



# CAPITAL BUDGET

As approved on January 31<sup>th</sup>, 2023

# 2023 Capital Budget and 10-Year Capital Plan

The Capital Budget includes capital spending of \$73.6 million in 2023. The Capital Budget Authority of \$202.4 million includes an approved increase of \$29.6 million after the closure of 61 projects with a total budget of \$27.6 million. The 10-Year Capital Plan includes years 2023 to 2032 with a total of \$346.8 million in capital projects. Detailed individual project information can be found in Tabs 16 to 18 of this Budget.

## \$202.4 million of Capital Budget Authority is approved

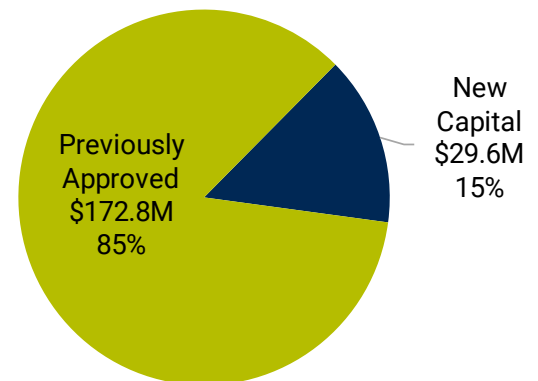
Capital Budget Authority represents the multi-year commitment needed to complete the active phase of capital projects. This includes contracts for consulting services, the lead time for the purchase of vehicles or the construction of the project. Sometimes, these contractual commitments may need to be 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 2023 Capital Budget Authority includes actuals to December 31, 2021, plus the 2022 forecast, plus 2023 capital cash flow and capital from 2024 and beyond only as required. This Budget includes a total of \$202.4 million in Capital Budget Authority which is made up of \$172.8 million in previously approved capital projects and \$29.6 million in new budget requests.

## 2023 Capital Budget Authority



## 2023 Capital Budget Authority

(\$000s)	Previously Approved Budget	2023 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/21	2022 Forecast	2023	2024+
Asset Management	55,988.5	78,017.4	22,028.9	23,818.2	12,473.8	37,795.8	3,929.6
Growth & New	113,882.1	119,766.5	5,884.4	49,318.6	28,965.3	33,736.0	7,746.7
Studies & Other	2,895.9	4,583.9	1,688.0	1,508.4	700.1	2,094.5	280.9
<b>Approved Budget</b>	<b>172,766.5</b>	<b>202,367.9</b>	<b>29,601.3</b>	<b>74,645.2</b>	<b>42,139.3</b>	<b>73,626.3</b>	<b>11,957.1</b>

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

### Most of the planned 2023 spending is for growth & asset management

In 2023, the Budget plans to spend \$73.6 million on capital projects. This includes \$37.8 million for asset management, \$33.7 million for growth and \$2.1 million for studies and other projects.

Most of the \$37.8 million for asset management capital is for projects included in the five capital programs: facilities, fleet, roads, storm sewer and a newly approved program for information technology, with the largest share, \$19.1 million for roads & related including:

- \$5.6 million for reconstruction of Poplar Crescent
- \$3.7 million to continue the mill & overlay and underground infrastructure rehabilitation on Murray Drive, Kennedy Street West, Pinehurst Court and Wiles Court
- \$2.5 million for rehabilitation of M & O - Industrial Pkwy N, Earl Stewart Dr, Mosley St, Larmont St.
- \$2.1 million for the upsizing of an existing culvert along with a wildlife passage for Henderson Dr. from Bathurst street to Yonge Street

Other asset management projects include:

- \$1.4 million for the replacement of advanced water metering infrastructure
- \$0.9 million for the implementation of water meter replacement program
- \$0.4 million for implementation of security audit recommendations
- \$0.2 million for standardization of parks/trails signage
- \$0.2 million for the playground structure replacement in Elizabeth Hader Park

Capital spending on growth represents \$33.7 million of the planned spending for 2023. Most of this is for facilities and parks projects: \$10 million to complete Aurora Town Square, \$11.1 million for the 7500 square-foot gym at the Stronach Aurora Recreation Complex, \$1.5 million to complete the Artificial Turf at the Dr. G.W. Williams Secondary School and \$1.2 million for the David Tomlinson Nature Reserve .

Studies and other projects represent the smallest amount of the planned spending at \$2.1 million. Studies planned for 2023 include: the Parks and Recreation Master Plan and

continuation of the work on the Official Plan, Asset Management Plan and the Corporate Technology Strategic Plan action items.

### Capital Budget Authority and 2023 planned spending by department

(\$000s)	Previously Approved Budget	2023 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/21	2022 Forecast	2023	2024+
<b>Office of the CAO</b>							
Asset Mgmt	-	-	-	-	-	-	-
Studies & Other	155.0	155.0	-	61.9	48.7	44.4	-
	155.0	155.0	-	61.9	48.7	44.4	-
<b>Community Services</b>							
Asset Mgmt	5,040.5	6,677.9	1,637.4	1,084.9	2,275.3	3,282.2	35.5
Growth & New	65,922.9	66,093.9	171.0	20,694.5	20,589.7	20,498.9	4,310.8
Studies & Other	415.0	495.0	80.0	9.9	289.0	146.1	50.0
	71,378.4	73,266.7	1,888.3	21,789.3	23,153.9	23,927.2	4,396.3
<b>Corporate Services</b>							
Asset Mgmt	1,632.9	1,632.9	-	1,311.9	225.9	70.0	25.1
Growth & New	688.1	688.1	-	391.0	158.0	139.1	-
Studies & Other	338.2	378.2	40.0	310.6	(59.3)	126.9	-
	2,659.1	2,699.1	40.0	2,013.5	324.6	336.0	25.1
<b>Finance</b>							
Asset Mgmt	11,650.8	12,745.9	1,095.1	4,257.5	2,620.5	4,647.2	1,220.8
Growth & New	872.8	1,002.8	130.0	290.2	129.0	543.6	40.0
Studies & Other	375.0	560.0	185.0	43.8	114.0	324.9	77.3
	12,898.6	14,308.7	1,410.1	4,591.5	2,863.5	5,515.7	1,338.0
<b>Operational Services</b>							
Asset Mgmt	7,133.2	10,465.6	3,332.4	3,468.7	1,659.7	4,279.4	1,057.7
Growth & New	19,763.7	24,768.8	5,005.1	8,804.5	2,073.1	10,495.4	3,395.9
Studies & Other	212.4	587.4	375.0	122.9	13.8	397.1	53.6
	27,109.3	35,821.8	8,712.5	12,396.1	3,746.6	15,171.9	4,507.2
<b>Planning &amp; Development Services</b>							
Asset Mgmt	30,531.1	46,495.1	15,964.1	13,695.3	5,692.4	25,517.0	1,590.5
Growth & New	12,928.4	13,506.7	578.3	9,121.2	2,721.9	1,663.7	-
Studies & Other	1,400.4	2,408.4	1,008.0	959.4	293.9	1,055.1	100.0
	44,859.8	62,410.2	17,550.4	23,775.8	8,708.2	28,235.8	1,690.5
<b>Subtotal</b>	<b>159,060.3</b>	<b>188,661.6</b>	<b>29,601.3</b>	<b>64,628.0</b>	<b>38,845.5</b>	<b>73,231.0</b>	<b>11,957.1</b>
<b>Central York Fire Services</b>							
Growth & New	13,706.3	13,706.3	-	10,017.2	3,293.8	395.4	-
	13,706.3	13,706.3	-	10,017.2	3,293.8	395.4	-
<b>Approved Budget</b>	<b>172,766.5</b>	<b>202,367.9</b>	<b>29,601.3</b>	<b>74,645.2</b>	<b>42,139.3</b>	<b>73,626.3</b>	<b>11,957.1</b>

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

## Three departments account for 84.7% of the Capital Budget Authority

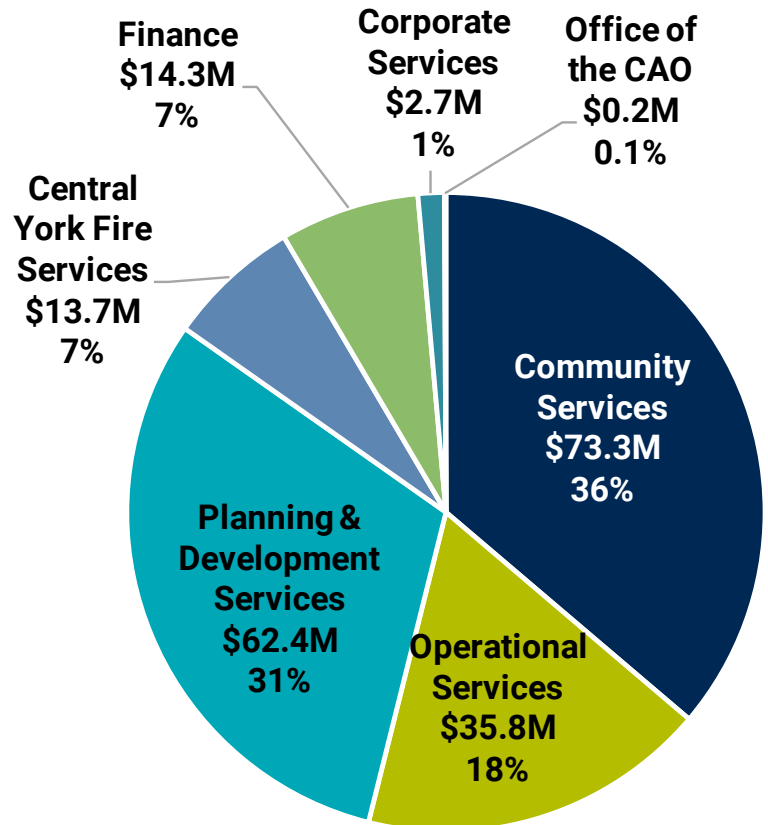
Community Services, Operational Services and Planning & Development Services represent 84.7% of the Capital Budget Authority in this Budget.

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 \$51.9 million for Aurora Town Square and \$11.1 million for the construction of SARC gym addition.

Planning & Development Services total Capital Budget Authority includes 74.6% for asset management projects, while the Operational Services capital budget has growth and new at 70% of their budget and asset management at 28%.

More information on the Capital Budget priorities and initiatives can be found in the departmental business plans.

## Capital Budget Authority by department



## The 10-Year Capital Plan includes \$346.8 million in planned spending

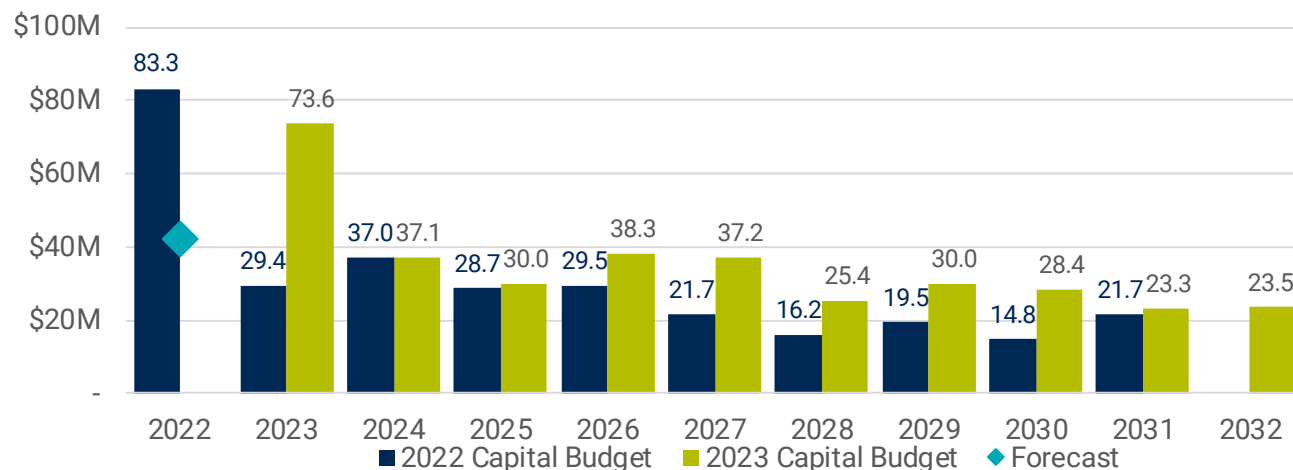
The 10-Year Capital Plan continues to focus its investments in asset management projects representing 58.9 percent of the capital plan, with growth and new at 39.7 percent and studies and other at 1.4 percent.

## The 10-Year Capital Plan has increased compared to last year's plan

When comparing the nine common years of this 10-Year Capital Plan to last year's 10-Year Capital Plan, 2023 to 2031, it has increased \$104.8 million. The primary reason for this increase is the impact of inflation on planned capital projects and \$29.2 million from the 2022 forecast being deferred and re-cash flowed into future years. The inflationary impact on planned capital projects has led to increased pressure on Town's tax-funded reserves. \$19.9 million of roads projects were pushed beyond 10 years in order to make the 10-Year Capital Plan affordable. The delay of roads projects due to the capital funding constraint may lead to higher maintenance costs in the roads Operating Budget in the upcoming years. The details

related to the impact on reserves are captured under the Reserves and Debt Management Tab – 5 of the binder.

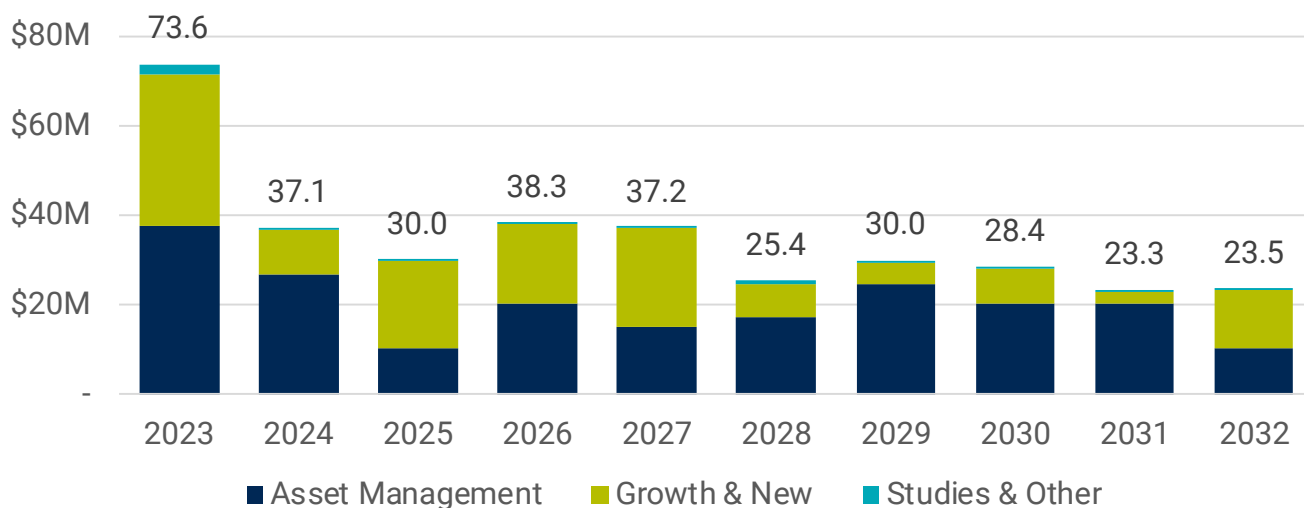
### 10-Year Capital Plan compared to last years' plan



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

The first five years of the plan includes almost two thirds or \$216.2 million in capital spending compared to the second five years which is \$85.6 million less at \$130.6 million. The main reason for this is 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 of the Stronach fields and the addition of a new park subject to subdivision approval in the Shining Hill development.

### 10-Year Capital Plan project profile



## 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. However, even the investments in asset management decline in the second five years of the plan. As the second generation asset management plan is further developed, asset management capital projects will become more certain, meaning this 10-Year Capital Plan is most likely under-estimating the asset management requirements particularly in the last half of the plan.

### Capital programs are providing flexibility in managing asset management projects

Capital programs were established in the 2021 Capital Budget for facilities, fleet, roads and storm sewer asset management projects. A fifth capital program for Information Technology Services is approved in this Budget. The Capital Budget Authority for the five capital programs totals \$57.3 million with \$31.0 million planned to be spent in 2023. These programs also represent 73 percent of the asset management capital spending authority.

### Capital Budget Authority for capital programs

(\$000s)	Previously Approved Budget	2023 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/21	2022 Forecast	2023	2024+
<b>Asset Management Capital Programs</b>							
Facilities	4,639.4	6,200.9	1,561.5	785.3	2,230.8	3,184.8	-
Fleet	673.6	1,536.9	863.3	-	75.3	1,108.7	352.9
IT Services	2,978.0	4,073.1	1,095.1	1,486.8	990.0	1,219.1	377.2
Roads	27,692.6	37,743.7	10,051.1	12,636.5	5,073.7	19,042.9	990.5
Storm Sewer	1,873.5	7,721.5	5,848.0	1,046.6	270.7	6,404.2	-
<b>Approved</b>	<b>37,857.1</b>	<b>57,276.0</b>	<b>19,418.9</b>	<b>15,955.2</b>	<b>8,640.5</b>	<b>30,959.7</b>	<b>1,720.6</b>

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

### The 10-Year Capital 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:

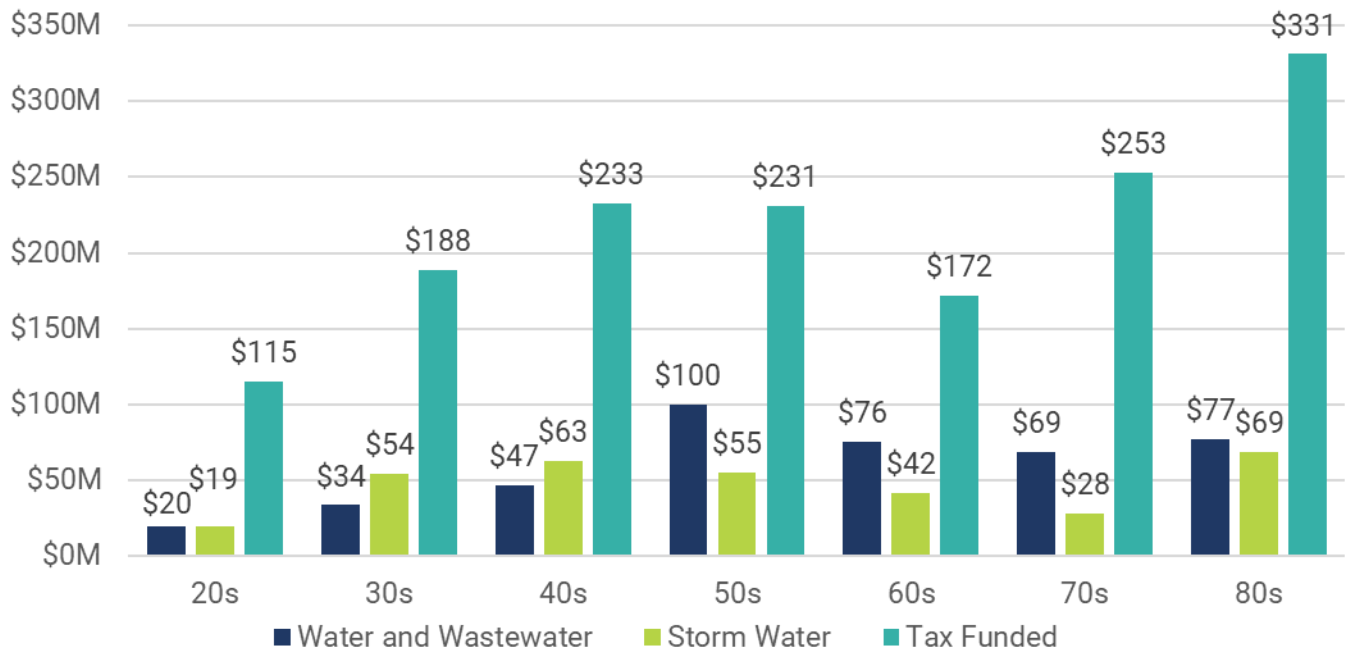
- Further develop asset management planning
- Ensure the development charge study and the capital plan are aligned
- Improve longer-term growth forecasts to maintain existing levels of service

## 10-year asset management capital will be based on the asset management plan

Managing the asset management projects within the 10-Year Capital 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 1, 2025.

This work should streamline the development of the 10-Year Capital Plan as the first 10 years of the asset management plan could be used. After that 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.

### Asset management forecasted capital planning needs by decade



Source: Town of Aurora CityWide Asset Management System

### 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). Recently approved legislative changes by the province will also impact the ability to fund growth projects from development changes. These factors need to be considered when planning new growth projects.