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Town of Aurora

General Committee Report

No. CMS23-055

Subject: Aurora Town Square – Financial Status

Prepared by: Robin McDougall, Director of Community Services

Department: Community Services

Date: November 21, 2023

Recommendation

1. That Report No. CMS23-055 be received for information.

Executive Summary

Aurora Town Square’s financial status has been provided regularly throughout the course of the capital project and in operating reports. This report will pull a summary of the current financial status together in one report.

- Capital budget summary including tax levy impact and debt repayment
- Operating budget summary including staffing, opening celebrations and the tax levy impact

Background

During the November 7 General Committee meeting, a request was made for staff to compile a summary of the current financial status of both capital and operating costs and show the tax levy impact of Aurora Town Square. With so many reports provided since the start of construction (both capital and operating), this summary will bring the information into one report for ease of reference.

Analysis

Capital budget summary including tax levy impact and debt repayment.

Table 1 – Capital Financial status as of November 1, 2023

Description	Total Budget	Committed	Forecast Cost at Completion
Consultant Fees	\$5,717,413	\$5,577,413	\$5,717,413
Construction Costs	\$41,009,865	\$41,009,865	\$41,009,865
Town Allowances	\$1,264,805	\$581,646	\$1,264,805
Contingency and Reserve	\$4,228,534	\$3,236,021	\$4,228,534
HST	\$919,083	\$887,127	\$919,083
Total	\$53,139,700	\$51,292,072	\$53,139,700

As shown, the project is currently within budget. The capital costs should be completed within the 2024 calendar year.

As for the debt impact on the tax levy, report FIN20-019 identified that up to \$7,500,000 of this project's cost would be financed through tax-funded debt. In support of the tax levy funded repayment of the debt for this project, Council approved a total increase to the levy of \$510,000, or an equivalent 1 percent tax rate increase, which was phased in equally over two years as part of the 2020 and 2021 approved operating budgets. The remainder of this project's anticipated long-term debt is to be funded from parks & recreation development charges.

Operating budget summary including staffing, opening celebrations and the tax levy impact.

In 2019, at the time of the original business plan approval, Council endorsed an operating budget increase of \$720,000. This increase was to be implemented over 3 years with \$240,000 being added to the approved operating budget in 2019, 2020 and 2021. This resulted in a tax levy impact of 0.5 percent for each of these three years (or a 1.5 percent total tax levy impact for the \$720,000).

In 2023, an updated business plan and operating budget was presented to Council outlining the need for an additional \$350,000 based on a number of factors including inflation, scale of project and hours of operation in 2024. This amount decreases over the three years of the multi-year budget as new programs and revenues are added,

resulting in the total tax impact decreasing to \$267,300 by 2026. The additional cost is phased in over the three years of the multi-year budget resulting in tax pressures of \$87,300 or 0.2 percent in 2024, \$105,700 or 0.2 percent in 2025 and \$74,300 or 0.1 percent in 2026.

In addition to this pressure, a further \$150,000 resulting in a tax rate impact of 0.3 percent has been included in the proposed 2024 budget for additional production support that is required for all Aurora Town Square performances to be provided by the Aurora Cultural Centre

Also included in the proposed three-year operating budget are some additional costs that are being funded through tax rate stabilization. These costs are expected to taper off by 2027 as the Aurora Cultural Centre establishes their operations in the new facility. These costs include temporary costs to rent performance space and other off-site costs while the Aurora Cultural Centre is displaced from its home at the Church Street School.

The staffing model and operation details were shared in the September 25, 2023 reports. All of these costs are captured within either the original \$720,000 or the additional \$350,000 (which decreases by 2026). Therefore, the tax levy impact is already addressed above. There is not a separate tax levy impact for staffing, much like we don't identify the tax levy impact for utilities or supplies specifically. This total is a compilation of all expenses and revenues to operate the Aurora Town Square.

The Grand Opening Celebrations has been proposed to cost approximately \$100,000 over the 28-day showcase. This cost is to be partially offset by revenues from sponsorships and ticket sales; the remaining \$40,000 pressure will be funded from past Aurora Town Square operating budget savings that have been collected within the tax rate stabilization reserve. Presently, the tax rate stabilization reserve contains a total of \$704,000 in past ATS operating budget savings. As a result, there will not be any additional tax levy impact in relation to the proposed ATS opening celebrations.

Advisory Committee Review

N/A

Legal Considerations

None.

Financial Implications

There are no direct financial implications resulting from this report. The report only summarizes the financial implications previously presented in other reports and budgets.

Tax levy impact

Operating

- $0.5 + 0.5 + 0.5$ = 1.5% (\$720,000)
- $0.2 + 0.2 + 0.1$ = 0.5% (\$267,300)
- 0.3 = 0.3% (\$150,000)* as requested by ACC

Total = 2.3% implemented incrementally 2019-2026

Capital

- $0.5 + 0.5$ = 1.0% (\$510,000)

Total = 1.0% implemented incrementally 2020-2021

Communications Considerations

The Town will inform residents about the information in this report by posting it to the Town's website. Climate Change Considerations

Link to Strategic Plan

Aurora Town Square supports the following Strategic Plan goals and key objectives:

Supporting an exceptional quality of life for all in its accomplishment in satisfying requirements in the following key objectives within these goal statements:

- Invest in sustainable infrastructure
- Celebrating and promoting our culture
- Encourage an active and healthy lifestyle
- Strengthening the fabric of our community

Enabling a diverse, creative, and resilient economy in its accomplishment in satisfying requirements in the following key objectives within these goal statements:

- Promoting economic opportunities that facilitate the growth of Aurora as a desirable place to do business

Alternative(s) to the Recommendation

1. Council may provide direction.

Conclusions

Aurora Town Square's financial status has been consistently disclosed in various formats throughout the capital project and in subsequent reports including operating. This report is designed to consolidate a comprehensive summary of the current financial status into a singular document.

Attachments

None

Previous Reports

CMS23-037 Aurora Town Square Report Chronology, September 25, 2023 (contains all previous reports and links to the documents)

CMS23-036 Aurora Town Square – Heritage, Programming and Special Events, September 25, 2023

CMS23-038 Aurora Town Square Business Plan, September 25, 2023

CMS23-042 Aurora Cultural Centre Staffing Plan, September 25, 2023

CMS23-034 Aurora Town Square Grand Opening, September 25, 2023

CMS23-039 Aurora Public Library – Memorandum of Understanding, September 25, 2023

Pre-submission Review

Reviewed by Finance, Legal, Communications and the CAO November 13, 2023

Approvals

Approved by Robin McDougall, Director, Community Services

Approved by Doug Nadorozny, Chief Administrative Officer