



CAPITAL BUDGET

AS APPROVED ON DECEMBER 14, 2021

2022 capital budget and 10-year plan

This year, the capital budget follows a similar format to the one approved in the 2021 to 2022 Budget by providing a clear picture of the capital plan as a whole, the timing of the capital investments, clarity on multi-year budget commitments and flexibility to manage rehab and replacement projects effectively.

The capital budget includes capital spending of \$83.3 million in 2022. The approved capital budget authority of \$194.9 million includes a \$13.0 million increase after the closure of 52 projects with a total budget of \$3.8 million. The 10-year plan, 2022 to 2031, of \$301.7 million in capital projects. Detailed project information can be found in Tabs 17 to 20 of this budget.

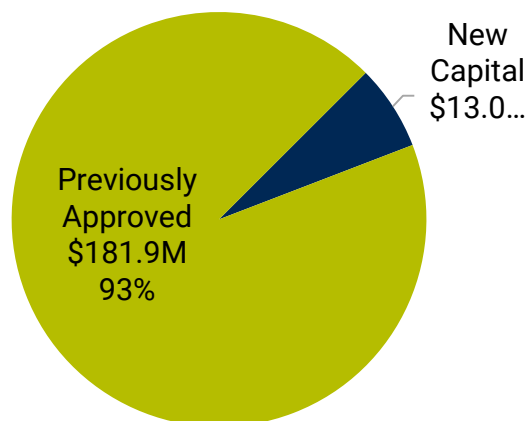
\$194.9 million of capital budget authority was approved

Capital budget authority represents the multi-year commitment needed to complete the active phase of capital project. This includes contracts for consulting services, the lead time for the purchase of vehicles or the construction of the project. Sometimes these contractual commitments may need to be made in the year before the spending occurs due to the longer lead time required to procure a good or service. Capital budget authority is made up of four elements:

- + Life to date actuals spent on a project to the end of the last fiscal year
- + The current year’s expenditure forecast
- + The cash flow planned in the first budget year
- + The cash flow, as required, for future budget years where contractual commitments are planned.

This means the 2022 capital budget authority includes actuals to December 31, 2020, plus the 2021 forecast, plus 2022 capital cash flow and capital from 2023 and beyond only as required. This budget includes a total of \$194.9 million in capital budget authority which is

2022 Capital Spending Authority



2022 capital budget authority

(\$000s)	Previously Approved Budget	2022 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/20	2021 Forecast	2022	2023+
Rehab & Replacement	68,418.1	77,765.8	9,347.7	34,995.7	11,308.9	28,393.9	3,067.3
Growth & New	110,190.4	113,659.9	3,469.5	25,162.9	32,096.1	53,715.8	2,685.0
Studies & Other	3,337.7	3,502.7	165.0	1,194.4	1,043.7	1,164.0	100.6
Proposed Budget	181,946.2	194,928.4	12,982.2	61,353.1	44,448.8	83,273.7	5,852.9

* Includes all active project budgets, adjustments to project budgets and new budget commitments

made up of \$181.9 million in previously approved capital projects and \$13.0 million in new budget requests.

Most of the planned \$83.3 million in 2022 capital spending is for growth

In 2022 the budget plans to spend \$83.3 million on capital projects. This includes \$28.4 million for rehab and replacement, \$53.3 million for growth and \$1.2 million for studies and other projects.

Most of the \$28.4 million approved for rehab and replacement capital is for projects included in the four capital programs: facilities, fleet, roads and storm sewer with the largest share, \$12.8 million for roads including:

- \$3.8 million for the reconstruction of Poplar Crescent
- \$1.95 million to continue the mill & overlay and underground infrastructure rehabilitation on Murray Drive, Kennedy Street West, Pinehurst Court and Wiles Court
- \$2.4 million over two projects that includes mill and overlay for 18 streets in Aurora

Other rehab and replacement projects include:

- \$3.4 million to rehab a damaged storm pipe off Henderson Drive
- \$0.6 million for street light improvements on Yonge Street from Wellington to Church
- \$0.6 million for the Aurora Sports Dome retrofit

Capital spending on growth represents most of the planned spending for 2022 at \$53.9 million. Most of this is for three facilities projects: \$30 million to complete Aurora Town Square, \$8.2 million for the 7500 square foot gym at the Stronach Aurora Recreation Complex and \$2.1 million for the design of a new recreation facility.

Studies and other projects represent the smallest amount the planned spending at \$1.2 million. Studies planned for 2022 include: the Parks and Recreation Master Plan and continuation of the work on the Official Plan and the Corporate Technology Strategic Plan action items.

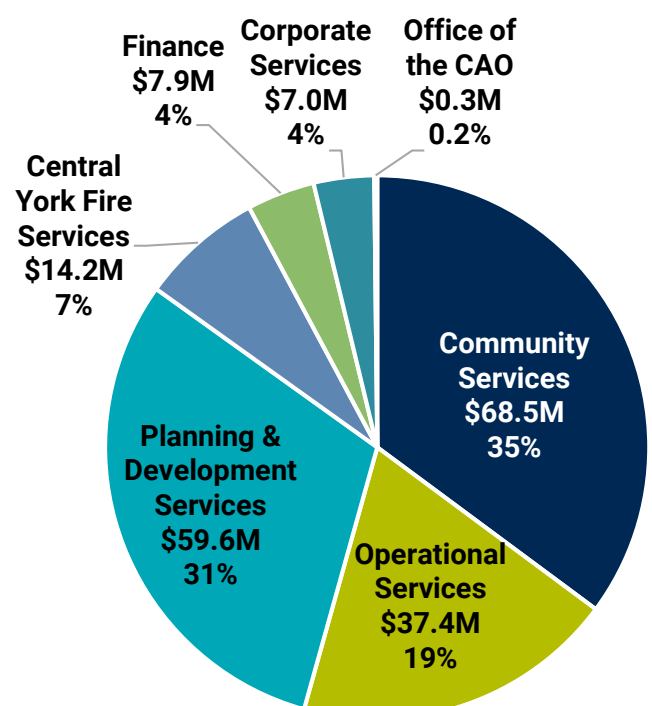
Three departments account for 85% of the capital budget authority

Community Services, Operational Services and Planning & Development Services represent 85% of the capital budget authority in this budget.

The mix of project types also vary across these three largest budgets. Community Services has the largest amount of growth & new capital budget authority as it includes \$68.6 million for Aurora Town Square.

Planning & Development Services total capital budget authority includes 76% for rehab and

Capital budget authority by department



replacement projects. While the Operational Services capital budget has growth and new at 63% of their budget and rehab and replacement at 36%.

More information on the capital budget priorities and initiatives can be found in the departmental business plans.

Capital budget authority and 2022 budget by department

(\$000s)	Previously Approved Budget	2022 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/20	2021 Forecast	2022	2023+
Office of the CAO							
Rehab & Replacement	85.0	85.0	-	40.9	44.1	-	-
Studies & Other	255.0	255.0	-	61.9	166.6	26.6	-
	340.0	340.0	-	102.7	210.7	26.6	-
Community Services							
Rehab & Replacement	4,828.8	5,152.0	323.2	1,026.5	1,631.7	2,205.4	288.4
Growth & New	62,920.3	62,944.3	24.0	5,887.2	16,520.3	40,376.8	160.0
Studies & Other	315.0	415.0	100.0	-	175.0	240.0	-
	68,064.1	68,511.3	447.2	6,913.7	18,327.0	42,822.2	448.4
Corporate Services							
Rehab & Replacement	4,150.9	4,685.9	535.0	2,235.1	988.7	1,327.2	134.9
Growth & New	1,385.9	1,760.9	375.0	689.5	300.7	770.7	-
Studies & Other	495.0	560.0	65.0	102.8	130.9	323.3	3.0
	6,031.7	7,006.7	975.0	3,027.5	1,420.3	2,421.1	137.9
Finance							
Rehab & Replacement	7,686.8	7,686.8	-	2,634.4	454.8	3,430.2	1,167.5
Studies & Other	185.0	185.0	-	-	159.3	25.7	-
	7,871.8	7,871.8	-	2,634.4	614.0	3,455.9	1,167.5
Operational Services							
Rehab & Replacement	13,024.2	14,724.2	1,700.0	8,227.0	1,908.6	3,521.2	1,067.4
Growth & New	19,535.0	22,481.0	2,946.0	7,401.5	3,488.0	9,066.5	2,525.0
Studies & Other	212.4	212.4	0.0	114.3	20.0	78.1	-
	32,771.6	37,417.6	4,646.0	15,742.9	5,416.6	12,665.7	3,592.4
Planning & Development Services							
Rehab & Replacement	38,642.3	45,431.8	6,789.5	20,831.8	6,281.0	17,909.9	409.1
Growth & New	12,130.4	12,254.9	124.5	8,294.6	3,372.2	588.2	-
Studies & Other	1,875.4	1,875.4	-	915.4	392.0	470.4	97.6
	52,648.1	59,562.1	6,914.0	30,041.8	10,045.2	18,968.5	506.7
Departmental Total	167,727.4	180,709.6	12,982.2	58,463.0	36,033.8	80,360.0	5,852.9
Central York Fire Services							
Growth & New	14,218.8	14,218.8	-	2,890.1	8,415.0	2,913.7	-
	14,218.8	14,218.8	-	2,890.1	8,415.0	2,913.7	-
Approved Budget	181,946.2	194,928.4	12,982.2	61,353.1	44,448.8	83,273.7	5,852.9

* Includes all active project budgets, adjustments to project budgets and new budget commitments

The 10-year capital plan includes \$301.7 million in planned spending

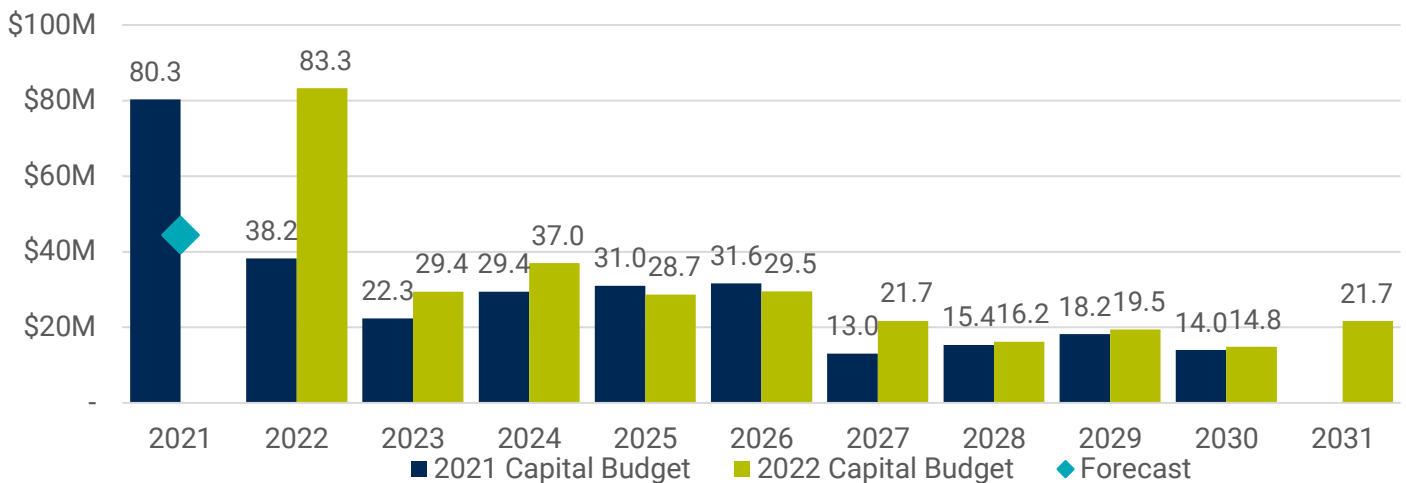
The 10-year capital plan continues to focus its investments in asset management with rehab and replacement projects representing 52% of the capital plan, growth and new 47% and studies and other at one percent.

The 10-year capital plan has increased compared to last year's plan

When comparing the nine common years of the capital plan compared to last year's the plan, 2022 to 2030, the plan has increased \$66.9 million. Part of this increase relates to the 2021 capital forecast being \$48 million lower than budget. These funds are re-cash flowed in to 2022.

The balance of the increase is made up of new projects being added to the plan or changes to the amounts budgeted for a capital project including \$11 million in new rehab and replacement capital projects. These included projects for parking lots, roads, streetlights and technology.

10-year plan compared to last years plan



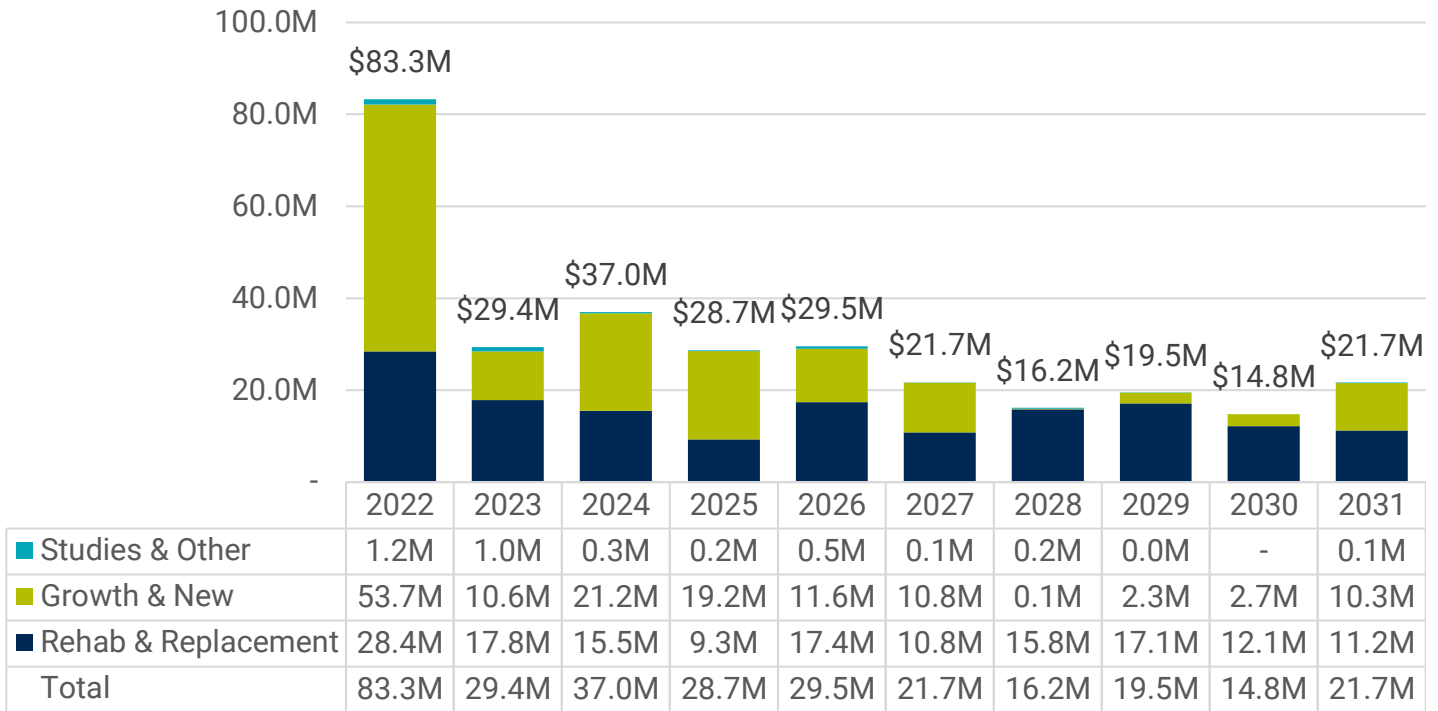
Most of the capital spending occurs in the first five years of the plan

The first five years of the plan includes two thirds or \$207.9 million in capital spending compared to the second five years which is \$114.1 million less at \$93.8 million. The main reason is that the first five years of the plan includes significant investments in new capital including investments in new facilities such as the completion of Aurora Town Square, a new recreation facility and the addition of the gym at the Stronach Aurora Recreation Complex. The first five years also includes significant expenditures in parks to add two artificial turf fields to manage the planned loss of use to the Stronach fields and the addition of a new park subject to subdivision approval in the Shining Hill development.

The second five years of the plan focuses more on asset management

With most of the growth projects early in the plan the second half focuses more on asset management through investments in Rehab and Replacement capital projects. However even the investments in asset management decline in the second five years of the plan. As the second generation asset management plan gets further developed the Rehab and Replacement capital projects will become more certain meaning this 10-year plan is most likely under-estimating the asset management requirements particularly in the last half of the plan.

10-year capital plan



Capital programs are providing flexibility in managing rehab and replacement projects

Capital programs were established in the 2021 capital budget for facilities, fleet, roads and storm sewer rehab and replacement projects. The capital budget authority for the four capital programs totals \$50.3 million with \$19.7 million planned to be spent in 2022. These programs also represent 65% of the rehabilitation and replacement capital spending authority.

Capital budget authority for capital programs

(\$000s)	Previously Approved Budget	2022 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/20	2021 Forecast	2022	2023+
Rehab & Replacement Capital Programs							
Facilities	4,495.2	4,750.9	255.7	741.0	1,602.3	2,119.2	288.4
Fleet	705.0	1,155.0	450.0	-	705.0	450.0	-
Roads	31,981.0	38,020.5	6,039.5	19,991.9	5,236.9	12,791.7	-
Storm Sewer	6,263.6	6,413.6	150.0	693.3	1,044.0	4,267.2	409.1
Proposed	43,444.8	50,340.0	6,895.2	21,426.1	8,588.3	19,628.1	697.5

* Includes all active project budgets, adjustments to project budgets and new budget commitments

The capital budget includes multiple types of approvals

Council approved the capital plan in five different ways. These approvals included:

- Approval of each new capital project and their requested capital budget authority
- Approval of changes to previously approved capital budget authority by project
- Approval of the total planned 2021 spending subject to adjustments related to the variances carried forward from the 2020 forecast (both over and under spending)
- Approval of the capital program groups subject to the rules outlined for their use
- Approval of debt authority for specific projects which is discussed further in Tab 5—Reserves.
- Capital spending planned for 2022 may be adjusted for 2021 forecast variances.

Projects are grouped based on approvals needed to assist in the review process

Detailed lists of the capital projects are provided for Budget Committee’s review of the capital budget. The projects are split into separate lists based on the project level approval that is requested. In Tab 17—Rehab & Replacement Capital, Tab 18—Growth & New Capital and Tab 19—Studies & Other Capital two lists are provided:

1. **Projects that require approval:** New capital projects and projects with a proposed change to capital budget authority
2. **Projects that do not require approval:** Projects that were previously approved and do not require a change to capital budget authority.

Capital budget sheets are included for all projects that require budget approval (the first list).

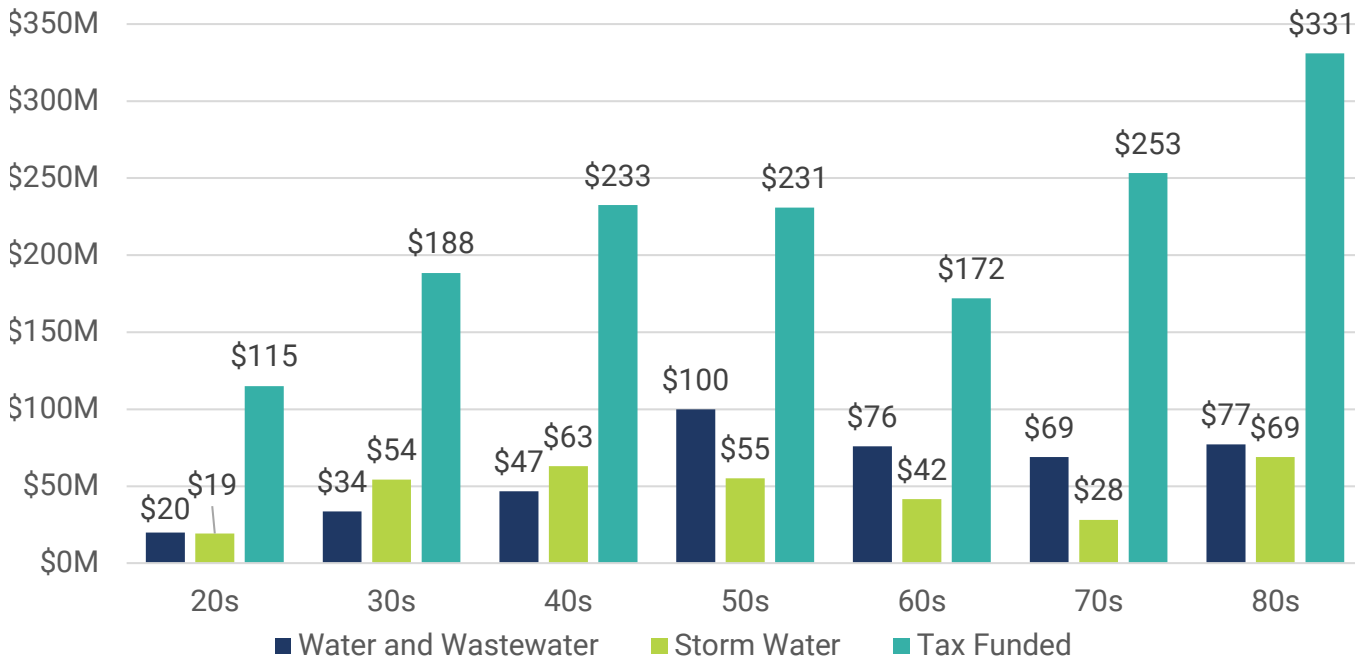
Tab 20—Closed Capital Projects includes a list of all capital projects that have been closed. This list provides the variance to the approved capital budget authority and reasons for the variance. The closing of capital projects is approved by the treasurer and this information is provided as information.

The 10-year plan links to the capital planning pillar of the fiscal strategy

The capital plan focuses on the first 10 years of the longer term capital planning identified in the fiscal strategy. Over the next few years the capital plan will become more refined as the strategic actions of the fiscal strategy are completed. The strategic actions that will provide the greatest support to the 10-year capital plan are:

- Further develop asset management planning
- Ensure the development charge study and the capital plan are aligned
- Improve longer-term growth forecasts to maintain existing levels of service

Asset management forecasted capital needs by decade



Source: Town of Aurora CityWide Asset Management System

10-year rehab and replacement capital will be based on the asset management plan

Managing the rehab and replacement projects within the 10-year plan will become more clearly defined once all three phases of the second generation asset management plan are complete. Based on the provincial regulations they must be done by July 1st, 2025.

This work should streamline the rehab and replacement capital plan as the first 10-years of the asset management plan could be used. Then only asset management needs for new assets would need to be added. This will effectively create a long-term reliable capital plan for asset management.

The capital plan will need to continue to adapt to the pace of growth

Growth projects in the capital plan need to be aligned with the timing of when the growth will happen. This means the budget must adapt to the timing of growth. One of the key pieces for managing growth projects in the plan is the amount of development charge revenues available. These can slow or accelerate based on market conditions but can also be constrained by servicing capacity (the ability to provide water and wastewater services to new properties). These factors need to be considered when planning new growth projects.