



**Town of Aurora
Council Report**

No. FS17-048

Subject: 2018 Final Capital Budget Report

Prepared by: Karen Oreto, Financial Analyst

Department: Financial Services

Date: November 14, 2017

Recommendation

- 1. That Report No. FS17-048 be received; and**
- 2. That the updated 2017 Asset Management Plan be received; and**
- 3. That the updated 2017 Ten Year Capital Investment Plan be received; and**
- 4. That the 2018 Capital Budget for Repair and Replacement of existing infrastructure totaling \$13,406,329 as listed in Attachment 3, be approved; and**
- 5. That the 2018 Capital Budget for Growth and New Capital totaling \$16,029,611 as listed in Attachment 4 be approved; and**
- 6. That the 2018 Capital Budget for Studies and Other Projects totaling \$605,000 as listed in Attachment 5, be approved; and**
- 7. That the funding sources for each capital project included in this report be approved as those reviewed and recommended by Budget Committee on October 14 and November 7, 2017.**

Executive Summary

To present to Council for its formal adoption the 2017 Asset Management Plan, the 2017 Ten Year Capital Investment Plan and the 2018 Capital Budget as recommended by the Budget Committee on October 14 and November 7, 2017.

Background

Each year staff presents the town's Asset Management Plan, Ten Year Capital Investment Plan as well as its Capital Budget Plan for the following fiscal year for its review and/or approval. Upon receipt and/or approval by council these documents

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provide staff with the direction to proceed with the identified capital projects for the following year.

Analysis

Asset Management Plan (AMP)

The Asset Management Plan forms the foundation upon which the town bases its existing asset repair, replacement and rehabilitation decisions upon. It 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 to ensure that its investments in its existing assets 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 the lowest cost. In the updated 2017 Asset Management Plan, the core foundational methodologies for asset repair, replacement & rehabilitation remain unchanged from those approved by Council in prior years. The only changes made to the updated 2017 AMP relate to its financial tables which have been updated to ensure continued alignment with the town's most recent ten year capital investment strategy. A link to the complete AMP 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 which represents a consolidation of the anticipated needs of the Town's departments. All repair, replacement & rehabilitation capital items contained within this plan are guided by the foundational philosophies outlined in the town's AMP. 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 14, 2017, the 2017 Ten Year Capital Investment Plan was presented to Budget Committee. A link to the complete Ten Year Capital Investment Plan 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 2017 capital budget plus ten forecast years from 2018 to 2027. These plans have been reviewed and updated by each asset manager.

The ten year plan shows a planned investment requirement of \$262 million in total over the next ten years; \$124.5 million for Repair and Replacement, \$134.4 million for growth and new assets, and approximately \$3 million for studies and other.

Draft 2018 Capital Budget

On October 14, 2017, an overview of the draft of the Town's Capital Budget was presented to the Budget Committee. The committee concluded its review of the 2018 capital budget on November 7, 2017.

As in the past, 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

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 "conditional approval – additional information required." These projects have been approved in principle, but the Committee has asked staff to provide additional information by a future report, prior to any contractual commitments being made for the project.

Repair and Replacement Infrastructure Projects

The proposed Repair and Replacement (R&R) Capital Budget for 2018 represents a gross cost of \$13,406,329 funded mainly from capital reserves including specific R & R reserves. The 2018 R&R program includes repair work to facilities, roads, sidewalks, playgrounds, parks and the replacement of vehicles and equipment. Management has confirmed that they have the resource capacity to deliver the proposed capital program. Attachment #3 provides a summary of the recommended Repair and Replacement Capital program by project, by decision for 2018. The detailed capital project pages can be viewed through the link provided in the Attachments section under Attachment #3.

Growth and New Infrastructure Projects

The proposed Growth and New Capital Budget for 2018 represents a gross cost of \$16,029,611. This capital program includes funding for the construction of new sidewalks, a new skid steer, a new park in 2C and a playground and design for a new

recreation facility. Attachment #4 provides a summary of the recommended Growth and New Capital program by project, by decision for 2018. The detailed capital project pages can be viewed through the link provided in the Attachments section under Attachment #4.

Studies and Other Projects

The proposed major Studies and Other Projects Capital Budget presents a gross cost of \$605,000. This includes a DC Background Study and Municipal Energy Plan. Attachment #5 provides a summary of the recommended Studies and Other program by project, by decision for 2018. The detailed capital project pages can be viewed through the link provided in the Attachments section under Attachment #5.

Advisory Committee Review

Not applicable

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 a draft at this time for 2018, but it does include a sustainable 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 operating budget.

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

Communications Considerations

This report along with all attachments will be posted to the Town's website on the Budget and Financial Information page.

Link to Strategic Plan

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

Alternative(s) to the Recommendation

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

Conclusions

The 2017 Asset Management Plan provides the framework upon which the town's repair and replacement budget is built by documenting the rationale and processes upon which all R&R capital project decisions are prepared by staff. The Budget Committee recommends that Council formally receive the updated 2017 Asset Management Plan.

The Budget Committee also recommends that council formally receive the Town's updated 2017 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. Budget Committee has reviewed each proposal in detail, and recommends the approval by Council of the final capital budget as presented herein.

Attachments

- Attachment #1 – [2017 Asset Management Plan](#) (link only)
- Attachment #2 – [2017 Ten Year Capital Investment Plan](#) (link only)
- Attachment #3 – [2018 Final Repair & Replacement Capital Program Summary](#)
- Attachment #4 – [2018 Final Growth and New Infrastructure Capital Program Summary](#)
- Attachment #5 – [2018 Final Studies and Other Capital Program Summary](#)

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Previous Reports

FS17-041: 2018 Capital Investment Program and Ten Year Asset Management Plan Overview

Pre-submission Review

Budget Committee – October 14, 2017 and November 7, 2017

Departmental Approval



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

Approved for Agenda



**Doug Nadorozny
Chief Administrative Officer**

Attachment 3

**2018 Repair and Replacement Capital Projects
Summarized by Results of Council Discussions**

Project ID	Project	New 2018 Requests
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BUDGET COMMITTEE APPROVED

Corporate Services

12002	Accessibility Committee	175,000
13018	Human Resources Information/Payroll System	250,000
14047	Computer & Related Infrastructure	172,278
Corporate Services Sub Total		\$ 597,278

Financial Services

14012	Financial System	100,000
Financial Services Sub Total		\$ 100,000

Fleet

34410	Fr/FL80 (#33)*	210,000
24017	Replacement of By-Law Vehicle (#404)	40,000
34191	GMC/Savana (#501)	45,000
71107	Skid Steer Loader (#253)	60,000
71108	GMC Sierra Crew Cab (#224)	65,000
71109	GMC 1 Tonne Dump (#228)	60,000
71111	GMC Sierra (#200)	45,000
71113	Cold Planer Attachment	45,000
Fleet Sub Total		\$ 570,000

Parks, Recreation & Cultural Services

73134	Parks/ Trails Signage Strategy Study & Implementation	96,350
73154	Playground Surface Restoration	10,900
73160	Emerald Ash Borer Management Program	235,000
73198	Field Renovation - Norm Weller Park	350,000
73211	Playground Replacement - Hamilton Park	100,000
73216	Playground Replacement - Copland Park	200,000
73291	Traffic Circle Improvements in 2B	25,000
74007	AFLC Fitness Equipment Replacement	50,000
Parks & Recreation Sub Total		\$ 1,067,250

Facilities

72171	AFLC - Dasher Board System	300,000
72180	SARC - Signs	50,000
72201	Workstation Refresh, Carpet, Paint	150,000
72204	Cameras - HDIP	400,000
72281	AFLC - Skate Park	75,000
72282	SARC - Compressor Repair and Computer SW Upgrade	50,000
72283	SARC - Replacement of Pylon sign Message Board	50,000
72296	ACC - North End - Replacement of Radiant Tube Heaters	20,000
72304	48" Ride On Auto Scrubber	60,000
72307	SARC - Pool Pumps	35,000
Facilities Sub Total		\$ 1,190,000

Roads

31109	Recon - Kennedy St W and Temperance St	1,439,082
31113	Full Depth Asphalt - Murray Dr and Pinehurst M & O - Murray Dr, Kennedy St W	2,232,291
31114	Recon - Ransom Crt and Ransom St	617,341
31118	Recon - Browning Crt, Johnson Rd, Holman Cres, Baldwin Rd	180,000
31119	Recon - Adair Dr., Bailey Cres, Davidson Rd	140,000
31126	Full Depth Asphalt- Harriman Rd M & O - Harmon Ave., Orchard Hts. Blvd., Whispering Pine Tr	1,014,110
31134	M & O - Victoria (Wellington - Harrison), Yonge St (Golf Links to Orchard Hts)	1,594,319
31140	M & O - Archerhill Crt., Jarvis Ave., Gilbert Dr., Westview Dr., McClellan Way	641,578
34613	S/W - St John's Sdrd - Gateway - Industrial Pkwy	183,480
Roads Sub Total		\$ 8,042,201

Rates

41011	Sanitary Sewer CCTV Inspection	150,000
43038	Water Meter Replacement Program	600,000
42054	Maintenance of Culverts on Yonge St and Batson Dr	520,000
42067	Storm Outfall Erosion at Mill St	50,000
42068	Bridge Assessment	25,000
42072	Vandorf Sideroad Culvert and Ditch Repair	130,000
Rate Sub Total		\$ 1,475,000

TOTAL PROJECT FUNDING APPROVED AS PRESENTED \$ 13,041,729

CONDITIONAL APPROVAL - ADDITIONAL INFORMATION REQUIRED

CAO

12037	Town of Aurora Website	70,000
CAO Sub Total		\$ 70,000

Corporate Services

14070	Boardroom Audio/Video Equipment	130,000
Corporate Services Sub Total		\$ 130,000

Parks, Recreation & Cultural Services

73302	22 Church St - Landscaping	30,000
Parks, Recreation & Cultural Services Sub Total		\$ 30,000

Facilities

72164	SARC - Rubber Flooring	134,600
Facilities Sub Total		\$ 134,600

CONDITIONAL APPROVAL - MORE INFORMATION REQUIRED \$ 364,600

TOTAL 2018 REPAIR & REPLACEMENT CAPITAL BUDGET \$ 13,406,329

*Pre-approved

Attachment 4

2018 Growth and New Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	New 2018 Requests
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BUDGET COMMITTEE APPROVED

Corporate Services

14037	Joint Ops LAN Room & DR site	60,000
14068	Wireless Upgrades and Enhancements	55,000
14069	Emergency Cooling	25,000
Corporate Services Sub Total		\$ 140,000

Fleet

34168	New 6 Tonne Dump Truck with Plow*	250,000
34187	3 Tonne Truck	90,000
34412	Additional Plow	250,000
71090	Mini Excavator	40,000
71091	Skid Steer	100,000
71106	New 1/2 Tonne Pick Up Truck	40,000
71114	Hydro Seed Mulcher	45,000
Fleet Sub Total		\$ 815,000

Parks, Recreation & Cultural Services

73085	Arboretum Development	96,000
73169	Wildlife Park - Phase 1/2/3	1,000,000
73174	Trail - Atkinson Park	85,000
73247	Trail Construction (Coutts/Pandolfo Development)	100,000
73251	GPS Tracking System	15,000
73286	Stewart Burnett Park Playground and Parking Facility	1,100,000
73290	Tree Inventory for 2C	10,000
73292	Picnic Tables/Garbage Receptacles	15,000
73299	Non - Programmed Park in 2C	1,500,000
74013	Museum Collocation Infrastructure	15,000
74016	Cultural Precinct Plan	1,000,000
Parks, Recreation & Cultural Services Sub Total		\$ 4,936,000

Facilities

72113	New Recreation Facility	2,400,000
Facilities Sub Total		\$ 2,400,000

Infrastructure and Environmental Services

34619	S/W - Kitimat Cres	100,000
34629	S/W - Mary St - Industrial Pkwy S to Wellington	115,461
34630	S/W - Yonge St - Batson Dr - N Town Limit	95,000
34637	S/W - Leslie St - 600m N of Wellington - N Town Limit	100,000
Infrastructure and Environmental Sub Total		\$ 410,461

Planning and Building Services

24014	Digital Plan Review and E-Permit Applications	120,000
Planning and Building Services Sub Total		\$ 120,000

TOTAL PROJECT FUNDING APPROVED AS PRESENTED \$ 8,821,461

CONDITIONAL APPROVAL - ADDITIONAL INFORMATION REQUIRED

Corporate Services

12016	Customer Care Centre Implementation	200,000
24016	Animal Control Start Up	100,000
Corporate Services Sub Total		\$ 300,000

Parks, Recreation & Cultural Services

73287	Hallmark Lands - Baseball Diamonds	3,000,000
74015	Cultural Services Master Plan	100,000
74017	Aurora Sports Hall of Fame	26,500
Parks, Recreation & Cultural Services Sub Total		\$ 3,126,500

Facilities

72285	JOC - Additional Work	1,750,000
72114	New Library	665,000
72310	22 Church St - Exterior Sign	50,000
Facilities Sub Total		\$ 2,465,000

Infrastructure and Environmental Services

34518	Pedestrian Crossings as per 2014 DC Study	144,100
34519	Traffic Calming as per 2014 DC Study	122,550
Infrastructure and Environmental Sub Total		\$ 266,650

Planning and Building Services

81016	Aurora Promenade Streetscape Design & Implementation	1,050,000
Planning and Building Services Sub Total		\$ 1,050,000

TOTAL 2017 GROWTH & NEW CAPITAL BUDGET \$ 16,029,611

NOT APPROVED

Infrastructure and Environmental Services

34525	Yonge St Parking Plan	200,000
Parks, Recreation & Cultural Services Sub Total		\$ 200,000

Planning and Building Services

81015	Community Improvement Plan	200,000
Planning and Building Services Sub Total		\$ 200,000

NOT APPROVED \$ 400,000

*Pre-approved

Attachment 5

2018 Studies and Other Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	New 2018 Requests
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BUDGET COMMITTEE APPROVED

Corporate Services

13011	Emergency Response Plan Update & Continuation of Operations Plan	20,000
13014	Employee Engagement Survey	80,000
Corporate Services Sub Total		100,000

Financial Services

14061	DC Background Study - 2019	125,000
Financial Services Sub Total		125,000

Infrastructure & Environmental Services

31052	Salt Management Plan	100,000
34529	Master Transportation Study Update - 2018	100,000
42809	Municipal Energy Plan	180,000
IES Sub Total		380,000

TOTAL 2018 STUDIES & OTHER CAPITAL BUDGET \$ 605,000