



No. FS16-035

Subject: 2017 Final Capital Budget Report

Prepared by: Karen Oreto, Financial Analyst

Department: Financial Services

Date: November 8, 2016

Recommendations

1. That Report No. FS16-035 be received; and
2. That the updated 2016 Asset Management Plan be received; and
3. That the updated 2016 Ten Year Capital Investment Plan be received; and
4. That the 2017 Capital Budget for Repair and Replacement of existing infrastructure totaling \$11,568,472 as listed in Attachment 3, be approved; and
5. That the 2017 Capital Budget for Growth and New Capital totaling \$6,505,990 as listed in Attachment 4, be approved; and
6. That the 2017 Capital Budget for Studies and Other Projects totaling \$125,000 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 General Committee – Budget on October 15, 2016.

Executive Summary

To present to Council for its formal adoption the 2016 Asset Management Plan, the 2016 Ten Year Capital Investment Plan and the 2017 Capital Budget as recommended by the Budget Committee on October 15, 2016.

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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 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 2016 Asset Management Plan, the core foundational methodologies for asset repair, replacement & rehabilitation remain unchanged from those approved by Council in 2015. The only changes made to the updated 2016 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. In particular, these changes reflect recent Budget Committee direction to include \$1,000,000 for the Cultural Master Plan and \$5,000,000 for the Cultural Precinct to be funded from the Hydro Reserve. A website 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.

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On October 15, 2016, the 2016 Ten Year Capital Investment Plan was presented to Budget Committee. At that time, staff was asked to insert into the Plan a placeholder for the Cultural Master Plan in the amount of \$1,000,000 and the Cultural Precinct in the amount of \$5,000,000 to be funded from the Hydro Reserve. These changes have been reflected in the updated 2016 Ten Year Capital Investment Plan. A website 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 2016 capital budget plus ten forecast years from 2017 to 2026. These plans have been reviewed and updated by each asset manager.

The ten year plan shows a planned investment requirement of \$214 million in total over the next ten years; \$104 million for Repair and Replacement, \$106.5 million for growth and new assets, and approximately \$3.6 million for studies and other.

Draft 2017 Capital Budget

On October 15, 2016, an overview of the 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

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, but Committee has asked staff to provide additional information prior to any contractual commitments being entered into for the project.

Repair and Replacement Infrastructure Projects

The proposed Repair and Replacement (R&R) Capital Budget for 2017 represents a gross cost of \$11,568,472 funded mainly from capital reserves including specific R & R reserves. The 2017 R&R program includes repair work to facilities, roads, sidewalks, playgrounds, parks and the replacement of vehicles and equipment. Management has

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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 2017. Detailed Capital project pages can be viewed through the website link provided in the Attachments section under Attachment #3.

Growth and New Infrastructure Projects

The proposed Growth and New Capital Budget represents a gross cost of \$6,505,990. This capital program includes funding for the construction of new sidewalks, a new forklift, street plantings for 2C and a playground and parking facility at Stewart Burnett Park. Attachment #4 provides a summary of the recommended Growth and New Capital program by project, by decision for 2017. Detailed Capital project pages can be viewed through the website 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 \$125,000. This includes an Emergency Response Plan Update & Continuation of Operations Plan. Attachment #5 provides a summary of the recommended Studies and Other program by project, by decision for 2017. Detailed Capital project pages can be viewed through the website 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 2017, 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 approval of all funding as recommended by Budget Committee for the projects. Where funding was amended by

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Budget Committee, the Town's website detailed materials will be updated to reflect such 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 General Committee – Budget Committee.

Conclusions

The 2016 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 2016 Asset Management Plan.

The Budget Committee also recommends that council formally receive the Town's updated 2016 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 request, 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.

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Attachments

Attachment #1 – 2016 Asset Management Plan (see
<http://www.aurora.ca/TownHall/Pages/Budget.aspx>)

Attachment #2 – 2016 Ten Year Capital Investment Plan (see
<http://www.aurora.ca/TownHall/Pages/Budget.aspx>)

Attachment #3 – 2017 Repair & Replacement Capital Program Summary
<http://www.aurora.ca/TownHall/Pages/Budget.aspx>

Attachment #4 – 2017 Growth and New Infrastructure Capital Program Summary
<http://www.aurora.ca/TownHall/Pages/Budget.aspx>

Attachment #5 – 2017 Studies and Other Capital Program Summary
<http://www.aurora.ca/TownHall/Pages/Budget.aspx>

Previous Reports

FS16-027, 2017 Capital Investment Program and Ten Year Asset Management Plan
Overview, September 27, 2016


Pre-submission Review

Budget Committee - October 15, 2016

Departmental Approval


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

Approved for Agenda


Doug Nadorozny
Chief Administrative Officer

Attachment 3

2017 Repair and Replacement Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	New 2017 Requests
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BUDGET COMMITTEE APPROVED

Corporate Services

12002	Accessibility Committee	125,000
14047	Computer & Related Infrastructure	151,900
14068	Wireless Upgrades and Enhancements	18,000
72238	Town Hall - Council Chambers A/V System Upgrades	251,922
Corporate Services Sub Total		\$ 546,822

Facilities

72132	ACC - Replace Rooftop HVAC	250,000
72139	AFLC - Signs	50,000
72155	ACC - Auditorium	70,000
72182	3 Stream - Recycling Containers	40,000
72195	JOC - Fuel Management System*	100,000
72201	Workstation Refresh, Carpet, Paint	90,000
72209	AFLC - Pool Tile and Drains*	350,000
72210	AFLC - Re & Re Duct Work*	75,000
72225	AFLC - LED Lighting for Arena, Pool and Squash Courts*	150,000
72258	Library - Accessible Door Installation - Yonge St Entrance	20,000
72263	SARC - Cooling Evaporator Tower	75,000
72267	22 Church St - Exterior Painting	25,000
72269	AED Replacement - Various Locations	35,000
72270	SARC - Retrofit Shower Fixtures	35,000
72271	SARC - Replace Inverter Systems for Fire Panel	15,000
72275	Library - Improvements - Canada 150 Intake II*	300,000
72276	SARC - Improvements - Canada 150 Intake II*	375,000
72277	ACC - Improvements - Canada 150 Intake II*	400,000
72279	Firehall 4-3 - Air Conditioning Unit	10,000
72280	ACC - Rubber Flooring Repairs	12,000
Facilities Sub Total		\$ 2,477,000

Fleet

34197	Ford F 150 (#2)	45,000
34198	Ford F 150 (#14)	45,000
34230	Chev Express (#20)	60,000
34231	Chev Express (#21)	60,000
71093	Kubota/60" Zero Turn (#261)	15,000
71094	Kubota/60" Zero Turn (#262)	15,000
71095	Kubota/60" Zero Turn (#263)	15,000
71096	Kubota/60" Zero Turn (#265)	15,000
71101	Kubota/60" Zero Turn (#260)	15,000
71102	Kubota/60" Zero Turn (#264)	15,000
71105	JD Zero Turn Mower (#257)	15,000
Fleet Sub Total		\$ 315,000

Roads

31107	Recon - Brookland - Yonge St to Banbury Crt	1,816,600
31108	Recon - Algonquin Cres and Haida Dr	1,671,600
31153	Maximo Upgrade to 7.6	75,000
34611	S/W Repair - Henderson - Tamarac to Poplar	410,000
34613	S/W Repair - St John's Gateway to Industrial Pkwy N	25,000
Roads Sub Total		\$ 3,998,200

Parks, Recreation & Cultural Services

73134	Parks/ Trails Signage Strategy Study & Implementation	96,350
73154	Playground Surface Restoration	10,600
73160	Emerald Ash Borer Management Program	235,000
73209	Playground Replacement - Lundy Park	75,000
73227	Tennis Court Resurface - N Weller Park	20,000
73289	Convert Pathway Lighting to LED	30,000
73291	Traffic Circle Improvements in 2B	25,000
74007	AFLC Fitness Equipment Replacement	53,000
Parks & Recreation Sub Total		\$ 544,950

Rates

41009	3 Phase Electrical Power	60,000
41011	Sanitary Sewer CCTV Inspection	150,000
43038	Water Meter Replacement Program	300,000
43044	Bulk Water Meter Installation	200,000
43054	Structural Watermain Relining Program - 2017-2023	1,000,000
43058	Bulk Water Station	60,000
42062	Flood Study for Tannery Creek	75,000
42064	Storm Sewer Outlet Cleanup	50,000
42065	Oversized Storm Pipe Assessment and Clean Up	500,000
42066	Damaged Storm Pipe off Henderson Dr	150,000
Rate Sub Total		\$ 2,545,000

TOTAL PROJECT FUNDING APPROVED AS PRESENTED \$ 10,426,972

APPROVED PENDING FURTHER REPORT

Facilities

72259	Victoria Hall - Accessibility Ramp Installation	20,000
72272	SARC - Refresh Program Room	20,000
72274	AFLC - Squash Courts Floor Replacement*	100,000
Facilities Sub Total		\$ 140,000

Fleet

24006	By-law Toyota Tacoma Pick Up (#403)	40,000
34407	Back up Cameras for Existing Vehicles	50,000
Fleet Sub Total		\$ 90,000

Parks, Recreation & Cultural Services

73190	Bandshell/Washroom Roof & Paint	30,000
73223	Replace Artificial Turf - Sheppard's Bush	700,000
Parks, Recreation & Cultural Services Sub Total		\$ 730,000

APPROVED PENDING A DETAILED REPORT BACK TO COUNCIL \$ 960,000

OTHER DIRECTION - Approved on condition of Canada 150 infrastructure grant receipt

Parks, Recreation & Cultural Services

73277	Willow Farm Trail Improvements*	181,500
Parks, Recreation & Cultural Services Sub Total		\$ 181,500

OTHER DIRECTION \$ 181,500

TOTAL 2017 REPAIR & REPLACEMENT CAPITAL BUDGET \$ 11,568,472

*Canada 150 Infrastructure Intake II grant application submitted

Attachment 4

2017 Growth and New Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	New 2017 Requests
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BUDGET COMMITTEE APPROVED

Corporate Services

14037	Joint Ops LAN Room & DR site	75,000
24015	Radios for By-Law Officers	25,000
Corporate Services Sub Total		\$ 100,000

Facilities

72273	Mobile Two Way Handheld Radios	40,000
Facilities Sub Total		\$ 40,000

Fleet

34408	Forklift	20,000
Facilities Sub Total		\$ 20,000

Infrastructure and Environmental Services

34527	Yonge/Wellington Intersection Improvement	75,000
34610	S/W, Multi-use Trail and Illumination - Leslie St Wellington to Don Hillock	182,810
34620	S/W, Multi-use Trail and Illumination - Leslie St Wellington to State Farm	361,580
34629	S/W - Mary St - Industrial Pkwy S to Wellington	586,000
34635	S/W. Multi-use Trail and Illumination - St John's Bayview to Leslie	1,411,300
43048	St John's Sdrd - Leslie to 2C	1,444,300
Infrastructure and Environmental Sub Total		\$ 4,060,990

Parks, Recreation & Cultural Services

73085	Arboretum Development	85,000
73119	Street Tree Planting Contract	575,000
73243	Grade Separated Crossing Wellington East of John West Way	60,000
73286	Stewart Burnett Park Playground and Parking Facility	400,000
73292	Picnic Tables/Garbage Receptacles	15,000
74013	Museum Collection Infrastructure	15,000
Parks, Recreation & Cultural Services Sub Total		\$ 1,150,000

Planning and Building Services

24013	Building Division Website Portal	75,000
Planning and Building Services Sub Total		\$ 75,000

TOTAL PROJECT FUNDING APPROVED AS PRESENTED \$ 5,445,990

APPROVED PENDING FURTHER REPORT

Parks, Recreation & Cultural Services

73169	Wildlife Park - Phase 1/2/3	1,000,000
74015	Cultural Services Master Plan	60,000
Parks, Recreation & Cultural Services Sub Total		\$ 1,060,000

APPROVED PENDING A DETAILED REPORT BACK TO COUNCIL \$ 1,060,000

TOTAL 2017 GROWTH & NEW CAPITAL BUDGET \$ 6,505,990

OTHER DIRECTION - NOT APPROVED; Projects to be referred back to staff for more information

Facilities

72266	Sheppard's Bush - AYSC Club Building	1,120,000
Facilities Sub Total		\$ 1,120,000

Infrastructure and Environmental Services

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

Parks, Recreation & Cultural Services

73256	Artificial Turf	1,000,000
Parks, Recreation & Cultural Services Sub Total		\$ 1,000,000

OTHER DIRECTION \$ 2,320,000

Attachment 5

2017 Studies and Other Capital Projects

Summarized by Results of Council Discussions

Project ID	Project	New 2017 Requests
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BUDGET COMMITTEE APPROVED

Corporate Services

13011	Emergency Response Plan Update & Continuation of Operations Plan	35,000
Corporate Services Sub Total		35,000

Parks, Recreation & Cultural Services

74014	Facility Advertising and Sponsorship Programs	90,000
Parks, Recreation & Cultural Services Sub Total		90,000

TOTAL 2017 STUDIES & OTHER CAPITAL BUDGET \$ 125,000

OTHER DIRECTION - NOT APPROVED

Parks Recreation & Cultural Services

Approval Deferred, pending the result of Canada 150 celebration grant application

74012	Canada 150 Celebrations	94,000
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OTHER DIRECTION \$ 94,000