

Council gives green light to \$12.4 million Capital Budget

By Brock Weir

Councillors began meeting this week to tackle Aurora's 2016 Operating Budget, the portion of the financial picture that directly impacts your tax rate.

Monday's meeting came on the heels of local lawmakers giving the green light to a \$12.4 million Capital Budget focusing on repair and replacement of existing municipal assets, new projects to handle Aurora's growth, and further studies.

The Capital Budget is funded primarily from Aurora's reserve accounts, which means taxpayers will not see a direct hit on their property tax bill for the projects contained within the plan.

As a result of the concept of a Cash to Capital reserve allocation from the 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, said Town Treasurer Dan Elliott in a report to Council. As such, the [Finance] Committee recommended a capital budget that is driven by asset need rather than impact on taxes.

Among these projects are \$8.3 million worth of items falling under the banner of Repair and Replacement Infrastructure. These include funds to improve the Aurora Community Centre, Stronach Aurora Recreation Complex, and the old Aurora Armoury at Town Park. Additional items include repaving and reconstruction on a number of Aurora streets including segments of Industrial Parkway, Murray Drive, Haida Drive, and Catherine Avenue.

Larger ticket items include the retrofitting of a dam within the land designated for the Aurora Wildlife Park (also known as the Ivy Jay Nature Reserve), playground replacement at James Lloyd Park, a new study on parks and trails signage, and the resurfacing of a number of municipally-owned tennis courts.

Growth and New Capital projects account for just over \$3.7 million of the capital budget, incorporating such initiatives as the implementation of a new customer care centre in the municipality, a new street sweeper, new sidewalks on Industrial Parkway North, and a new sanitary sewer on Leslie Street to service the 2C development.

While these numbers received Council approval last week, Councillors cautioned these numbers could fluctuate in the months ahead as initiatives could be added or subtracted from the equation, including projects that might emerge from the updated Parks and Recreation Master Plan, which is set to be presented to Council over the next few months.

There may be initiatives or projects we want to move forward in 2016 and [the department] could simply bring forward a report and identify a source of funding out of reserves that can be added to it, said Councillor Michael Thompson. I see a similar thing with some of the initiatives around the Aurora Family Leisure Complex as well. Even though we are approving the final report for the capital budget, it doesn't prevent us from adding objects throughout the year as long as Council is willing.

Others, however, pointed out the principle of reserves ensuring the Capital Budget has little to no impact on the tax rate is not quite as simple as that.

Would it be fair to say there is a direct impact that all that money is coming from the tax base even though it is being put into a reserve and being taken out of a reserve? asked Councillor Wendy Gaertner.

From the perspective of Mr. Elliott, it depends on your point of view.

I think notionally what we're trying to do is separate the Capital Budget from the tax operating budget in that this one simply makes a lump sum cash contribution towards the capital program and the capital program sits on its own, he said. This way we're not in

the business of seeking capital projects to delete any effort to reduce a tax budget impact. It allows for much better, sound infrastructure decisions on the capital program and it allows us to focus on ramping up those capital contributions to reserves from the tax fund when we know we need to. It is true there is a significant component of tax funds that fund our capital program.?

And, if things stay as they are, there will be enough money to go around for Aurora's Ten-Year Capital Investment Plan, noted Mr. Elliott's report. Aurora will require a capital investment of \$205 million over the next decade ? breaking down into \$106 million for repair and replacement, \$95 million for growth, and \$3 million for studies.

?This plan is achievable financially, provided Council continues its present practice of increasing annual contributions to infrastructure reserves by 1 per cent of the tax levy each year for at least the next 10 years,? he said.