



EXECUTIVE SUMMARY

As adopted on December 12, 2023

Message from the Mayor



Mayor Tom Mrakas

I am pleased to present the Town of Aurora's 2024 to 2026 Budget, which includes the multi-year operating budget and 10-Year Capital Plan. This budget prioritizes maintaining current services and making strategic investments, all while respecting taxpayer dollars.

Like all organizations and businesses across Canada, the Town has faced significant inflationary pressures over the last year, resulting in rising costs to deliver the programs, services, and projects our community relies on. At the same time, residents and businesses have seen their own costs go up, from gas to groceries to mortgage payments. Considering this, it was important that this year's increase

was moderate and stayed roughly at the projected 2023 overall inflation rate – Aurorans will see a 3.8 percent increase on the tax bill in 2024, followed by 3.5 percent in 2025, and 2.9 percent in 2026. This increase ensures everything from recreation to road work to Town-led events are maintained at current levels.

This year's budget process was different due to recent changes in Ontario legislation. The province's Bill 3, *Strong Mayors, Building Homes Act*, granted "Strong Mayor Powers" to many municipalities. These new responsibilities given to mayors are largely aimed at accelerating the housing and development process at the municipal level, as Ontario faces a generational housing crisis. Traditionally, the municipal budget has been presented by the Chief Administrative Officer, however, the new legislation requires mayors to present the budget.

Presenting the budget is a responsibility I take very seriously. It's important to note that councillors had the opportunity to propose amendments to the budget, which was a critical part of the process. I greatly value their feedback and I am committed to working collaboratively with all of Council to ensure this budget works in the best interest of all community members and we can continue to get things done.

Importantly, this Budget also sees the Town move forward on key capital projects that will ensure Aurora remains a healthy and dynamic community. We are making investments to complete the 7,500 square-foot expansion of the Stronach Aurora Recreation Complex and the installation of artificial turf at the Dr. G.W. Williams Secondary School. We are continuing to make the necessary investments to maintain and rehabilitate key infrastructure from roads to playgrounds to watermains and more.

This budget is the result of a tremendous amount of teamwork, with staff, elected officials, residents and businesses all providing input on priorities during our pre-budget consultations. I want to thank everyone for their input and their commitment to helping make Aurora one of the best places to live, work and raise a family.

The Budget includes tax levy increases of 3.8, 3.5 and 2.9%

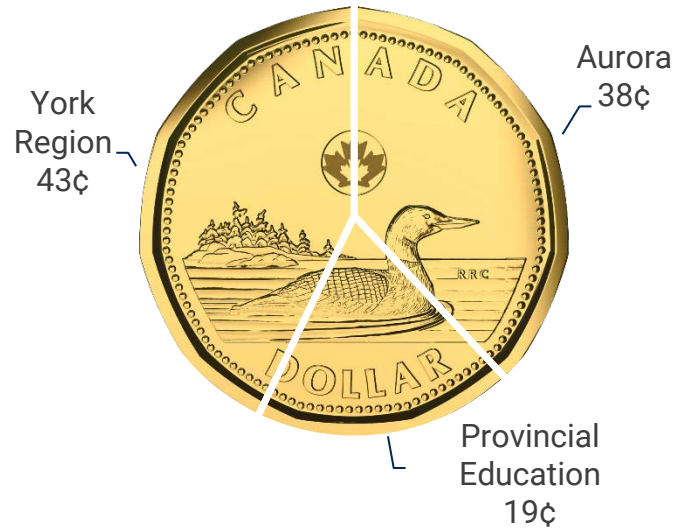
The Town of Aurora’s 2024 to 2026 Operating Budget includes tax increases of 3.8 percent in 2024, 3.5 percent in 2025 and 2.9 percent in 2026 after assessment growth forecasted at 1.2 percent annually. The annual increases include a one percent annual increase to capital reserve contributions to support the 10-year capital plan.

The annual gross spending in the operating budget increases from \$118.7 million in 2023 to \$128.5 million in 2026. Most of the funding to support the operating budget in each year comes from the tax levy. However, Aurora’s levy only represents 38 cents on the tax dollar in 2024. The tax bill also includes property taxes for York Region, at 43 cents, and the school boards at 19 cents on the dollar.

The Budget also includes user rates that pay for water, wastewater and stormwater services. These rates include purchased wholesale water and wastewater costs from York Region. The combined water and wastewater rate is approved to increase \$0.23 to \$5.53 in 2024, \$0.27 to \$5.80 in 2025, and \$0.26 to \$6.06 in 2026.

The approved Capital Budget includes planned capital spending of \$65.4 million in 2024 with multi-year Capital Budget Authority of \$222.1 million to manage capital contractual commitments. The 10-Year Capital Plan totals \$304.2 million.

Aurora’s share of the tax dollar



Vision

To become a progressive community with small town charm.

Mission

Deliver exceptional services that make people proud to call Aurora home

Values

The Town of Aurora values the following:

1. We respectfully challenge each other in the pursuit of excellence
2. We consider the big picture and each other when making decisions
3. We trust employees to do the right thing
4. We treat each other as valued customers
5. We take risks, learn from mistakes and challenge our successes

The adopted budget includes Council approved amendments

The proposed budget was reviewed by Council during the month of November 2023. Council approved the following amendments which changed the proposed budget:

- Removal of the part-time Sport Tourism Programmer position from the operating budget resulting in a tax levy reduction of \$68,300, resulting in a 0.1 percent decrease to the tax levy in 2024 only
- Advancing the artificial ice rink project to 2024, increasing the 2024 Capital Budget Authority by \$3.25 million, but no impact to the total value of the 10-Year Capital Plan
- Removal of the outdoor wi-fi project for a reduction to 2024 Capital Budget Authority and the 10-Year Capital Plan of \$100,000

During December an additional capital project was considered to add Aurora letters at Aurora Town Square, this project was fully funded through a donation and increased the 2024 Capital Budget Authority and 10-Year Capital Plan by \$500,000.

Inflation continues to have a significant impact on the budget

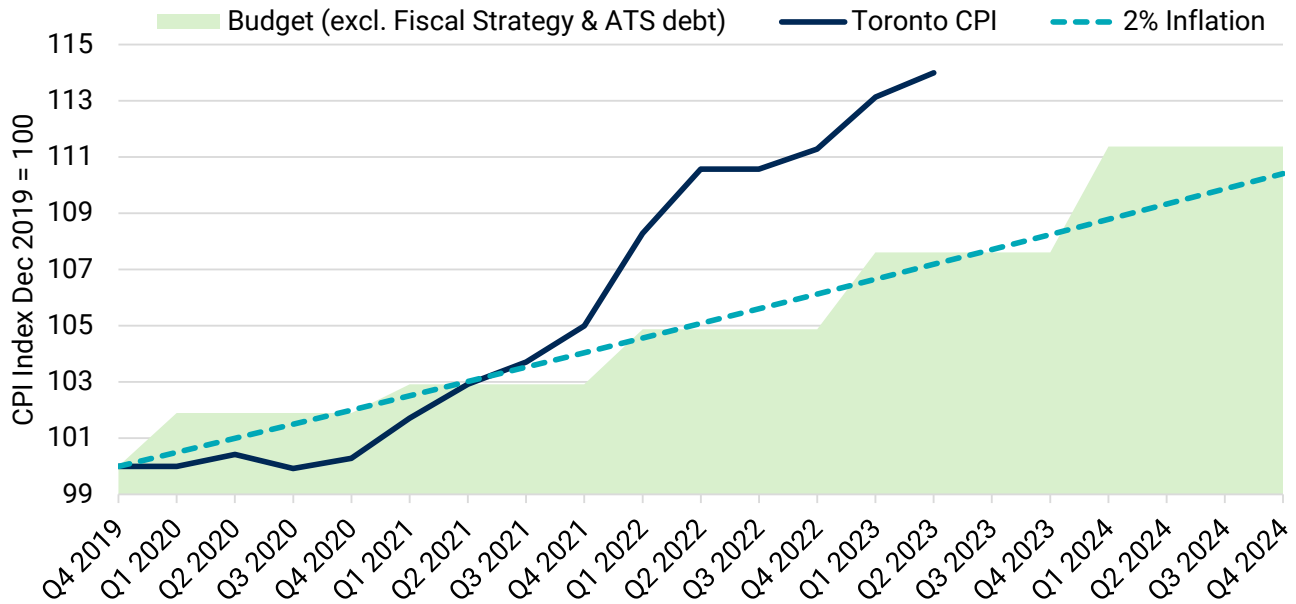
Inflation over the past few years has continued to increase significantly. The Town has been able to maintain tax increases below the level of inflation through savings and through multi-year contractual commitments with vendors.

Bids for procurement contracts are increasing to catch up with inflation

Over the last year the Town has seen significant increases for some goods and services when the contracts ended and were put out for competitive bid. While some of these higher increases were in the range of five percent for crack sealing and emergency repairs, there were others that increased over 20 to 50 percent including the purchase of trees, pool chemicals, sewer parts and sand.

The inflationary portion of the tax levy remains lower than CPI. As shown below, inflation has increased significantly over the economic two percent standard. Aurora continues to strive to keep the levy in-line or below the level of inflation.

Inflation trend compared to tax levy increases



CPI Source: Statistics Canada. Table 18-10-0004-12 Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, provincial cities

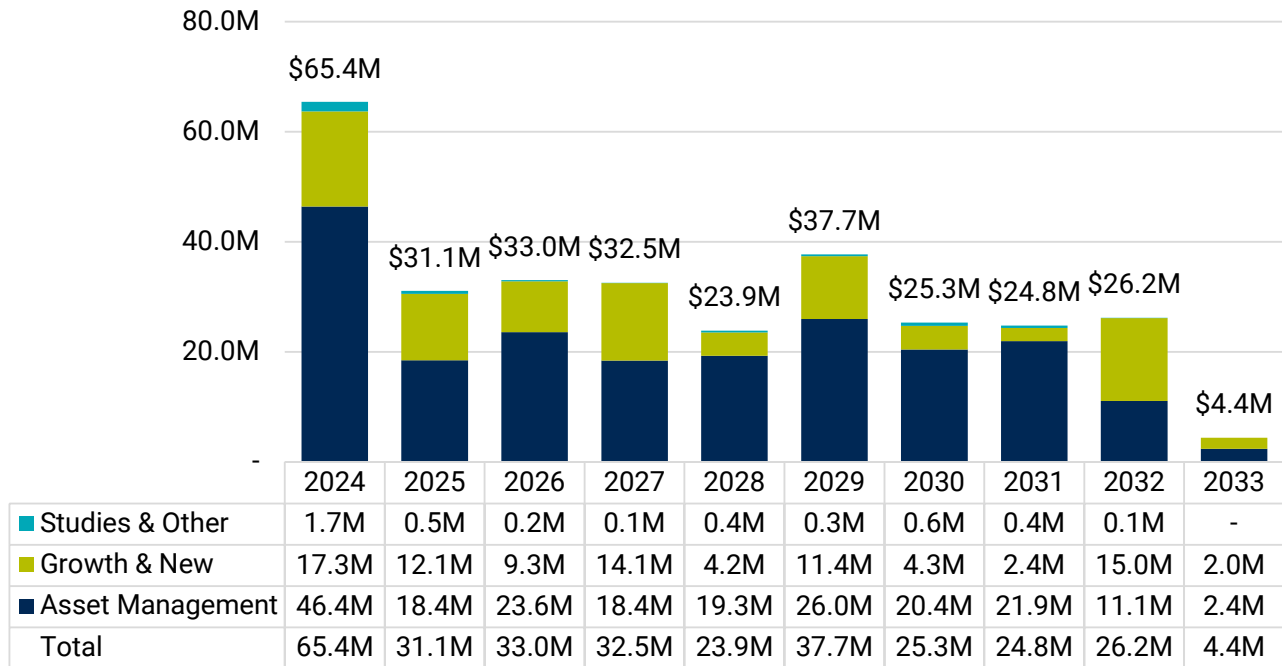
The Operating Budget mitigates some of the impacts of inflation

The multi-year operating budget includes elements which mitigate the impact of inflation. These factors included increases to non-tax revenues and an internal review of the budget in detail for savings.

The 10-Year Capital Plan includes most of the spending in the first five years

The first five years of the capital plan includes two significant growth investments in new facilities including the completion of the Aurora Town Square and the construction of the new gymnasium at the Stronach Aurora Recreation Centre.

10-Year Capital Plan project profile



Asset management continues to be a focus for the Town of Aurora

Asset management projects represents most of the capital spending in all years. Aurora plans to put more focus on asset management to ensure that the assets are maintained in accordance with the service levels that will be established in the second-generation asset management plan in 2024. To do this, the operating budget includes new positions across multiple departments to provide the engineering, project management, operational and financial expertise to effectively manage the Town’s assets.

Once the service levels for asset management are established, the 10-year capital plan and reserve contributions needed to support it, will be revised. This is why the final year in the capital plan does not include a complete set of projects in this budget.

Changes to services eligible for development charges were considered

Over the past few years, the province has passed a number of bills affecting development charges which is expected to reduce the amount of revenue the Town will collect. This budget considers these changes through revising the development charge revenue forecast used for reserve analysis and changing the funding for projects such as master plans which are no longer eligible.

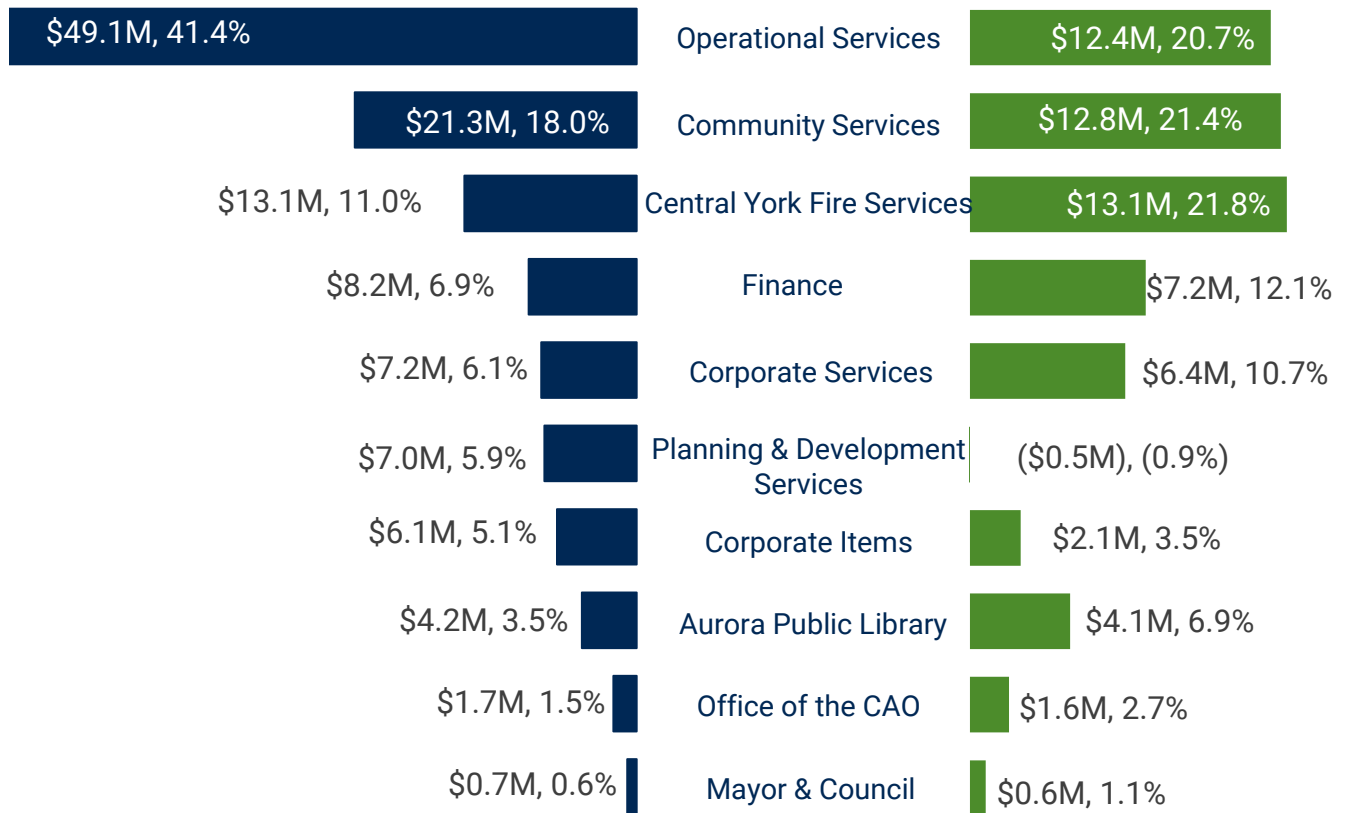
The Town is in the process of working on the next Development Charge Study. This study will evaluate the full impact of the changes and will be presented to Council in early 2024.

The reliance on the tax levy varies across departments

The Town of Aurora provides a wide variety of services that depend on tax-levy funding. Some services are more reliant on taxes than those that generate revenues through user fees or user rates like water, wastewater and stormwater in Operational Services.

The Operational Services budget has the highest share gross expenditures at 41.4 percent. However, on a net tax-levy basis, it is the third highest at 20.7 percent after Central York Fire Services at 21.8 percent and Community Services at 21.4 percent. The reason for this shift is because Operational Services includes water, wastewater and stormwater which are fully funded through user rates where the costs for Aurora’s share of Central York Fire Services are fully tax funded.

2024 Budget departmental share of gross spending and the tax levy



Impact on the average resident's tax and water bills

The tax increase is applied to the assessed value of a property. The Municipal Property Assessment Corporation's last assessment was completed in 2016 which results in an average assessed value of just over \$800,000 for residential homes in Aurora. This is why there is such a significant difference between the assessed value of a home and the market value.

For a home assessed at 800,000, the tax increases in this budget will result in average annual increases of \$92.15 in 2024, \$88.72 in 2025 and \$76.29 in 2026, increasing the Town's share of the average bill from \$2,411.30 in 2023 to \$2,668.45 by 2026.

On average, each resident consumes 54 cubic metres of water per quarter (three months) which results in a total bill of \$326.43 in 2023. The rates in this budget for water, wastewater and stormwater will increase this average bill by \$16.98 to \$343.41 in 2024, \$19.62 to \$363.03 in 2025 and \$19.26 to \$382.29 in 2026.

Impact on the average tax bill and quarterly water bill

Annual Tax Increase

For house assessed at \$800,000



Quarterly Water Bill Increase

Average consumption of 54 m³



The Fiscal Strategy informed the development of the 2024 Budget

The Fiscal Strategy was approved by Council in 2021. The Fiscal Strategy provides a long-term view of financial sustainability through the balancing of the four strategic pillars: Revenue Management (Tab 3 Operating Budget), Capital Planning (Tab 4 Capital Budget) and Reserve Management and Debt Management (Tab 5 Reserves and Debt Management).

This budget supports the Fiscal Strategy through the following:

- **Revenue Management:** Proposing a tax levy increase below inflation by managing budget pressures through expenditure savings and revenue adjustments and continuing to reduce the budget reliance on supplementary taxes
- **Capital Planning:** The 10-Year Capital Plan identifies future asset management needs over the long-term through the inclusion of projects that will complete the work required to further develop the second-generation asset management plan
- **Reserve Management:** Increasing contributions to asset management reserves through the one percent increase in the tax levy for Fiscal Strategy and allocating savings from the move to producer responsibility for waste, the LED tax-funded debt completion and including the asset management plan recommended increases to reserves funded from user rates (water, wastewater and stormwater)
- **Debt Management:** Managing the timing difference between growth revenues and growth capital construction through planning for debt

The Fiscal Strategy will continue to inform budget development of future budgets and will also be informed by the second-generation asset management plan.