?Declining? state of infrastructure could lead to tough Council decisions this fall

A ?decline? in the state of infrastructure in Aurora could lead to some tough decisions around the Council table this fall as lawmakers and municipal staff look to address significant future funding gaps.

Municipal staff say there are paths forward to fund the gaps needed by the Town to keep essential infrastructure in shape, but doing so might require a look at the levels of service provided to residents.

Council was recently was confronted with the stark reality that due to a number of factors, including inflation and the assumption of infrastructure from subdivision and industrial developments, a revised Asset Management Plan has identified a 35 per cent increase in the replacement costs of existing infrastructure, compared to numbers presented in 2021.

In order to maintain current conditions, it will cost the Town $23,882,000 over 10 years.

To maintain current levels and improve the lifespan of existing infrastructure by five per cent, the total cost over the same period would be $24,673,000. Third option, to maintain existing levels while allowing lifespan to decrease by five per cent, $22,012,000 would be required.

?The tax change required for full funding is 27.5 per cent, which really equates to an increase in tax revenue by an additional .89 per cent of the increase that you have already applied,? said consultant Chris Vanderhayden of the Town's multi-year budget. ?We have recommended a 15-year financial strategy to meet those requirements.?

A similar increase to maintain the water network would be 1.92 per cent over the next 15 years and, to maintain the stormwater network, 4.92 per cent over 20 years.

Asked by Ward 4 Councillor Michael Thompson on the different phase-in periods recommended, Town Treasurer Rachel Wainwright-van Kessel said that it was all about risk management.

The longer it takes to meet identified service levels, some assets might fail and require a higher level of maintenance.

?This is something all municipalities are going to have to deal with and they're going to have their plan in place and approved by 2025 ? we're ahead of the curve,? said Mayor Tom Mrakas. ?It affords us the opportunity as we get into the 2025 budget cycle?to be flexible, make adjustments where needed, to ensure we continue on the balanced approach that we continuously had since 2016 of keeping things at inflation or below inflation when it comes to our tax rate.

?We have identified 3.5 per cent [for 2025], 2.9, and the next two years? as we all know, and the public knows, I can assure you that we're going to meet those numbers because we're going to be working all summer to ensure our budget is what our residents expect and continue to get the service levels they expect and deserve??

Indeed, as Council discussed the numbers in Vanderheyden's presentation, meeting these pre-approved budget targets was top of mind ? and Wainwright-van Kessel said different paths were being explored to make this a reality.

?Our goal is to meet what the requirements are in our Asset Management Plan, but without increasing the tax levy that was presented in the multi-year budget,? she said. ?We think we have a path forward?that we can present that will provide that option for Council. At that point in time, we're going to have to turn our attention to do a bit more [of a] longer-term look at how we handle that going forward after 2027, and we're looking at some other options and how we balance that overall.?

?We do have some opportunities that we did include in the budget ? particularly in 2026, our LED debt project,? she continued, referencing the process to switch over the Town's streetlights to LED models. ?The debt on that complete, that is tax funded, and we can convert that to Asset Management Contributions and the same with the Producer Responsibility Through Waste. We already planned on converting that [to] Asset Management Contributions. Between those two and the current contributions we have in our fiscal strategy, we are very close to meeting what our obligations would be over 2025 and 2026.?

Wainwright-van Kessel noted that staff will come back to Council in September with a ?comprehensive plan? to meet these financial obligations while staying within the pre-approved tax levy and, as this Council term ends within that 2026 window, that change-over provides staff with time to ?refine the plan even further.?

There will also be time to advocate to upper levels of government to advocate for further support to maintain these assets.

Looking ahead to the upcoming September window, however, Ward 2 Councillor Rachel Gilliland said she would like the expected report to include how service levels will be impacted by both meeting these obligations, and in different pay period scenarios.

?Even if we take these service levels, which really reflect, for the most part, current service levels we have on all our assets and we accept them for what they are, we can still change them in the future,? said Wainwright-van Kessel. ?This is a living document so we can adapt as we go.?

By Brock Weir

