

# Town of Ajax 2019 Capital Budget & 2020-2023 Long Range Capital Forecast

February 11, 2019



ARC Phase 2

[ajax.ca/budgets](https://ajax.ca/budgets)



# 2019 Capital Budget

## Capital Budget Project Categories:



Studies and Initiatives



Technology



Town Buildings



Parking Lots



Parks & Open Spaces



Vehicles & Equipment



Road Network



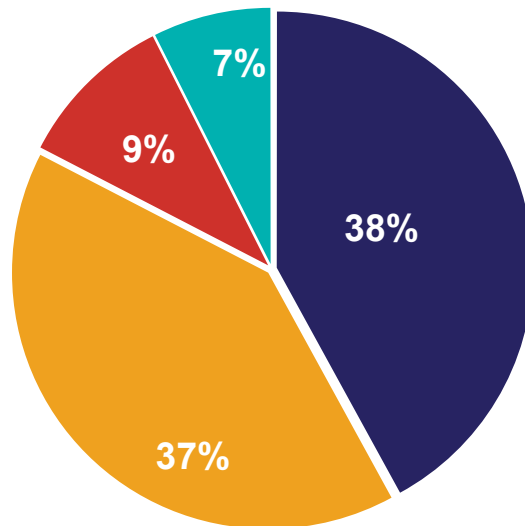
Bridges and Culverts



Stormwater Network

# 2019 Capital Budget

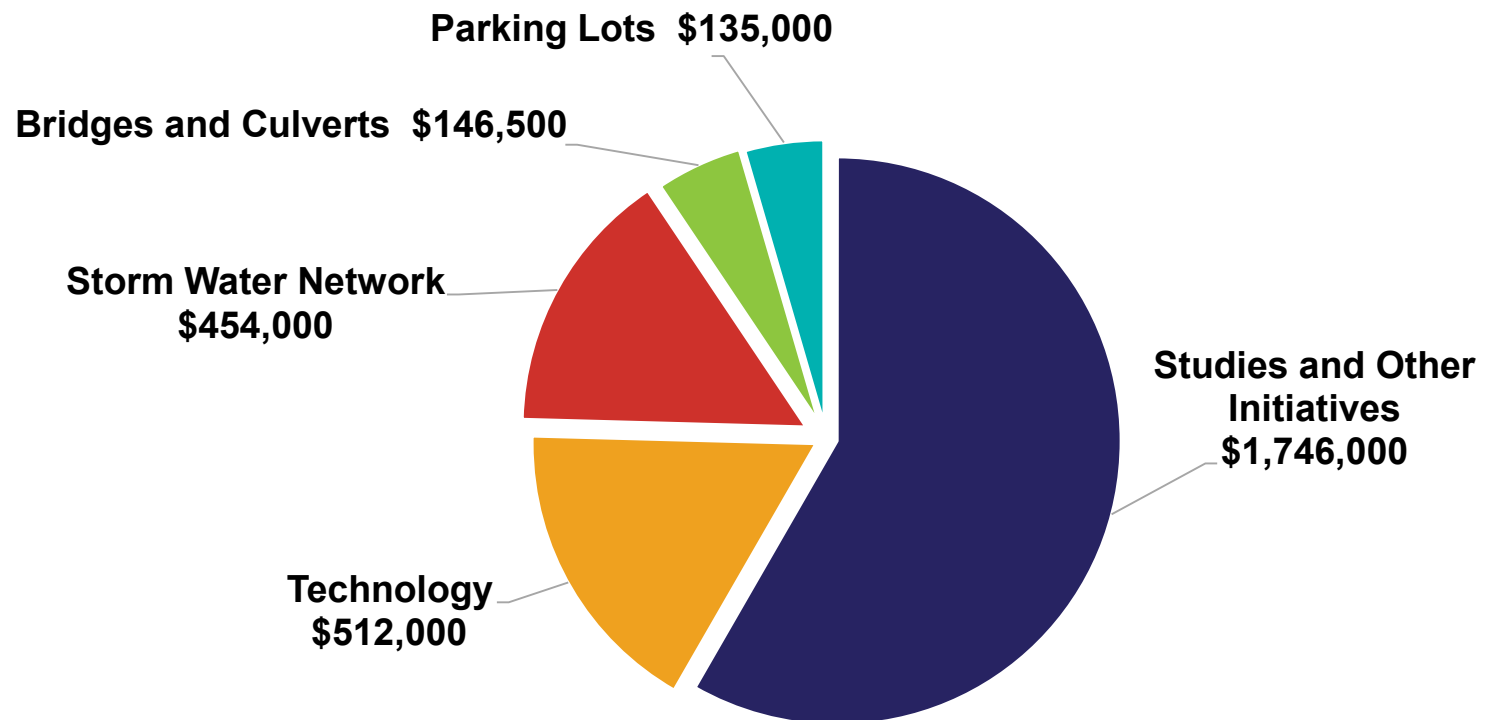
The total 2019 Capital Budget is \$34,531,100  
91% (\$31.5M) of the capital budget is dedicated to 4 project categories



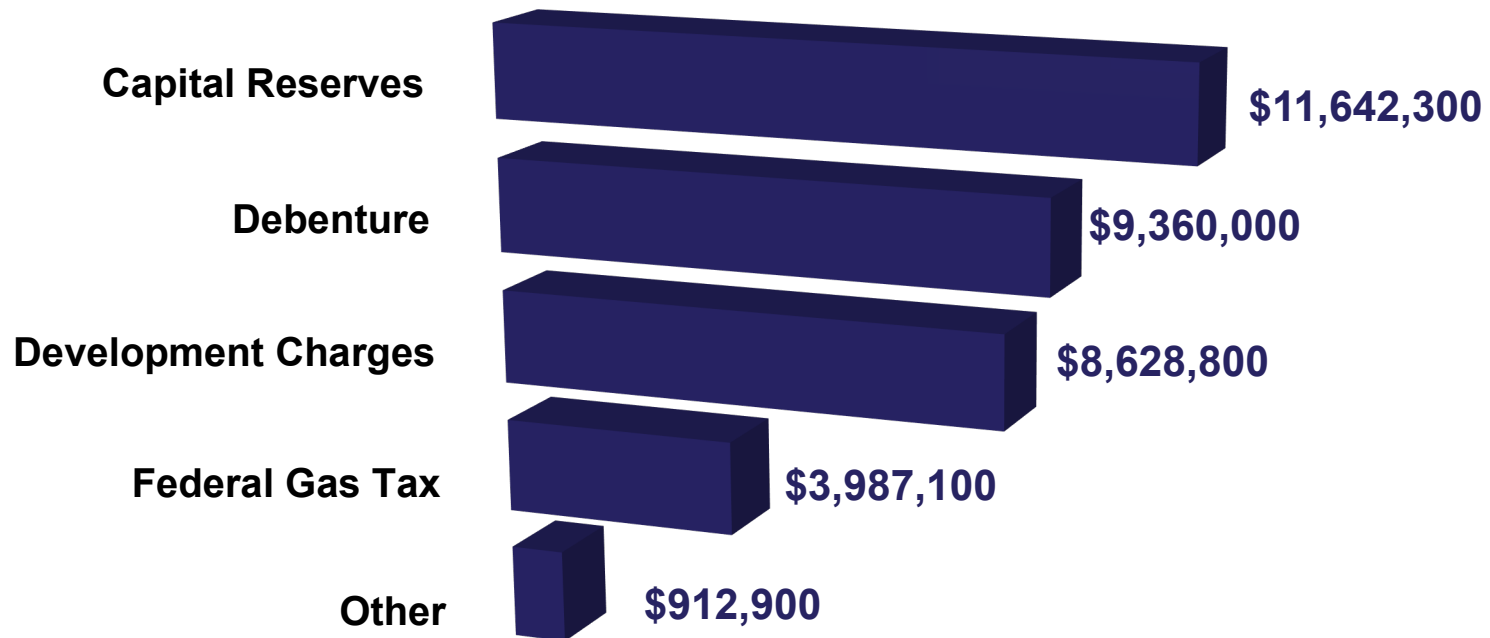
- Road Network \$13.3M
- Town Buildings \$12.8M
- Parks and Open Spaces \$3.1M
- Vehicles & Equipment \$2.3M

# 2019 Capital Budget

5 project categories utilize the remaining 9% (\$3.0M) of the capital budget



# 2019 Capital Budget Project Funding



# Capital Reserve Allocations

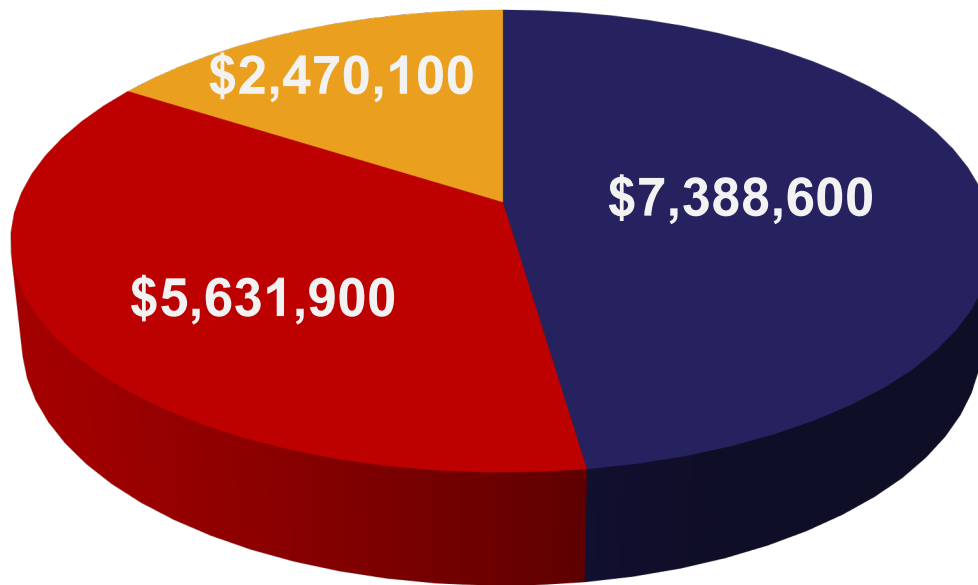
The Financial Sustainability Plan (FSP) established sustainable contributions to the capital reserves to maintain the long term health of the reserves

## **Three sources of reserve contributions:**

- General Levy
- Veridian Revenue
- Slots Revenue

# Reserve Contributions by Source

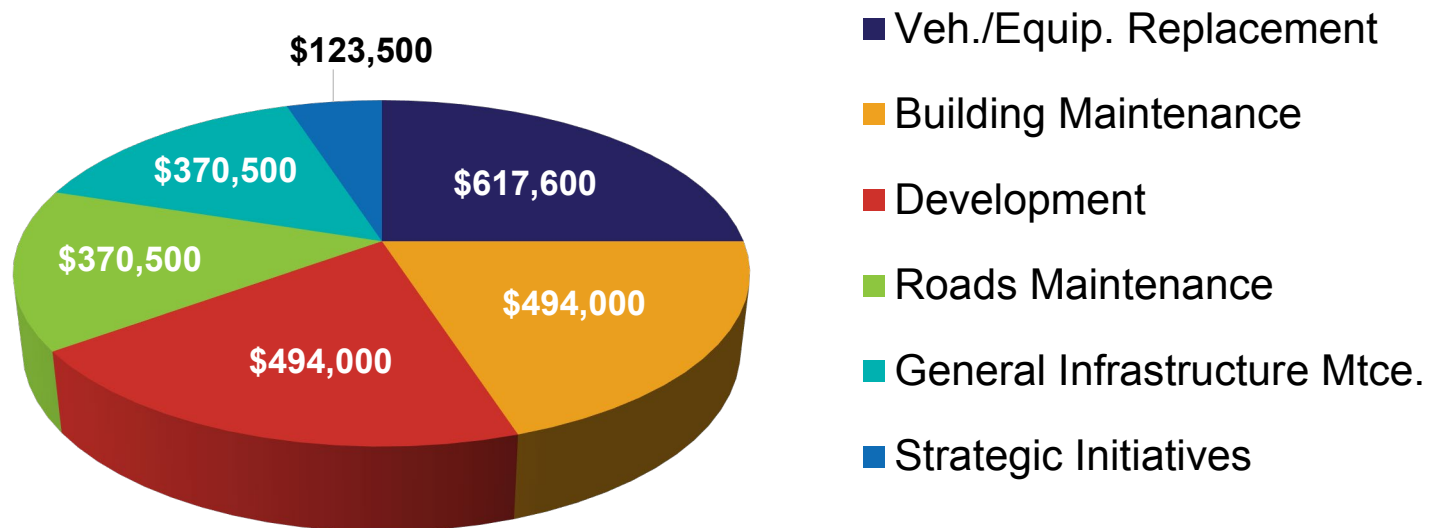
**Budget - \$15,490,600**



- Slots
- General Levy
- Veridian

# Veridian – Allocations to Reserves

**Budget - \$2,470,100**

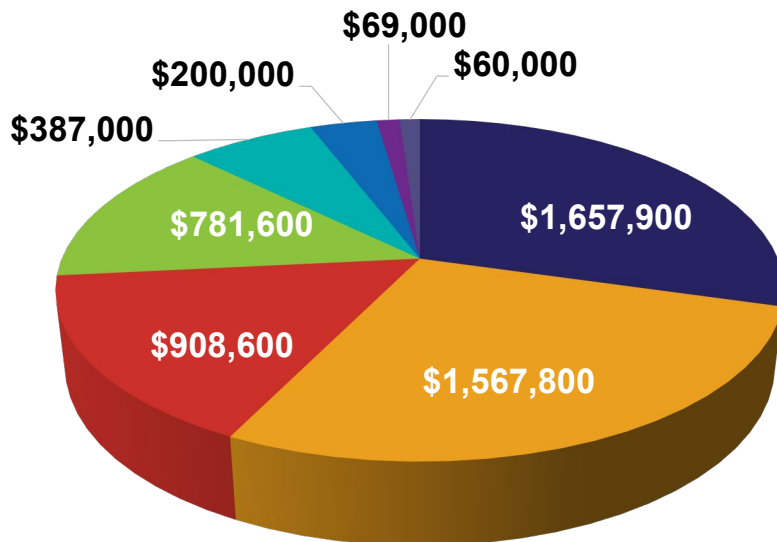


100% of Veridian revenues are allocated to capital reserves



# General Levy – Allocations to Reserves

**Budget - \$5,631,900**



- Veh./Equip. Replacement
- Roads Maintenance
- General Infrastructure Mtce.
- Building Maintenance
- Strategic Initiatives
- Development
- Post Growth
- Election

General Levy allocations primarily support the maintenance / replacement of existing infrastructure  
The budget has been increased by \$92,000 for 2019

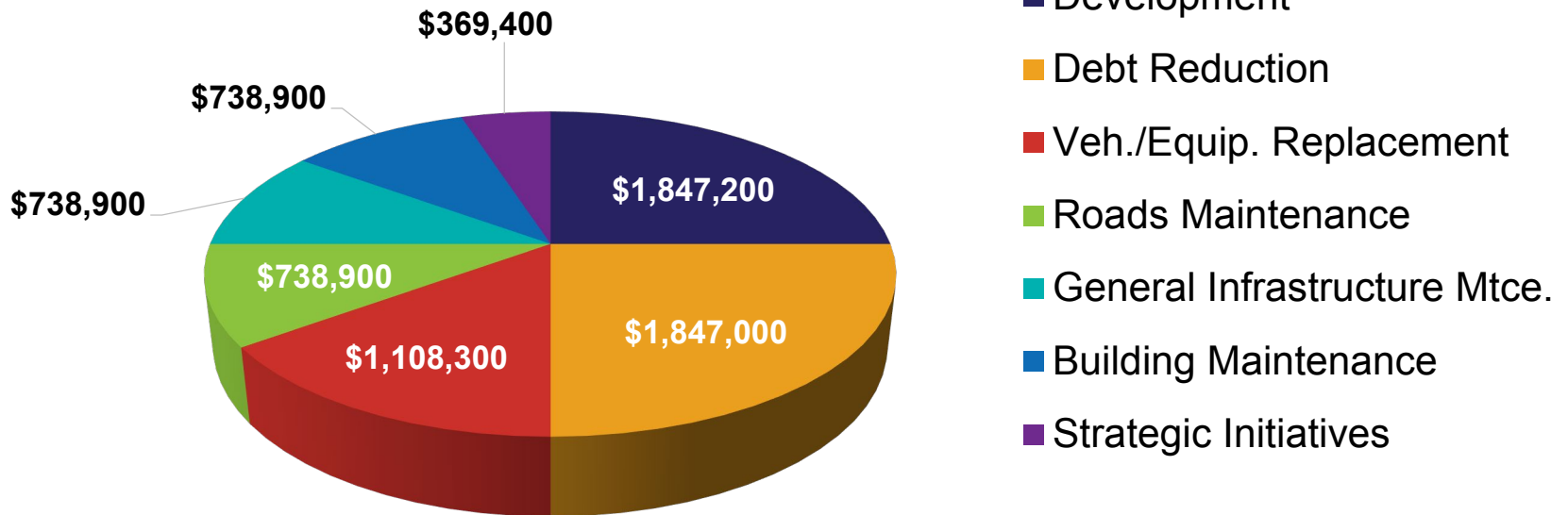
# General Levy – Allocation to Reserves

The Financial Sustainability Plan provides direction on the General Levy Reserve Allocations:

- May increase by a maximum of 25% of the forecasted additional taxation revenue generated from Assessment Growth
- Shall be approved at the same General Government Committee meeting the Capital Budget/Long Range Capital Forecast is reviewed
- These allocations are integral to the funding of the entire Capital Plan and cannot be changed as part of the Annual Operating Budget review and approval process

# Slots – Allocations to Reserves

**Budget - \$7,388,600**



96% of the Slots revenue is allocated to capital reserves

# Spending Cap Guidelines

**A driving principal of spending caps of 65% of annual revenues for the six main capital reserves was to fund capital demands and still grow the reserve balances**

- Prepares for the implementation of the Asset Management Plan
- Builds capacity and flexibility to invest in medium and long term requirements
- Able to fund over budget or changes in project scope
- Builds funding capacity for single large dollar infrastructure projects
- Provides some protection against revenue uncertainties
- Recognizes the Town's current infrastructure was mostly installed after 1990 and retains most of its useful life

# Spending Cap Guidelines

There were 3 reserves which are recommended to exceed annual spending caps for the following reasons:

<b>Projects</b>	<b>Explanation</b>
Development Reserve - Paradise Park Redevelopment	Final component to complete area redevelopment based on 2017 Council and community approvals
Strategic Initiatives – Master Plans, Assessments and Studies	2019 priority projects to support Town services and growth
Vehicle/Equip Replacement – Furniture Replacement	Outcome from completed 2018 condition assessment

# Federal Gas Tax Revenues (FGT)

Over the next 5 years, \$19.1M of FGT Revenues will be invested in our transportation network, facility energy projects and greenhouse gas emission reductions

**Key investments are:**

Project	Amount
Local Road Resurfacing & Reconstruction	\$8.4M
Streetlighting LED Conversion & Neighbourhood Streetlight Improvements	\$3.9M
Facilities Upgrades and Lighting Retrofits	\$3.9M

# 2019 Capital Budget – Long Term Debt

The second phase of Audley Recreation Centre (ARC) will be completed and opening in the Fall of 2019 with the following amenities:

- Branch library
- Active living area and change rooms
- Community rooms
- Site landscaping expanding outdoor uses and parking facilities

# 2019 Capital Budget – Long Term Debt

ARC Phase 2 debenture will be issued over 2 years:

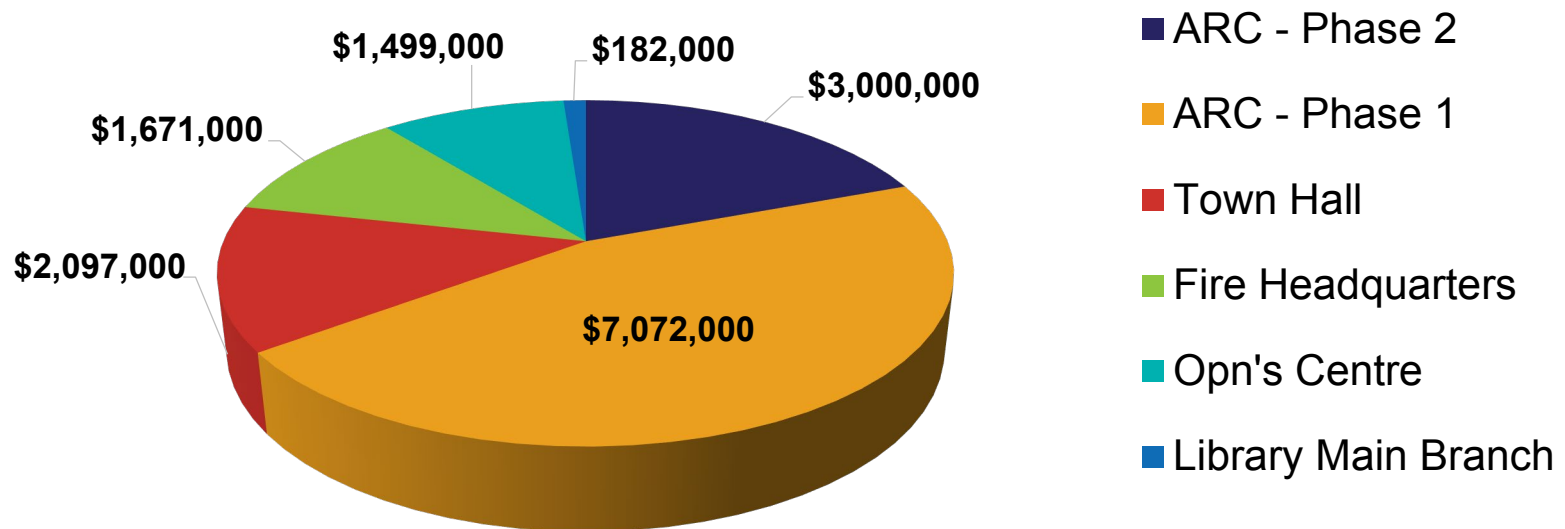
<b>Year</b>	<b>Amount</b>
<b>2018</b>	\$3,000,000
<b>2019</b>	6,360,000
<b>Total</b>	<b>\$9,360,000</b>

ARC Phase 2 debt has been mitigated by using \$10.1M of funding from the Debt Reduction Reserve, which is fully funded by Slots revenue



# Outstanding Debt – December 2018

Debt - \$15.5M



# 2019 Capital Budget Highlights



## Looking Forward

- IT Strategy
- Asset Management Plan
- Economic Development Strategy
- Recreation Master Plan
- Fire Master Plan



## Transportation

- LED Streetlighting Initiative
- Rossland Road - Top Asphalt
- Church St. - Rossland to Hydro Road Resurfacing



## Community Amenities

- Audley Recreation Centre Phase 2
- Paradise Park Washroom and Park
- Cricket Clubhouse & Field Improvements
- Mulberry Meadows Park & Parkettes

# 2019 Capital Budget – Pre Budget Approval

- There are capital projects that have received pre budget approval to permit early tendering or to meet time constraints
- These projects cannot be removed from the 2019 Capital Budget

Project #	Project Name	Amount
<b>BMT010</b>	Facility Energy Audits	\$65,000
<b>ITS002</b>	Remote Connection Replacement	\$15,000
<b>ENG007</b>	Road Resurfacing- 2019	\$1,609,200
<b>ENG048</b>	Road Resurfacing – 2019 FGT	\$1,590,600
<b>ETP001</b>	Storm Sewer Headwall Repair	\$330,000

# THANK YOU/ QUESTIONS?

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