

Corporate Expenses & Revenues

About Corporate Expenses & Revenues

Corporate Expenses & Revenues budget includes items which cannot be easily associated with specific departments or are Corporation-wide in nature.

For clarity purposes, there is a description of each item following the Expenditure and Revenue charts.

2013 Base Budget:

Corporate Revenue & Expenses \$,000's	2010 Actual	2011 Actual	2012 Budget (adjusted)	2012 Actual (estimated)	2013 BASE Budget	2014 Outlook	2015 Outlook	2016 Outlook
Personnel Costs	-	5.7	(70.0)	(16.0)	(63.3)	-	-	-
Other Expenditures	4,731.4	-	7,332.0	7,226.7	7,436.3	-	-	-
Total Expenditures	4,731.4	5.7	7,262.0	7,210.7	7,373.0	-	-	-
Change from 2012 Budget					1.5%			
Revenues	(6,174.6)	(8,558.2)	(7,971.2)	(7,898.9)	(7,839.5)	-	-	-
	(1,443.2)	(8,552.5)	(709.2)	(688.2)	(466.5)	-	-	-
Change from 2012 Budget					(34.2%)			

New Items (netting an unfavourable change of \$778,800):

- Increase in Cash to Capital of \$313,400
- Initial Set up of Reserve for Emerald Ash Borer of \$235,000
- Decrease in Reserve Support for Fire Service of \$280,400
- Decrease in Reliance on Hydro Funds Interest of \$100,000
- Increase in Supplementary Tax Revenue of \$150,000

2013 Draft Budget:

Corporate Revenue & Expenses \$,000's	2010 Actual	2011 Actual	2012 Budget (adjusted)	2012 Actual (estimated)	2013 Draft Budget	2014 Outlook	2015 Outlook	2016 Outlook
Personnel Costs	-	5.7	(70.0)	(16.0)	(63.3)	-	-	-
Other Expenditures	4,731.4	-	7,332.0	7,226.7	7,984.7	-	-	-
Total Expenditures	4,731.4	5.7	7,262.0	7,210.7	7,921.4	-	-	-
Change from 2012 Budget					9.1%			
Revenues	(6,174.6)	(8,558.2)	(7,971.2)	(7,898.9)	(7,609.1)	-	-	-
	(1,443.2)	(8,552.5)	(709.2)	(688.2)	312.3	-	-	-
Change from 2012 Budget					(144.0%)			

TOWN OF AURORA
2013 BUSINESS PLAN AND BUDGET

Corporate Expenses & Revenues

2013 Expenditures:

Corporate Expenses \$,'000's	2010 Actual	2011 Actual	2012 Budget (adjusted)	2012 Actual (estimated)	2013 Draft Budget	2013 Budget vs 2012 Budget Fava / (UnFav)	
						\$	%
Personnel Costs:							
Town-wide Gapping	-	-	(100.0)	-	(100.0)	-	-
Retiree Benefits	-	5.7	30.0	8.1	36.7	(6.7)	(22.3%)
Total Personnel Costs	-	5.7	(70.0)	8.1	(63.3)	(6.7)	(9.6%)
Other Expenditures:							
Cost Reallocations	(385.8)	(391.0)	(619.8)	(619.8)	(631.0)	11.2	1.8%
External Audit Fees	-	67.3	72.0	75.0	40.9	31.1	43.2%
Contracts: Church St School	340.0	348.0	356.9	356.9	361.6	(4.7)	(1.3%)
Operating Contingencies	44.2	60.9	21.7	3.5	50.0	(28.3)	(130%)
Salary Equity Plan	-	-	100.0	-	-	100.0	100.0%
W.S.I.B. Claims Costs	62.0	66.6	70.0	79.8	85.0	(15.0)	(21.4%)
Capital Loan Payment	-	1,862.6	1,879.7	1,879.8	1,883.1	(3.4)	(0.2%)
Contribution to Reserves	1,461.0	2,790.5	1,761.0	1,761.0	2,191.2	(430.2)	(24.4%)
Contributions to Capital	3,030.0	3,210.0	3,510.5	3,510.5	3,823.9	(313.4)	(8.9%)
In-Year Tax Adjustments	180.0	180.0	180.0	180.0	180.0	-	-
Total Other	4,731.4	8,194.9	7,332.0	7,226.7	7,984.7	(652.7)	(8.9%)
Total Expenditures	4,731.4	8,200.6	7,262.0	7,234.8	7,921.4	(659.4)	(9.1%)

Town-Wide Gapping - (\$100,000):

All staff positions, both existing and new, are budgeted for a full year. Prior to 2010, no provision was made in the operating departments to reflect cost savings due to position vacancies which occur throughout the year. In 2010, the Town's budget included a Town-wide "gapping" savings amount of \$275,000, based on historical turnover and vacancies of existing positions. Most recently, both the current economic climate and more job satisfaction have reduced this level of turnover. The amount provided for 2013 is \$100,000, the same as in 2012 but significantly lower than the 2011 budget of \$282,000.

Retiree Benefits - \$36,700:

In the past, the on-going costs of dental and health benefits for employees who retired early have been borne by the operating departments for which the now retired employee had worked. Prior to 2011, these costs were not budgeted separately. To measure the effectiveness of the operating departments, these non-controllable, non-operating costs have been moved to this non-operating cost centre. The value in 2013 of this segregation is \$36,700, slightly higher through inflation, than in 2012.

Corporate Expenses & Revenues

Cost Reallocations - (\$631,000):

Overhead cost allocations are made each year to the Building Services Division whose operations are funded entirely by Building Services Fees. In 2012, Financial Services have reviewed and updated the calculation of these charges to better reflect the value of the services provided including costs related to facilities, IT support, accounting services, human resources, legal services, and an amount for building plan and field inspections provided by fire services. From 2011's \$391,000, these costs are now calculated at \$613,000 up slightly from 2012 due to inflationary factors.

External Audit Fees - \$40,900:

The cost of the external audit. 2012 actuals are higher than planned as the 2011 audit took more billable hours than anticipated. The 2013 budget at \$40,900 is low due to a change in auditors.

Cultural Centre Contract - \$361,600:

The annual amount paid to the Aurora Cultural Centre for provision of cultural services was moved from Parks & Recreation to reside in the Corporate Expenses area in 2010. In 2013, a new contract agreement is expected to be finalized and will include annual budgets for the Centre, to be approved by Council each year. At this time, the original contract continues to be budgeted including the inflationary change from the 2012 budget.

Operating Contingencies - \$50,000:

It is always difficult for departments and Financial Services to consider and include every possible expense that may arise during the coming fiscal year. To help mitigate the impact some of these unforeseen costs may have on a department's budget, or to meet other corporate or community needs, the Town reinstated a \$50,000 contingency fund in 2010 which has continued into 2013.

Salary Equity Plan - \$100,000:

Following the contract settlement with CUPE, Council authorized a review of non-union compensation in relation to surrounding/similar municipalities. Previously expected to be completed in 2012, the review will be completed in early 2013. It is anticipated that the total cost will not exceed \$100,000, which will be funded from Reserves and shown on the Corporate Revenue section resulting in no tax levy effect in 2013.

Corporate Expenses & Revenues

WSIB Claims Costs - \$85,000:

The Town of Aurora is a 'Schedule 2 Employer' with the Workplace Safety and Insurance Board (WSIB). This simply means that the Town pays for all costs incurred through the WSIB on behalf of the Town. In order to mitigate the risk of high claims the Town utilizes insurance to cover the cost of any and all claims for work related items. The WSIB Claims Costs account is the premiums cost of that insurance. An equal and offsetting account in the Revenues section draws a contribution from the WSIB Reserve to fund the payments. There is a modest inflationary increase to \$85,000 in 2013. The WSIB Reserve is funded directly by a charge to each operating group through the payroll system, and appears in each department cost centre under salaries and benefits sections.

SARC Debt Payment - \$1,883,100:

In 2006, a debenture was issued (through the Region) for \$16.9 million to finance a portion of the Stronach Aurora Recreation Complex (SARC). The \$1,883,100 repayment amount for 2013 represents principal of \$1,562,500 and interest of \$320,600. An equal and offsetting account in the Revenues section draws a contribution from the Development Charges Reserve to fund the payment.

Sesquicentennial Celebration – no additional 2013 funding included:

2013 marks the sesquicentennial of the founding of the Town of Aurora. The committee responsible for the celebration brought forward a budget for the planning and events which was approved and funded by Council during 2012. All such approved funding will be carried forward to remain available to the committee during 2013. Accordingly, no new 2013 budget funds are requested.

Corporate Expenses & Revenues

Contributions to Reserves - \$2,121,200:

This category identifies funds that are required for items outside of the operating budget. This amount includes:

- The transfer of Gas Tax revenue received for 2013 is \$1,461,000. There is an offsetting revenue item for this amount. This items flow through this “operating” section to fulfill a requirement for financial statements.
- The transfer of \$280,000 to pay down the internally financed portion of the Library expansion. There is an offsetting revenue item from Development Charge Reserve Funds for this amount.
- This contribution amount also includes the initial contribution to the reserve to ameliorate the effects of the ash trees lost to the emerald ash borer and a contribution to the Environment Initiatives Reserve previously used for Bullfrog Power, among other minor items.

Tax Cash to Capital - \$3,823,900:

The ‘Cash to Capital’ component included in this budget is \$3,510,500 as in last year’s budget, plus an increase of 1% of annual tax revenue - \$313,400.

In-Year Tax Adjustments - \$180,000:

Every year, the Town receives notices and decisions relating to assessments and reassessments of properties within the Town’s borders. Some of these decisions have a small impact on the amount of tax charged to a property and some have a very large impact. The 2012 expense of \$180,000 includes only the Town’s share of tax adjustments, and represents 0.61% of the prior year’s tax levy.

TOWN OF AURORA
2013 BUSINESS PLAN AND BUDGET

Corporate Expenses & Revenues

2013 Revenues:

Corporate Revenue \$,000's	2010 Actual	2011 Actual	2012 Budget (adjusted)	2012 Actual (estimated)	2013 Draft Budget	2013 Budget vs 2012 Budget Fav / (UnFav)	
						\$	%
Use of Prior Year Surplus	-	(540.8)	(280.4)	(280.4)	-	(280.4)	100.0%
Penalties on Taxes	(926.9)	(986.5)	(925.0)	(1,015.0)	(975.0)	50.0	5.4%
Investment Income	(1,500.4)	(1,521.7)	(1,700.0)	(1,500.0)	(1,550.0)	(150.0)	(8.8%)
Interest from Hydro Funds	(600.0)	(600.0)	(600.0)	(600.0)	(500.0)	(100.0)	(16.7%)
Grants - Federal Gas Tax	(1,461.0)	(1,461.0)	(1,461.0)	(1,461.0)	(1,461.0)	-	-
Trans From DC Reserves	-	(2,142.6)	(2,159.8)	(2,159.8)	(2,163.1)	3.3	0.2%
Trans From Other Reserves	(62.0)	(66.6)	(170.0)	-	(85.0)	(85.0)	(50.0%)
Payments in Lieu of Taxes	(213.4)	(216.1)	(250.0)	(276.6)	(300.0)	50.0	20.0%
Supplementary Taxes	(1,228.4)	(1,022.9)	(425.0)	(606.1)	(575.0)	150.0	35.3%
Other	(182.5)	-	-	-		-	n/a
Total Revenues	(6,174.6)	(8,558.2)	(7,971.2)	(7,898.9)	(7,609.1)	(362.1)	(4.5%)
NET	(1,443.2)	(357.6)	(709.2)	(664.1)	312.3	(1,021.5)	144.0%

Use of Prior Year Surplus - \$0

2012's budget included \$280,400 of revenue to assist in a [hase in of the new fire shift addition. That was the last planned assistance to be utilized, and the 2013 budget is zero.

Penalties on Taxes - (\$975,000):

The Town has a policy outlining the application of interest and late charges on late or unpaid tax installments. This is referred to as Penalties on Taxes. The 2013 budget is anticipated to be at \$975,000. Based on 2012 actuals to date and the overall economic times, this item is slightly higher than 2012's budget of \$925,000.

Corporate Expenses & Revenues

Investment Income / Interest from Hydro Funds - (\$2,050,000):

Investment income forecasts for the operating budget (\$1,550,000) are anticipated to be down from 2012, due to the deeper than expected and continuing depressed interest rates and the impact this has had on the over-night bank interest rates. However, as the portfolio has been invested in many longer term products, the interest income from the portfolio has not been as affected by the market as it might have otherwise been. The portfolio's ability to continue to earn a competitive rate of return is based on all of the Town's funds that are not required for the day-to-day operations of the Town being invested in the most appropriate investment vehicle available, balancing cash needs forecasts with market yields. All portfolio investments must comply with strict and highly conservative provincial and local regulations to protect the public funds. The Interest from Hydro Funds (\$500,000) is down \$100,000 from 2012, as the Town begins to lessen its reliance on this funding source.

Grants – Federal Gas Tax - (\$1,461,000):

The provision of the Gas Tax from the Federal Government has been an integral part of the Town's budget since 2006 when the program was initiated. In 2013, the Town will receive \$1,461,000. The funds are received as income through the operating budget and transferred to the Federal Gas Tax Reserve, now considered as an infrastructure repair & replacement funding source.

Transfers from D.C. Reserves - (\$2,163,100):

There are two amounts drawn from Development Charges Reserve Funds, the amount for the SARC Capital Loan payment of \$1,883,100 and the \$280,000 related to the internal funding of Library construction costs. These two items were previously detailed in the Expenses section.

Transfers from Other Reserves - (\$85,000):

This category identifies funds that are coming from reserves to fund specific expenditures of a corporate-wide nature. For 2013, the amount includes only an \$85,000 transfer from Reserves to fund the WSIB claims costs as outlined in the Expenses portion of this section.

Corporate Expenses & Revenues

Payments in Lieu of Taxes - (\$300,000):

Payments in Lieu of Taxes represents assessment based revenue, from federal and provincial owned properties. The federal and provincial governments are not technically subject to formal property taxes, however they must remit an equal amount as though they were fully taxable. These amounts paid are referred to as Payments in Lieu of Taxes or 'PILs'. Changes reflect reported assessment value changes due to sales of property or appeal changes. Given that 2013 is a new assessment year, the 2013 'PILs' revenue is increasing by \$50,000 to a budget of \$300,000.

Supplementary Taxes - (\$575,000):

Supplementary taxes represent property taxes for new properties and construction which become newly assessed during the year, including some portions of taxation related to prior years where applicable. All supplementary taxation is retroactive to the date of assessment and occupancy. The 2013 amount of \$575,000 is up by \$150,000 from 2012. It is felt that MPAC has recently been focused on the cyclical reassessment project, rather than assessing all supplementary eligible property during 2012. It is felt that, as a result, there will be more properties that will be subject to supplementary assessments during 2013 and this will result in higher supplementary tax revenue.