Funding shortfalls for road projects raise Council eyebrows

By Brock Weir

A further report
investigating the funding for road rehabilitation projects on Yonge Street,
Edward Street, Golf Links Drive and Dunning Avenue has been requested by
Council after local lawmakers raised questions on how the project had been
budgeted.

The projects were
earmarked as part of the Town's 10-Year Capital Plan, but concerns were
recently raised by Councillor John Gallo about the road rehabilitation project
being split into two phases and two tenders ? and two phases for which money
had been under-budgeted.

Councillor Gallo
first raised his concerns at a General Committee meeting in early April and
reiterated them once again at the last Council meeting.

He said he had ?two
main issues? with the project.

?It was a budgeted
item about a year ago as one project and, as we know from the report, it was divided
under the rationale it was a large project,? he said. ?Part One was tendered
and approved and Part Two was over-budget. My concern is?process and Council
authority, to me, are sacrosanct and I don't waver on that. When Council passes
a resolution on a project, Council should expect the project to be complete in
its entirety. Parsing off a piece and doing it, and then submitting a report to
Council for another piece that is somewhat arbitrarily?separated, and that
second piece is overbudget by 10 per cent of the total budget -- $365,000
over-budget of $3.6 million project.?

At the end of the
day, he said, it was a project approved by Council and it was hard to follow
the bouncing ball on just how the project had come to be split.

?The rationale was
for the second part of the asphalt costs were budgeted for last year, about a
year ago, and they are higher now,? Councillor Gallo continued. ?If that is
true for Part Two, why wouldn't it be true for Part One? You simply can't
separate them because the tender (for Part 1) was issued in March of this year.
I am struggling because I want this project to go forward and I actually don't
have an issue with the project, and it is on our 10 year capital plan and
should go forward ? in a perfect world, I believe, staff should have come back
to us with the entire project and said, ?It's over budget. We need more money
for the entire project. Can we have that to move it forward?' To me, that would
have been the appropriate thing to do; not split the project, do half of it,

and then come to Council in the second half and ask for money because it is overbudget.

?As we all know,
there is an economy of scale and we do one project, you tend to get a better price if it is larger. We all know that the Town is capable of doing large projects, $30 million projects. A $3 million project, to me, the justification that it was too big to go out once, I just have a tough time understanding that.?

As the discussion
continued around the Council table, Councillor Harold Kim said Councillor Gallo had made ?some very good points.? He asked Acting Town Treasurer Jason Gaertner on the implications of discontinuing or postponing the road rehabilitation project.

Mr. Gaertner
responded that the first part of the project has to proceed as tendered, but the second part was still up air. That being said, he added, this road rehabilitation project was part of a larger plan and not proceeding could impact forecasted service levels in Aurora.

To these points,
Councillor Kim said he was fine with going ahead with both phases of the project, but said Council ?would feel more comfortable if we had a deeper dive or forensic analysis as to how this took shape and became over-budgeted and how it came to be two parts.?

?Let's move ahead
with this, but I would like to have staff come back with a report as to how to make sure this process doesn't unfold like the way it did.?

Added Councillor Wendy Gaertner: ?I would like
to echo what both Councillors have said, and I do think we need a report on how this happened because it shouldn't have happened. We have a certain process, so let's find out where the glitch was in the process and not do it again.?