,500	0.31%	0.10%
Growth Related Charges	\$52,000	0.05%	0.02%
New & Other Impacts	\$397,700	0.42%	0.14%
Assessment Growth and PILs	\$(945,700)	-1.00%	-0.33%
2025 Impact Before Business Cases and Infrastructure Levy	\$3,786,200	3.99%	1.31%

2025 Budget

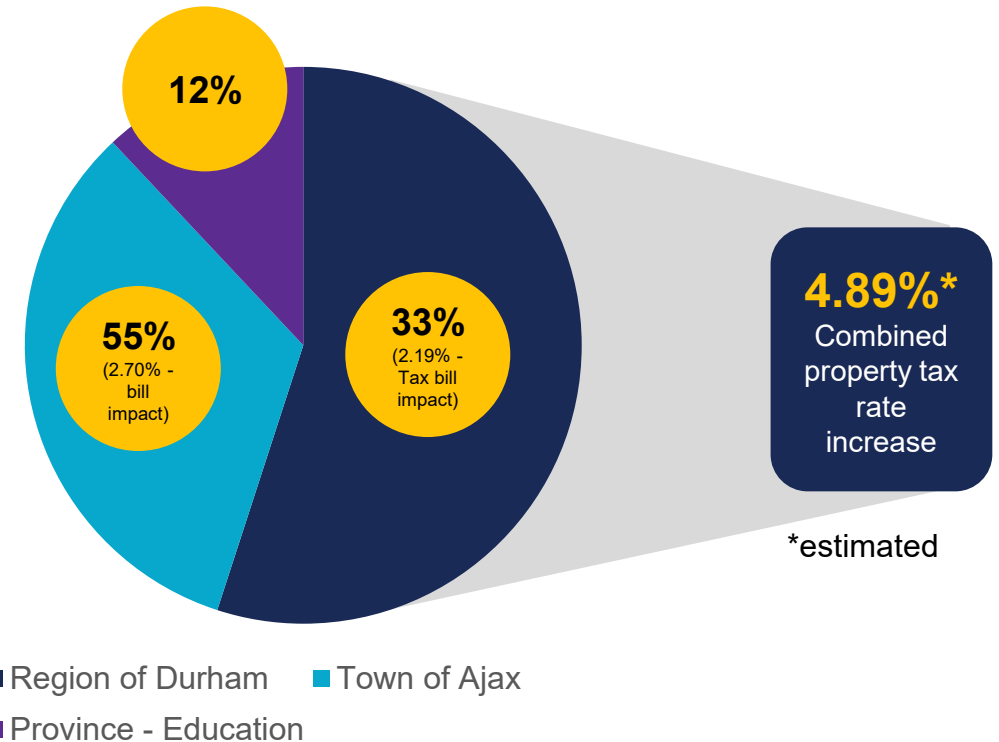
2025 Tax Levy Impact	\$ Increase (Decrease)	% Increase (Decrease)	% Tax Bill Impact
Base Budget	\$3,786,200	3.99%	1.31%
Business Cases	\$665,400	0.70%	0.23%
Capital Infrastructure Levy	\$1,881,800	1.98%	0.65%
Total Change & Blended Tax rate	\$6,333,400	6.67%	2.19%



2025 Property Tax Bill

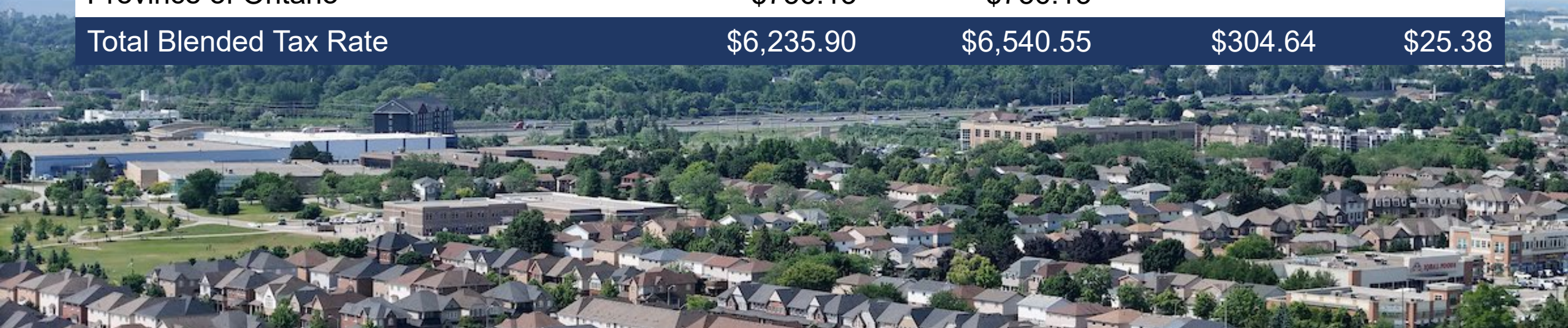
	% Increase	% Weighting	% Tax Rate Impact
Town of Ajax	6.67%	33%	2.19%
Region of Durham*	4.90%	55%	2.70%
Province of Ontario	0.00%	12%	0.00%
Total Blended Tax Rate		100%	4.89%*

* Estimate based on September 25th, 2024 Region of Durham F&A



2025 Estimated Property Tax Bill

Average Assessed Home (2025)	\$494,200			
	2024 Taxes	2025 Taxes	Annual Change	Monthly Change
Town of Ajax	\$2,045.44	\$2,181.80	\$136.36	\$11.36
Region of Durham (estimate)	\$3,434.33	\$3,602.61	\$168.28	\$14.02
Province of Ontario	\$756.13	\$756.13		
Total Blended Tax Rate	\$6,235.90	\$6,540.55	\$304.64	\$25.38



2025 Estimated Ajax Tax Levy increase on Residential Taxpayer by Assessment

6.67%						
Assessment Value (\$)	2024 Ajax	Estimated 2025 Ajax	Annual Change	Monthly Change	Weekly Change	Daily change
300,000	\$1,241.67	\$1,324.49	82.82	6.90	1.59	0.23
350,000	\$1,448.62	\$1,545.24	96.62	8.05	1.86	0.26
400,000	\$1,655.56	\$1,765.99	110.43	9.20	2.12	0.30
494,200	\$2,045.44	\$2,181.80	136.36	11.36	2.62	0.37
500,000	\$2,069.45	\$2,207.48	138.03	11.50	2.65	0.38
550,000	\$2,276.40	\$2,428.23	151.84	12.65	2.92	0.42
600,000	\$2,483.34	\$2,648.98	165.64	13.80	3.19	0.45
650,000	\$2,690.29	\$2,869.73	179.44	14.95	3.45	0.49
700,000	\$2,897.23	\$3,090.48	193.25	16.10	3.72	0.53

Thank You / Questions

Dianne Valentim, CPA

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