



SUBJECT: *2016 Final Capital Budget Report*

FROM: *Dan Elliott, Director, Corporate & Financial Services - Treasurer*

DATE: *October 27, 2015*

RECOMMENDATIONS

THAT Report No. CFS15-043 be received; and

THAT the final draft of the 2015 Asset Management Plan be approved; and

THAT the 2015 Ten Year Capital Investment Plan be received; and

THAT the 2016 Capital Budget for Repair and Replacement of existing infrastructure totalling \$8,298,275 as listed in Attachment 3, be approved; and

THAT the 2016 Capital Budget for Growth and New Capital totalling \$3,726,600 as listed in Attachment 4, be approved; and

THAT the 2016 Capital Budget for Studies and Other Projects totalling \$350,000 as listed in Attachment 5, be approved; and

THAT the funding sources for each capital project included in this report be approved as those reviewed and recommended by Special General Committee – Budget on October 5, 2015.

PURPOSE OF THE REPORT

To present for formal adoption the 2015 Asset Management Plan, the 2015 Ten year Capital Investment Plan and the 2016 Capital Budget as recommended by the Budget Committee on October 5, 2015. Additional capital items may be recommended for approval during the course of review of the 2016 Operating Budget by Committee.

BACKGROUND

Asset Management Plan (AMP)

The Asset Management Plan is a strategic document stating the characteristics and condition of infrastructure assets, levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, specifically including how evaluation and replacement decisions are made, and financing strategies to

implement the planned actions. The overall intent of the AMP is to help the Town ensure investments are made at the right time, future repair and rehabilitation costs are minimized, and municipal assets are being appropriately maintained for the optimal service life at lowest cost.

All municipalities are required to have an approved Asset Management Plan (AMP) by December 31, 2015. A draft of this plan was first presented for review during the 2015 Budget deliberations. A requirement of federal and provincial grant programs is that each municipal recipient must have a Council approved AMP in place by December 31, 2015. Due to the number of pages, the AMP as reviewed by Budget Committee has not been attached to this report. However, a website link has been provided in the Attachments section under Attachment #1.

Ten Year Capital Investment Plan

Complementing the Town's AMP is its annual Ten Year Capital Investment Plan representing a consolidation of the anticipated needs of the Town's departments. This plan is intended to assist the managers responsible for each asset category to carefully plan the long term sustainability of each asset, and ensure appropriate and timely budgeting for the replacement of assets at the optimal time, balancing available funding, with the need and condition of the asset and its service.

On October 5, 2015, the 2015 Ten Year Capital Investment Plan was presented to the Budget Committee. Due to the number of pages, the Ten Year Capital Investment Plan as reviewed by Budget Committee has not been attached to this report. However, a website link has been provided in the Attachments section under Attachment #2.

The ten year capital investment plan presented contains the detailed plans for assets showing the approved 2015 capital budget plus ten forecast years from 2016 to 2025. These plans have been reviewed and updated by each asset manager.

The ten year plan shows a planned investment requirement of \$205 million in total over the next ten years; \$106 million for Repair and Replacement, \$95 million for growth and new assets, and approximately \$3 million for studies and other. This plan is achievable financially, provided that Council continues its present practice of increasing annual contributions to infrastructure reserves by 1% of tax levy each year for at least the next ten years.

Draft 2016 Capital Budget

On October 5, 2015, an overview of the first draft of the Town's Capital Budget was presented to the Budget Committee.

As in the past budgets, the capital budget has been presented in three parts:

- Repair and Replacement Infrastructure Capital
- Growth and New Infrastructure Capital
- Studies and Other Non-Infrastructure Projects

All capital budget estimated costs were assigned a class level indicating the maturity of the estimate. These class levels can be one of the following: (listed most precision to least precision)

- Class A: The cost has been verified by a tender submission
- Class B: The estimate is based upon a detailed design
- Class C: The estimate is based upon a preliminary design
- Class D: The estimate represents an informed idea as to the magnitude of the work required.

As a result of the concept of a “Cash to Capital” reserve allocation from tax levy, and the internal funding of capital coming from resultant infrastructure and other reserves, there is no longer a direct impact on the tax rate by the capital budget. As such, the Committee recommended capital budget is driven by asset need rather than impact on taxes. A number of projects have been noted in the schedules as “approved pending a detailed report back to council.” These projects have been approved in principle, yet Committee has asked staff to provide additional information prior to any contractual commitments being entered into for the project.

Repair and Replacement Infrastructure Projects - \$8.3 million recommended for investment in existing infrastructure

The proposed Repair and Replacement (R&R) Capital Budget for 2016 represents a gross cost of \$8,298,275 funded mainly from capital reserves including specific R&R reserves. The 2016 R&R program includes restoration work to facilities, roads, trails, playgrounds, playing fields, some fleet vehicles and replacement equipment. Management has confirmed that they have the resource capacity to deliver the proposed capital program. Management have also confirmed that these are their priority projects in light of limited R&R reserves by asset group, and each asset manager agrees with the limited submissions presented for consideration. Attachment 3 outlines the recommended *Repair and Replacement Capital* program by project.

Growth and New Infrastructure Projects - \$3.7 million investment for new capital additions

The proposed Growth and New Capital Budget represents a gross cost of \$3,726,660, funded partially (71%) from development charges of \$2,623,094. This capital program includes funding for the construction of new sidewalks, and the purchase of a street sweeper. Attachment 4 outlines the recommended *Growth and New Capital* program for 2016.

Studies and Other Projects- strategic investments proposed at \$350,000

The proposed Major Studies Capital Budget represents a gross cost of \$350,000, Studies and other projects for this year include an update of the Town’s Official Plan, as well as a study looking at the Storm Sewer Reserve Fund and Rates. Attachment 5 outlines the recommended *Studies and Other Projects* program for 2016.

COMMENTS

Conditionally approved projects requiring an additional report will be reported upon separately by the respective project manager/director directly to General Committee in the coming months.

LINK TO STRATEGIC PLAN

Developing, reviewing and presenting the annual capital investment plan supports many aspects of the Strategic Plan. Specifically, this report supports the Plan principles of Leadership in Corporate Management, Leveraging Partnerships, and Progressive Corporate Excellence and Continuous Improvement.

ALTERNATIVE(S) TO THE RECOMMENDATIONS

1. May provide alternative directions with respect the recommendations arising from Special General Committee – Budget Committee.

FINANCIAL IMPLICATIONS

All funding is sourced from existing reserve funds of the Town, and not directly from the tax rate budget or utility rate budgets. The operating budget is only draft at this time for 2016, but it does include a sustainable increasing contribution of funding into a variety of reserve funds in support of the town's ten year capital investment requirements, and is not tied to any specific capital project. Accordingly the capital budget as recommended may be approved independently of the operational budgets.

The draft capital budget materials included proposed funding sources for each capital project. To simplify this report, the recommendations refer to approval of all funding as recommended by Budget Committee for the projects. Where funding was amended by Budget Committee, the Town's website detailed materials will be updated to reflect such immediately following approval of this report.

CONCLUSIONS

The foundation upon which the town's repair and replacement budget is built is its 2015 Asset Management Plan which documents the rationale and processes upon which all R&R capital project decisions are prepared by staff. The Budget Committee recommends that Council formally approve the final draft of the 2015 Asset Management Plan.

It is also recommended that council formally receive the Town's 2015 Ten Year Capital Investment Plan.

Staff presented to the Budget Committee a capital budget that balanced the repair and replacement of existing assets with new asset requests, all of which are required to maintain the Town's existing levels of service that taxpayers have come to expect. Since the initial presentation, Budget Committee has reviewed each proposal in detail, and recommends the approval by Council of the final capital budget as presented herein.

PREVIOUS REPORTS

CFS15-039, 2016 Capital Investment Program Overview, General Committee – Budget, October 5, 2015

ATTACHMENTS

- Attachment # 1 – 2015 Asset Management Plan – as distributed on September 28, 2015 (see <http://www.aurora.ca/TownHall/Pages/Budget.aspx>)
- Attachment # 2 – 2015 Ten Year Capital Investment Plan – as distributed on September 28, 2015 (see <http://www.aurora.ca/TownHall/Pages/Budget.aspx>)
- Attachment # 3 – 2015 Repair & Replacement Capital Program
- Attachment # 4 - 2015 Growth and New Infrastructure Capital Program
- Attachment # 5 – 2015 Studies and Other Capital Program

PRE-SUBMISSION REVIEW

CAO and Treasurer only.

Prepared by: Jason Gaertner, Manager Financial Planning



***Dan Elliott, CPA, CA
Director of Corporate & Financial
Services - Treasurer***



***Patrick Moyle,
Interim Chief Administrative Officer***

2016 Repair and Replacement Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	New 2016 Requests
------------	---------	-------------------

PRE-APPROVED

72175	ACC - Improvement of Aurora Community Centre	425,000
72221	SARC - Improvement to Stronach Aurora Recreation Complex	425,000
72241	89 Mosley - Rehabilitation of the Armoury	275,000
73242	Improvements to Fleury Park Washroom Facility	150,000

TOTAL PRE-APPROVED BY COUNCIL \$ 1,275,000

BUDGET COMMITTEE APPROVED

Facilities

72188	Tennis Club - Exterior Windows	20,000
72204	Cameras - HDIP	25,000
72238	TH - Council Chambers A/V System	45,000
72240	SARC - Replacement of Floor Scrubber	18,000
72247	AFLC - Whirlpool and Pool Heaters	50,000
72248	Library - Brick Repairs	30,000
Facilities Sub Total		\$ 188,000

Fleet

34186	Olympia/ST95 (#592)	85,000
34192	Olympia/ST95 (#594)	85,000
34236	Frt/FL80 (#31)	200,000
34239	3 Tonne Truck (#16)	90,000
73275	Sports Field Top Dresser (#236)	45,000
Fleet Sub-Total		\$ 505,000

Roads

31025	Asphalt Paving - Old Bloomington Rd	630,000
31105	Recon - Haida Dr & Trillium Dr	885,700
31109	Recon - Kennedy St W & Temperance St	105,000
31111	Recon - Catherine Ave	908,200
31112	Recon - Industrial Pkwy S - Wellington to Industry St	474,120
31113	Recon - Murray Dr (Section) and Pinehurst Crt	120,000
31114	Recon - Ransom Crt and Ransom St	50,000
31144	Field Asset Data Wireless Devices	62,000
31151	Street Lights	50,000
34611	S/W Repair - Henderson/Tamarac/Poplar	25,000
34711	Streetlight Poles - Bayview	150,000
Roads Sub-Total		\$ 3,460,020

Parks & Recreation

73134	Parks/ Trails Signage Strategy Study & Implementation	195,500
73154	Playground Surface Restoration	10,300
73160	Emerald Ash Borer Management Program	235,000
73189	Artificial Turf Repair - soccer goal areas	35,000
73193	Parks - Bridge Assessment	15,000
73208	Playground Replacement - James Lloyd Park	150,000
73228	Tennis Court Resurface - Fleury Park	40,000
73229	Tennis Court Resurface - Summit Park	20,000
73230	Tennis Court Resurface - McMahon Park	75,000
73235	Walkway Repaving - James Lloyd Park	50,000
73268	Wildlife Park - North Dam Rehabilitation	600,000
Parks & Recreation Sub-Total		\$ 1,425,800

Discretionary

12002	Accessibility Committee	350,000
Discretionary Sub Total		\$ 350,000

Information Technology

14012	Financial System Upgrade	100,000
14047	Computer & Related Infrastructure	114,455
Information Technology Sub Total		\$ 214,455

Rates

41009	3 Phase Electrical Power	30,000
43038	Water Meter Replacement	300,000
43044	Bulk Meter Installation	200,000
43047	Decommission Well House Behind Ransom Crt	40,000
Rate Sub-Total		\$ 570,000

TOTAL PROJECT FUNDING APPROVED AS PRESENTED \$ 6,713,275

TOTAL APPROVED FUNDING INCL. PRE-APPROVED \$ 7,988,275

APPROVED PENDING FURTHER REPORT

24010	Building Dept Counter Enhancements	175,000
72201	Work Station Refresh, Carpet, etc	90,000
72219	22 Church St/Library - Exterior Repairs	45,000

APPROVED PENDING A DETAILED REPORT BACK TO COUNCIL \$ 310,000

TOTAL 2016 REPAIR & REPLACEMENT CAPITAL BUDGET \$ 8,298,275

2016 Growth and New Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	Dept	New 2016 Requests
------------	---------	------	-------------------

PRE-APPROVED

73282	Light Armoured Vehicle at Aurora Cenotaph	P & R	15,000
-------	---	-------	--------

TOTAL PRE-APPROVED BY COUNCIL \$ 15,000

BUDGET COMMITTEE APPROVED

12016	Customer Care Centre Implementation	BBS	100,000
12025	Customer Relationship Management (CRM)	BBS	86,000
24011	Mobile Devices for BBS	BBS	100,000
24012	Bylaw Permit Parking Program	BBS	25,000
14065	Mobility Solutions	CFS	15,000
72250	AFLC - Roof Top Unit	Facilities	35,000
34238	Streetsweeper	Fleet	300,000
34627	S/W - Industrial Pkwy N - E Side, AFLC - St. John's, W Side Montessorri School to St John's	IES	515,660
34629	S/W - Mary St - Industrial Pkwy S - Wellington St W	IES	75,000
41006	Sanitary Sewer on Leslie St to Service 2C Lands	IES	1,485,000
41010	SCADA Monitoring System	IES	200,000
73085	Arboretum Development	P & R	100,000
81015	Community Improvement Plan	Planning	200,000

TOTAL PROJECT FUNDING APPROVED AS PRESENTED \$ 3,236,660

73177	Regionally Approved Pedestrian Underpasses	P & R	475,000
-------	--	-------	---------

APPROVED PENDING A DETAILED REPORT BACK TO COUNCIL \$ 475,000

TOTAL 2016 GROWTH & NEW CAPITAL BUDGET \$ 3,726,660

73279	Leslie Street Underpass A	P & R	1,000,000
-------	---------------------------	-------	-----------

DEFERRED PENDING A FURTHER DETAILED REPORT TO COUNCIL \$ 1,000,000

81016	Promenade Streetscape Design & Implementation	Planning	770,000
-------	---	----------	---------

TOTAL PROJECT FUNDING DEFERRED \$ 770,000

2016 Studies and Other Capital Projects

Project ID	Project	Dept	New 2016 Requests
-------------------	----------------	-------------	--------------------------

BUDGET COMMITTEE APPROVED

42059	Storm Sewer Reserve Fund and Rates Study	IES	50,000
81001	Official Plan Review/Conformity to Places to Grow	Planning	300,000

TOTAL 2016 STUDIES & OTHER CAPITAL BUDGET \$ 350,000