

## Capital Financial Summary for Aurora Town Square Project reveals budget exceeded by over \$7 million

The Capital Financial Summary for the Aurora Town Square (ATS) was presented to Town Council last month, revealing that the total cost of the project exceeded its initial budget by more than \$7 million.

According to the report, the final cost of the project stands at \$59,733,400, up from the \$51,939,700 originally approved in August 2020.

The report attributes the budget overages to several factors related to the COVID-19 pandemic, including delays, material shortages, contractor strikes, and increased costs. However, it also highlights efforts to mitigate these additional costs. "Town staff was able to mitigate costs related to delays and other contingencies by resolving various claims with the general contractor in the amount of \$5,993,700," the report states.

A successful capital fundraising campaign also helped offset some of the project costs, raising over \$5 million. As a result, the report explains, "Actual Town funds used for the additional costs for ATS was only \$2.7M more than the original project budget."

Ward 3 Councillor Wendy Gaertner expressed concerns about the final total at the Council Meeting on February 25, arguing that it does not reflect the true cost to residents.

She pointed out that the report did not account for the non-recoupable HST, potential loss of interest on Reserve Funds, and money spent on a neighbouring plot of land purchased as a result of the ATS project which may not have been bought if the ATS had not been constructed.

In response to these concerns, Town Director of Finance Rachel Wainwright-van Kessel clarified that the non-recoupable HST costs were indeed included in the report, as per standard practice for Capital Project Reports. She also addressed Councillor Gaertner's concerns about the Reserve Fund interest, explaining that the loss of interest could happen with any Capital Project and that Staff does not usually take loss of interest into account when looking to build capital projects.

Ward 5 Councillor John Gallo agreed with Wainwright-Van Kessel's response, stating, "Sure, we could calculate that, but what value would that give us?"

"If it's making a decision whether to use [reserve funds] versus borrow money, then it's very valuable information to compare the two and make appropriate decisions," stated Gallo. "In this case, it wouldn't make sense."

Gaertner also raised questions about the transparency of funds taken from Aurora's Gas Tax Reserve. She noted that while the reserve can be used for new structures, it is primarily intended for road repairs and infrastructure.

"We're very short on repair and replacement money for infrastructure," she said.

The debate regarding the project's financial implications is ongoing, with Councillor Gaertner indicating plans to propose a motion for a report on the total cost of the neighbouring land purchase.

The full financial summary and further details are available on the Town's website.

**By Selena Loureiro**