



**Town of Aurora  
Council Report**

**No. FS19-026**

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**Subject:** 2020 Capital Investment Program, Strategic Asset Management Policy and 10 Year Asset Management Plan Overview

**Prepared by:** Jason Gaertner, Manager, Financial Management

**Department:** Financial Services

**Date:** September 24, 2019

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## **Recommendation**

- 1. That Report No. FS19-026 be received; and**
- 2. That the 2019 10-Year Capital Investment Plan and 2020 draft capital budget be received and referred to the Budget Committee.**

## **Executive Summary**

The Town's draft 2020 detailed capital investment plan along with all supporting documentation will be circulated to Council for its review prior to the first scheduled Budget Committee meeting on October 5, 2019.

- The Town's Strategic Asset Management Policy guides the establishment of its Asset Management Plan which outlines the Town's asset management methodologies, including an assessment of the overall condition of its assets
- The successful delivery of the Town's 10-year capital investment plan hinges upon its funding strategy
- Repair and replacement (R&R) capital requirements are increasing as assets age and as the Asset Management Plan is refined
- Repair and replacement capital requirements are funded through three main sources
- Funding for tax funded repair and replacement is supplemented with federal and provincial grants
- Overall R&R cash to capital contributions (CTC) to reserves must keep pace with inflation and meet the Town's asset management needs
- The Town aims to grow its infrastructure reserve balances to two times the average capital spend

- The Town's consolidated tax based repair & replacement reserve performance is not projected to meet the desired 10 year target
- The Town's draft 2020 detailed capital budget is provided for the Budget Committee's review and support
- The draft 2020 capital investment plan excludes all fleet projects as the Town awaits the outcome of an ongoing consultant's review
- New to this year's review process, the Budget Committee will have only two options available for its consideration, being to approve or not approve each capital project
- The Town plans to modernize the capital planning process as part of its 2021 capital planning process

## **Background**

As per its Asset Management for Municipal Infrastructure Regulation (O. Reg. 588/17), the Province of Ontario requires municipalities to conduct long-term asset management planning through the implementation of a strategic asset management policy and detailed asset management plans. This regulation requires municipalities to comply with a prescribed list of key milestones; of which the following remain to be completed:

- i. All municipalities are required to ensure that their asset management plans include the following elements as per the prescribed timelines:
  - a. Addresses core infrastructure assets such as roads, bridges, culverts, including any assets used in the collection, conveyance/distribution of water/wastewater; and storm water management systems by July 1, 2021;
  - b. In addition to core infrastructure assets, addresses all other infrastructure assets by July 1, 2023; and
  - c. All infrastructure assets should include a greater breadth of prescribed details, such as service level requirements, by July 1, 2024.

The Town of Aurora has been successful in ensuring its continued compliance with these progressive regulatory requirements including its successful approval of a strategic asset management policy on March 26, 2019. The Town's intent is to remain in full compliance with all remaining prescribed future regulatory requirements.

The Town's current approved Asset Management Plan (AMP) meets all present provincial regulatory requirements. The AMP is the foundation upon which the Town's asset decisions are based; as well as is an essential application requirement for all

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requests for provincial or federal infrastructure funding. The Town's AMP is guided by its Strategic Asset Management Policy.

Complementing the AMP is the Town's annual 10-Year Capital Investment Plan representing a consolidation of the anticipated needs of all Town departments. This plan is intended to assist the managers responsible for each asset category to carefully plan for the longer 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 standard.

The plan is grouped into three sections: repair and replacement of existing assets (R&R), plans for growth and new assets (G&N), and periodic studies and other special projects (S&O). This plan is reviewed and updated each year by staff and presented to Council for its review and endorsement. It is important background material for the annual capital budget review and approval processes.

In addition to ensuring the alignment of 10-year capital plan funding recommendations with the AMP, these recommendations also align with the following four Council endorsed asset sustainability strategies:

1. The Town generally will not use debt to finance the major restoration or replacement of its assets which were originally funded from development charges or would be so funded if initially constructed today. To avoid incurring debt, the Town will strive to annually set aside sufficient reserves to provide for existing asset sustainability.
2. Targets for R&R reserve funds future desired balances at the end of each 10 year planning period should be set equal to two times the average of the 10 year annual funding requirement for that period, reviewed annually.
3. Annual "tax cash to capital" funding will be apportioned pro rata amongst the asset specific reserve funds for each asset category, including tax funded Growth & New and Studies & Other.
4. Annual "tax cash to capital" budget amounts must achieve sustainable infrastructure funding and should be reviewed annually as part of the 10-year capital plan update process to ensure annual contributions keep pace with capital cost inflation, capital plan needs, and ultimately allowing for the achievement of the goal of concluding each 10 year planning period with R&R

reserve balances at approximately equal to the applicable 10-year average funding requirement for that period.

As part of its review of the 10-Year Capital Investment Plan, staff have undertaken their usual detailed review and documentation of their recommended 2020 repair & replacement, growth & new and studies & other capital budgets. This review considers several factors, including alignment with the Town's Asset Management Plan (AMP), available reserve funding, as well as other key Town priorities.

## **Analysis**

**The Town's Strategic Asset Management Policy guides the establishment of its Asset Management Plan which outlines the Town's asset management methodologies, including an assessment of the overall condition of its assets**

Firstly, the purpose of the Town's strategic asset management policy is to provide leadership in, and commitment to the development and implementation of the Town of Aurora's asset management program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision-making for the management of municipal infrastructure assets and to support the delivery of sustainable community services in the name of *"Today, tomorrow, our future together"*. This policy's primary intent is to integrate the Town's strategic mission, vision and goals with its asset management program, and to ensure that critical municipal infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.

An essential component of the Town's asset management program is its Asset Management Plan (AMP). The AMP is strongly aligned with the Strategic Asset Management Policy. Its primary objective is to maximize benefits, control risks, and provide a satisfactory level of service to the community in a sustainable manner. Infrastructure management ensures that the Town is capable of providing the desired level of service in support of the Town's achievement of its high-level strategic goals. The AMP is a strategic document stating the characteristics and condition of infrastructure assets, levels of service expected from them, planned actions to ensure that assets are providing the expected level of service and financing strategies to implement the planned actions. The overall intent of the AMP is to ensure that the Town's investments are made at the right time, future repair and rehabilitation costs are minimized, and municipal assets are being appropriately maintained.

The Town has also incorporated its anticipated future growth and future required asset investments into its AMP in an effort to document any new assets that it plans to invest in as the community grows, including how it plans to finance those investments. The growth side of the plan becomes an important input into the future asset replacement side of the plan, as these new growth driven assets begin to require replacement as well.

**The successful delivery of the Town's 10-year capital investment plan hinges upon its funding strategy**

The Town's 10-year capital investment plan which is built upon its AMP foundation, determines the total required cash to capital (CTC) contribution each year. This year's 10-year capital plan contains the detailed plans for assets including the approved 2019 capital budget plus 10 forecast years from 2020 to 2029. This plan is the result of a comprehensive review and update of the previous year's 10-Year Capital Investment Plan undertaken by each asset manager.

The 10-year plan shows a planned investment requirement of \$198.2 million, including \$121.8 million for Repair & Replacement (R&R), \$73.0 million for Growth & New (G&N) assets, and \$3.4 million for Studies & Other (S&O). R&R represents more than 60% of this total planned investment over this period; it is anticipated that the R&R share of the overall plan will continue to grow as the Town approaches build out.

The Town's current 10-year capital plan is \$44.3 million less than last years' plan. This change is mostly attributable to a 2019 placeholder of \$35 million relating to the Library Square that was included in last years' plan but is not part of this years' plan. Table 1 below compares the average required investment per year as per the previous 10-year capital plan to this years' plan:

**Table 1: Historic and Planned Average Annual Investment**

	<b>10-Year Average Annual Required Investment</b>	
	<b>2018</b>	<b>2019</b>
Tax Funded:		
Repair & Replacement	7,776,000	9,257,000
Growth & New	11,964,100	7,034,200
Studies & Other	338,300	332,600
	20,078,400	16,623,800
Rates Funded:	4,169,600	3,194,400

The assets that the Town owns are either funded by general taxation (“tax funded assets”), or by utility rates (“rate funded assets”). Rates funded assets are restricted to all underground water, sanitary sewer, and storm water systems, pumping stations, storm water management ponds, storm drainage ditches, culverts and related infrastructure. Tax funded assets are all other assets owned by the Town, including fleet, equipment, technology assets, roads, sidewalks, street lighting, bridges, town facilities, parks, fields and other structures, together with fire halls located in Aurora. In an effort to minimize the impact on these core funding sources, both the tax and rate funded capital requirements are subsidized through any other available funding sources, if any, such as provincially or federally available grants.

**Repair and replacement (R&R) capital requirements are increasing as assets age and as the Asset Management Plan is refined**

As can be noted from Table 1, the Town’s 10-year average R&R requirement has increased significantly. This increase is a reflection of the Town’s infrastructure beginning to show its age and consequently, its R&R needs are now beginning to appear within the Town’s 10-year planning horizon. This increase is also driven by improvements in the planning of R&R capital needs for the Town’s various asset types.

The Town’s funding strategy for its 10-year capital plan hinges on the reliability, completeness and reasonableness of the plan. If the planned spend is overstated, the funding strategy will impose an unnecessary burden on taxpayers and the annual budget. Contrary, if the 10-year plan is understated, the funding strategy employed will be insufficient in providing for the real needs of the Town. While this plan is updated each year in detail by staff, it is important for Council to identify any projects contained in the plan which may require further discussion. Amendments can be made by

removing projects altogether or amending the planned timing of projects to more realistically align with the expectations of Council. However, it is important to note that any amendments made to the plan may necessitate a change in its recommended funding strategy as well.

**Repair and replacement capital requirements are funded through three main sources**

The Town’s funding strategy consists of many different funding sources. In particular, the key funding sources available to the Town in support of its largest capital investment category being R&R are:

- Federal & provincial grants;
- Cash to capital contributions (from the tax levy);
- Cash to capital contributions (from water, wastewater, storm water rates)

The 2020 R&R requirement compared to annual planned averages spend is presented in the below Table 2.

**Table 2: Budget Funding Compared to Average Annual Planned Investment**

	<b>2019 10 Year Avg. R&amp;R Requirement*</b>	<b>10 Year Average Gas Tax and OCIF funding expected</b>	<b>2020 Draft Cash to Capital Funding**</b>	<b>Funding (Short-fall) / Surplus</b>
Tax Funded	9,186,019	2,795,700	4,765,400	(1,624,919)
Rate Funded	2,921,600	0	4,600,000	1,678,400

\* 10 Year Average R&R Requirement is net of all other funding sources, with the exception of grants.

\*\* R&R Cash to Capital share only.

As seen from Table 2 above, the annual tax contribution to capital for R&R is less than the average required annual spend by \$1,624,919 per year over the 10 year period. This represents the equivalent of an unfunded 2020 tax rate pressure of 3.4%. This gap has grown versus last year’s 10-year capital investment plan for the reasons noted above.

**Funding for tax funded repair and replacement is supplemented with federal and provincial grants**

The Town receives both Federal Gas Tax (FGT) and Ontario Community Infrastructure Fund (OCIF) grant allocations averaging \$2,795,700 per year. To simplify the financial planning and reporting of these grants, while remaining separate on the Town's books, these funds are notionally pooled with the Town's planned tax cash to capital amount in support of the funding of its tax supported infrastructure capital reserves. In general, even though it is possible for these grants to be allocated toward other types of capital projects, the Town uses them exclusively to fund road network asset category requirements. In recognition of this practice, the Town will strategically allocate less of its available tax cash to capital funds toward this asset category.

The 2020 cash to capital contribution from utility rates exceeds the current period's 10 year average requirement as it is based upon a much longer time horizon (50 to 100 years). This is done in an effort to grow these related reserve balances in preparation for the future when the very expensive R&R costs for the Town's underground infrastructure begin arising as they reach the end of their useful lives. Annual utility budgets consider this updated plan and long-term funding needs.

**Overall R&R cash to capital contributions (CTC) to reserves must keep pace with inflation and meet the Town's asset management needs**

In 2019, excluding the receipt of federal and provincial grants, the tax base contributed \$5,028,900 to the capital reserves for infrastructure. This amount gets immediately allocated amongst R&R, G&N and S&O capital reserves. Eighty percent of the Town's annual tax funded CTC contribution is allocated in support of asset R&R. The remainder is allocated in support of the Town's growth & new and studies & other capital projects. The majority of growth & new capital project funding is derived from alternative funding sources and the value of studies & other projects are low, consequently their impact on the annual CTC requirement are minor.

As infrastructure costs increase with inflation, so too must the annual contribution from the tax base. Otherwise the inflationary growth of future R&R requirements will out-pace the growth of available reserve balances resulting in insufficient funds being available when required in the mid to longer term future.



**The Town aims to grow its infrastructure reserve balances to two times the average spend**

One of the Town's key financial goals is to grow its infrastructure reserve balances to "two times the average annual spend requirement" by the end of each 10 year plan period in an effort to ensure sufficient reserve health for the longer term when the Town's annual R&R requirements continue to become greater due to inflation and as a larger proportion of its existing infrastructure nears the end of its useful life. With this goal in mind, the Town will require a minimum increase to the prior year's cash to capital contribution as outlined in Table 3 below. The following schedule of increases to the base cash to capital contribution each year has been designed to achieve a more manageable annual budget impact:

**Table 3: Proposed cash to capital Increases for Infrastructure Sustainability as a percentage of the prior year's tax levy**

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
0.70%	0.90%	0.90%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

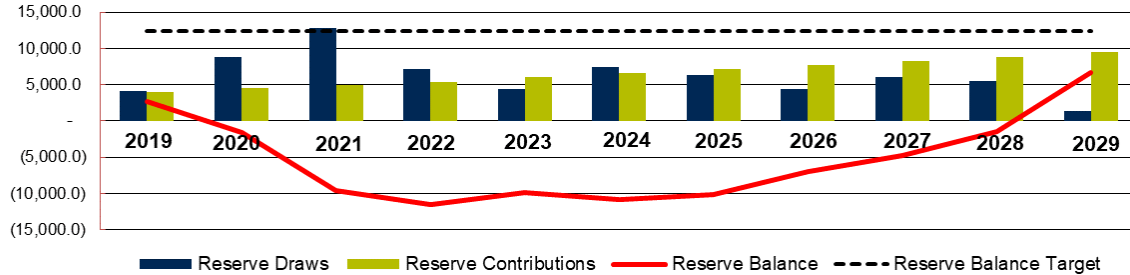
It is recommended that the full CTC incremental requirement be funded out of the annual 1.0% proposed tax increase in support of fiscal strategies.

Annual operating budget surplus contributions will also contribute to these reserves but are not included in this forecast model as they are difficult to predict; however these contributions will only serve to further reduce the impact of inflationary pressures on the plan and contributions.

**The Town's consolidated tax based repair & replacement reserve performance is not projected to meet the desired 10 year target**

While individual asset category reserves are maintained, on a consolidated level, tax funded R&R reserves are projected to not meet the Town's desired 10 year target ending reserve balance of two times the average annual spend requirement.

**Figure #1: Consolidated Tax Based Repair & Replacement Reserve Performance**



The above chart illustrates the annual planned reserve draw from R&R reserves, based upon the updated 2019 10 year capital plan. It is important to note that these identified planned draws do not represent the full planned R&R spend for each year. Rather it is only the portion of the full planned spend that has not been funded through an alternative source of revenue such as provincial or federal grants, or other external funding. The above graphic presents the projected consolidated R&R reserve fund balance at the end of each year, and the expected total cash to capital contribution to flow into these reserves each year.

As can be seen in figure 1 above, the Town does not achieve its desired 10-year planning period ending consolidated balance of two times the period’s average annual required reserve draw of \$12,788,100. It does however return to a positive position by the end of 2029 which is approximately equal to one times the period’s average annual required reserve draw. In any given fiscal year where a reserve balance is projected to conclude the year in a negative position, this negative balance will have been managed in one of two ways:

1. Internal temporary borrowing of funds from other Town reserves that are in a positive position and do not have an immediate need for these funds; and, or
2. The utilization of unspent funds that have been allocated to previously approved capital projects.

As of the last report to Council, a total of \$49.6 million in funds was allocated to capital projects, yet remained unspent. Staff will strive to factor these unspent funds into future reserve health analysis. Also, staff will continue to improve the overall health of the Town’s R&R reserves through the Town’s cash to capital contributions strategy and other strategies.

Each year, this model must be reviewed in order to ensure that the 10-year plan for the cash to capital contributions remains sustainable and balanced with the capital

requirements of the plan, with an expectation of annual cash to capital increases in the long term that keep pace with the inflationary pressures placed on capital program costs. It is important to note that the planned annual contribution increases as set out in Table 3 are based only on the data contained in the most current 10 year plan, and are revisited each year based upon all new available information that has been acquired as part of the most recent capital update process.

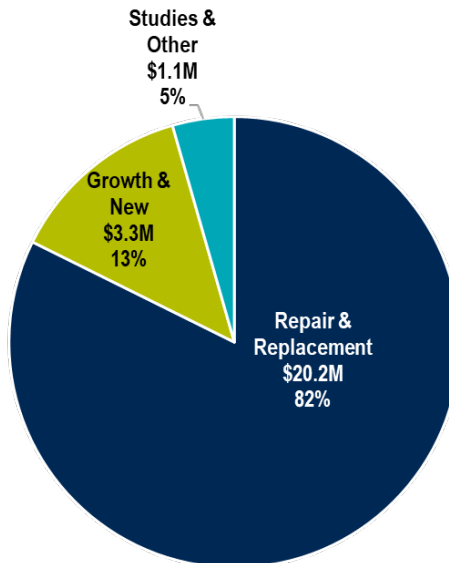
**The Town’s draft 2020 detailed capital budget is provided for the Budget Committee’s review and support**

A total of \$24.6 million in capital investments are proposed as part of the Town’s draft 2020 capital budget. This capital plan is presented in the same three key groupings as the Town’s overall 10-year capital plan being:

- Repair and replacement (R&R) of existing Town Infrastructure
- Growth and new (G&N) Town Infrastructure
- Studies and other (S&O)

The repair & replacement of the Town’s existing infrastructure make up the largest component of the proposed 2020 budget as can be seen from Figure #2.

**Figure #2: 2020 Detailed Capital Investment Plan by Key Grouping**



Through its repair & replacement, or asset management plan, the Town strives to promote the lifecycle and risk management of all municipal infrastructure assets, with

the goal of achieving the lowest total cost of ownership while meeting desired levels of service. The draft consolidated 2020 repair and replacement capital plan for both tax and rate funded assets totaling \$20.2 million, is summarized in Table 4.

**Table 4: Draft 2020 R&R capital plan**

2020 to 2029 average annual planned requirement	\$12,174,900
2020 Draft Budget	\$20,238,700
<b>Funded by:</b>	
Tax funded R&R reserves	\$8,760,000
Rate funded R&R reserves	8,448,000
Federal Gas Tax Grants	1,694,600
Ontario Community Infrastructure Grant	1,101,100
Other	235,000

Planning & Development Services (PDS) projects represent \$15.3 million, or 76 percent of the total proposed 2020 R&R budget. PDS' projects include road resurfacing, road reconstruction, as well as various storm water system renewal projects. The second largest component of the R&R plan are led by the Community Services (CMS) department. CMS' capital projects relate wholly to the Town's facilities:

- Aurora Public Library
- Stronach Aurora Recreation Complex
- Aurora Family Leisure Centre
- Town Hall
- Aurora Community Centre
- Various Central York Fire Services stations

Aurora Public Library capital projects make up 46 percent of CMS' total capital requirement being mostly attributable to the bringing forward of work planned in the near future to 2020 in an effort to take advantage of economies of scale savings that can be achieved through the completion of this work as part of the larger library square construction contract; as well as to minimize future disruptions to library users.

Planned outdoor recreation infrastructure work includes playground equipment replacement, trail maintenance and the management of the impact of the Emerald Ash Borer beetle which is an invasive species which has impacted many of the Town's Ash trees. The balance of the planned work relates to water meter and information

technology equipment replacement and the Town's web site renewal.

**Growth and New is the second largest component of the capital investment plan**

The second largest component of the Town's draft 2020 capital investment plan relates to its growth driven new infrastructure requirements. The draft consolidated 2020 G&N capital plan for both tax and rate funded assets totaling \$3.3 million is summarized in Table 5.

**Table 5: Draft 2020 G&N capital plan**

2020 to 2029 average annual planned requirement	\$7,307,000
2020 Draft Budget	\$3,253,700
<b>Funded by:</b>	
Development Charges	\$2,757,700
Tax Funded G&N Reserve	226,900
Other Funding Sources (ie. Special Purpose reserves, Hydro fund, etc.)	269,100

Projects managed by Operational Services or Planning & Development Services represent 89 percent of the proposed budget. More specifically, approximately 82 percent of the total G&N budget relates to the following five projects:

- \$1.2 million – Sidewalk on Leslie Street north of Wellington
- \$1.0 million – Final installment for the Wildlife Park
- \$0.4 million – Paving of the snow storage facility floor at Lambert Willson Park
- \$0.1 million – Mattamy phase 4/5 trail construction

In the majority of instances development charges are available to fund most of the required initial G&N investment. However, in many instances the incremental costs relating to the creation of a new asset extend beyond its initial capital investment. Many new assets will require an ongoing incremental operating fund requirement over the course of their useful lives such as fuel, electricity, maintenance and staff input costs. In instances where these noted costs are known and can be estimated, they have been identified along with the initial capital investment costs within each capital project business case for Council's recognition and pre-approval. Should Council approve staff's recommended 2020 growth and new capital investment program, they are pre-approving these capital investment's incremental operating costs as well.

**Studies and Other is the final component of the capital investment plan**

The final component of the Town’s draft 2020 capital investment plan relates to its planned studies & other items. These projects include plan and consultant studies which inform future capital and operational needs. Capital expenses of this nature are normally fully funded from the tax levy or utility rates. The draft consolidated 2020 S&O capital plan for both tax and rate funded assets totaling \$1.1 million is summarized in Table 6.

**Table 6: Draft 2020 S&O capital plan**

2020 to 2029 average annual planned requirement	\$336,300
2020 Draft Budget	\$1,090,000

The five highest-valued studies and other projects which account for 74 percent of the total proposed 2020 S&O capital budget include:

- \$230,000 – Information Technology Strategic Plan Implementation
- \$200,000 – Climate Change Action Plan
- \$175,000 – Building Condition Assessment and Energy Audit
- \$100,000 – Municipal Heritage Register Review
- \$100,000 – Community Benefit Charge Study

Overall, in support of this year’s 2020 capital project review process, project owners will provide a further explanation to the Budget Committee as to the reason(s) why any of their proposed projects did not appear in the previous year’s 10-year capital investment plan.

**The draft 2020 capital investment plan excludes all fleet projects as the Town awaits the outcome of an ongoing consultant’s review**

The Town has engaged a consultant who is presently undertaking an organizational and best practices review of the Town’s fleet and equipment. This comprehensive study is intended to deliver a set of recommendations designed to streamline current asset management practices and create a more efficient and cohesive fleet management approach, built on a corporate fleet governance model. In recognition that this study is underway, all fleet and equipment capital projects have been removed from the presented draft 2020 capital plan. Upon conclusion of this study, any immediately required 2020 fleet and equipment capital requirements will be brought to Council for its

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consideration as an in-year capital project. In addition, the following year's 10-year capital investment plan will be updated accordingly.

**New to this year's review process, the Budget Committee will have only two options available for its consideration, being to approve or not approve each capital project**

In an effort to further refine the Town's capital budget process, Council has reduced its available capital budget decision points from three to two being:

1. Approved
2. Not Approved.

Should a project be approved by Council, it will be fully funded as per its business case and staff will have received the authority necessary in order to proceed with the noted capital project. If a project is not approved by Council it will be removed from the 2020 capital plan.

In consideration of the impact on the Town's asset management plan of not approving an R&R capital project, any R&R project that is not approved will be automatically inserted into the following year's capital budget. Otherwise, Council will be encouraged to share with staff its rationale for not approving a non-R&R project, including its desire for the project proceed at some point in the future. Council would have two options available to it in an instance where it elects to not approve a non R&R project:

- (i) To move the capital project to later in the Town's 10 year capital investment plan for Council's re-consideration in the future; or
- (ii) To remove the project from the Town's 10 year capital plan.

It is important that Council be fully informed as to the potential impacts to Town services as a result of each capital project decision.

**The Town plans to modernize the capital planning process as part of its 2021 capital planning process**

Commencing in its 2021 capital planning process, the Town will begin its development and implementation of a series of capital planning modernizations initiatives which may include the:

- Bringing together of the Town's approved along with proposed capital budget requirements to see one comprehensive capital plan

- Consideration of multi-year capital project commitments along with cash flow to better manage and predict reserve requirements in the future
- Development of long-term reserve requirements to determine the appropriate level of annual contributions supporting *"Today, tomorrow, our future together"*
- Development of more sophisticated development charge revenue models to better predict the timing of growth and planning for future growth needs
- Refinement of the Town's fiscal strategy which will help balance capital planning, reserve management and debt management

Each of these initiatives will be presented to the Finance Advisory Committee in the New Year for its consideration and feedback prior their presentation to Council.

### **Advisory Committee Review**

Not applicable.

### **Legal Considerations**

By following the recommendations outlined by staff, Council would be ensuring that Town assets and infrastructure continue to be repaired and maintained, therefore, minimizing potential risk of liability to the Town.

### **Financial Implications**

Staff recommend an equivalent tax increase amount of 0.9% for 2020 and 2021 and 1.0% for 2022 to the tax levy cash to capital contribution to be funded out of the total 1% tax increase for Town Fiscal Strategies that will be included in the 2020, 2021 and 2022 draft operating budgets as per Council direction. This increased contribution in support of infrastructure is consistent with the recommendations contained within this report.

The 2020 draft capital budget proposes a total capital program of \$24,582,400. Staff feel that this proposed budget is financially feasible assuming Council's continued support for the Town's cash to capital funding strategy as outlined in Table 3 and the continued receipt of key federal (federal gas tax) and provincial infrastructure grants (Ontario Community Infrastructure Funding) into the indefinite future.



## **Communications Considerations**

Financial Services and Corporate Communications have worked closely to develop a comprehensive communication plan around the Town's 2020 capital and 2020-22 multi-year operating budget.

A 2020 operating and capital budget special consultation meeting was held on June 12<sup>th</sup> where public stakeholders were invited to attend in order to make funding requests or to share their ideas relating to opportunities for service delivery savings and/or for new revenue generation.

Also available via the Town's website is a suite of budget videos that have been promoted extensively through the Town website, social media, media release, online newspapers, partner web sites, digital screens, email blasts, newspaper advertisements, postcards, banner displays in Town Hall and through in-person public engagement at Town facilities and Town events.

In addition to the above mentioned channels, budget meetings are open to the public, and Corporate Communications will continue to promote these meetings through the website, social media and the Notice Board.

## **Link to Strategic Plan**

Developing the annual capital budget supports all aspects of the Strategic Plan. In particular, outlining and understanding the Town's long term financial planning and use of financial reserves to buffer related fluctuations in financial requirements from year to year contribute to achieving the Strategic Plan's guiding principle of "Leadership in Corporate Management", and improves transparency and accountability to the community.

## **Alternative(s) to the Recommendation**

1. Council may choose to accept, amend or reject any or all of the recommendations of this report.
2. Council may provide alternative directions with respect to the 10-Year Capital Plan contents, including the detailed 2020 Capital Plan.

## **Conclusions**

The 2020 recommended capital investment budget is introduced by this report. The Budget Committee will formally commence its detailed reviews of the 10 Year Capital Investment Plan and the 2020 Capital Budgets on October 5, 2019.

All Budget Committee meetings are open to the public. Members of the public interested in providing input to these proceedings are encouraged to attend as early in the process as possible, or to provide their comments by email through the Town's website at [www.aurora.ca](http://www.aurora.ca); or by email to [OurTownBudget@Aurora.ca](mailto:OurTownBudget@Aurora.ca). All constructive input related to the 2020 capital budget is welcomed; however no formal funding requests can be received via this mechanism. Any email submission comments will be summarized and presented to Committee as they are submitted. Submissions relating to the 2020 to 22 multi-year operating budget will be retained and presented at the appropriate time to Committee.

## **Attachments**

The following materials have been included in the budget binder that will be distributed separately to Council at the conclusion of this evening's meeting to be reviewed prior to its October 5<sup>th</sup> Budget Committee meeting. This distributed material will also be made available electronically on the Town's web site on September 25, 2019.

- Approved Strategic Asset Management Policy
- Approved Asset Management Plan
- 2019 10 Year Repair & Replacement Capital Investment Plan
- 2020 Repair and Replacement of Existing Town Infrastructure Capital program
- 2020 Growth and New Town Infrastructure Capital program
- 2020 Studies and Other Capital program
- Reserve and Reserve Fund Schedule – Forecast July 31, 2019

## **Previous Reports**

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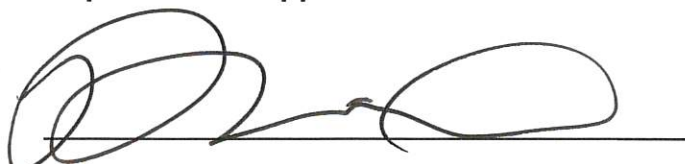
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**Pre-submission Review**

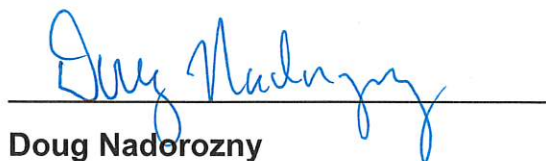
Agenda Management Team review on September 5, 2019

**Departmental Approval**



**Rachel Wainwright-van Kessel, CPA, CMA  
Director  
Financial Services**

**Approved for Agenda**



**Doug Nadorozny  
Chief Administrative Officer**