



**Subject:** 2017 Operating Budget Final Approval

**Prepared by:** Dan Elliott, Director of Financial Services - Treasurer

**Department:** Financial Services

**Date:** December 13, 2016

---

## **Recommendation**

- 1. That Report No. FS16-039 be received; and**
- 2. That the 2017 Operating Budget summarized in Attachment 1 which reflects all revisions recommended for approval by the Budget Committee, resulting in a total tax levy of \$41,821,700 and a total expenditure plan of \$60,814,800, and an estimated 3.1% tax increase on the Aurora share, and a 2.4% residential tax bill increase when combined with the regional and education shares of the tax bill, be approved; and**
- 3. That the Town's full-time staff complement be increased by nine (9) to 221 (excluding Library Board and Central York Fire Services staff) as presented in Attachment 2 and funded in the 2017 Operating Budget; and**
- 4. That staff prepare the necessary bylaw for adoption by Council to set 2017 tax rates and payment dates.**

## **Executive Summary**

To present for approval the 2017 Operating Budget as amended by the reviews and deliberations of General Committee – Budget at its recent series of meetings.

## **Background**

General Committee – Budget has concluded its review and discussions of the staff presented draft 2017 Operating Budget. Amendments made to the draft budget during the deliberations are summarized on Attachment 1.

## **Analysis**

### **Early in 2016, Council adopted two foundational documents: Council Budget Principles, and Council Budget Process.**

Council adopted these two foundational documents to set out clearly the principles to be followed in preparing and reviewing its annual operating and capital budgets, and the detailed process which would be followed in conducting those reviews. The budget processes document outlines the additional role that the Finance Advisory Committee fulfills in performing detailed departmental reviews outside of the annual budget review and approval process.

### **Council directed staff to keep budget to inflation, and to add 1% for fiscal strategies**

At its July 2016 meeting, guided by the Council Budget Principles foundational document, Council approved specific budget preparation directions for staff. The base budget was to result in a tax increase of not more than inflation, with a further 1% increase to assist in funding the Town's long term financial strategies related to unsustainable revenues and needed funding for infrastructure sustainability.

### **Staff presented a budget of 1.9% tax increase, plus 1% for fiscal strategies**

Despite inflation reported at 2.1% for twelve months to June 2016, staff presented Council with a base operating budget proposal with a resulting tax increase of 1.9%, plus the 1% for fiscal strategies. In addition to this draft budget, Council was presented with several options for consideration for increases in service levels in various areas.

The Base Budget accommodated services extension to accommodate all growth, while also making significant budget adjustments to several specific budget lines which had become substantially out of line with historical expense or revenue realities.

### **The Budget Committee made adjustments**

The budget committee made several adjustments, both budget reductions, as well as budget increases. Several options presented by staff for consideration were added to the budget, including some service level enhancements. All budget adjustments made to the draft budget are detailed in Attachment #3.

The key elements affecting the budget increase are graphically presented in Attachment #4, while the sources of revenue and net operating budget by service is presented in graphs in Attachment #5 and 6, respectively.

## **Advisory Committee Review**

The Finance Advisory Committee is not involved in the detailed budget reviews of the annual budget. However, this Committee is expected to review the detailed budgets of each operating department and budget section once per term of Council. It will continue these reviews in the new year. The 2017 reviews will include the detailed review of the Infrastructure and Environmental Services department. All such meetings are open to the public, and to all members of Council.

## **Financial Implications**

The 2017 Operating Budget sets out planned expenditures totalling \$60,814,800, funded with non-tax revenues of \$18,993,100, such as investment income, user fees, Federal Gas Tax grants, and fines & penalties. The remaining \$41,821,700 requirement is to be raised through property taxes.

The final approved budget results in an average increase to the Aurora share of the residential tax bill of 3.1%. When combined with the Region of York's estimated tax increase of 2.87%, and the expected net 0% increase on the provincial education share of the tax bill, the combined effect on the overall tax bill in Aurora is expected to be approximately 2.4% on average. For each \$100,000 of assessment, these increases will add \$10.46 to the Aurora share, and \$21.86 total overall. For an average home assessed at \$770,000, the impacts are \$80.52 to the Aurora share, and \$168.29 total overall, on average. All reports, presentations and materials presented to Budget Committee remain available to the public on the Town's Budget and Financial Information website page. Attachment #7 outlines Aurora's history of increases to its property tax levies.

## **Communications Considerations**

A press release and information kit has been prepared related to the approval of the Town's 2017 Operating Budget. Updated budget information will be included on the reverse side of the Interim Tax Brochure included with all mailed tax billings issued in January. The full budget details have been updated to the Town's Budget and Financial Information page on our website, including the capital budget approval report and detailed capital sheets of all approved projects.

## **Link to Strategic Plan**

Approval of the 2017 Operating Budget provides funding support and approval for all initiatives, services and operations of the Town, all of which support and advance the Strategic Plan objectives. Overall, the budget leads to improving the quality of life of the community we serve.

## **Alternative(s) to the Recommendation**

Council may make further adjustments to the budget than those recommended by Budget Committee.

## **Conclusions**

General Committee – Budget has concluded its review of the annual budget for 2017. The result of the recommended budget is a 3.1% tax increase on the Aurora share of the tax bill. When combined with the expected increases for the Region of York and the provincial education portions, the expected overall tax impact for Aurora residents is 2.4%.

## **Attachments**

- Attachment #1 - 2017 Operating Budget Summary by Department
- Attachment #2 - New Full Time Staff Additions
- Attachment #3 - Details of Adjustments made to the Budget by Committee
- Attachment #4 - Key Budget Elements affecting tax increase
- Attachment #5 - Total Revenues by Source
- Attachment #6 - Net Operating Budget by Service
- Attachment #7 - History of Tax Rate Increases – Aurora Share

## **Previous Reports**

FS16-036 “2017 Operating Budget” presented and referred to Budget Review  
November 8, 2016

## **Pre-submission Review**

CAO and Treasurer only

**Departmental Approval**

**Approved for Agenda**

---

**Dan Elliott, CPA, CA**  
**Director of Financial Services**  
**- Treasurer**

---

**Doug Nadorozny**  
**Chief Administrative Officer**

# Town of Aurora 2017 Operating Budget

## Summary by Department

<u>Shown in \$000's</u>	<b>2016 Approved Budget</b> (adjusted)	<b>2017 Draft Budget</b>	<b>Dollar Change</b> favourable / (unfavourable)	<b>Tax Pressure Change</b>
<b><u>Gross Expenses</u></b>				
Council	\$ 532.8	\$ 546.9	\$ (14.1)	(0.0 %)
CAO's Office	\$ 1,077.7	\$ 1,242.7	\$ (165.0)	(0.4 %)
Corporate Services	\$ 6,994.4	\$ 7,345.8	\$ (351.4)	(0.9 %)
Election 2018	\$ 82.5	\$ 82.5	\$ -	-
Financial Services	\$ 1,500.1	\$ 1,565.4	\$ (65.3)	(0.2 %)
Planning and Building Services	\$ 4,555.1	\$ 4,691.6	\$ (136.5)	(0.3 %)
Infrastructure & Environmental Services	\$ 13,620.6	\$ 14,528.3	\$ (907.7)	(2.2 %)
Parks, Recreation & Cultural Services	\$ 8,824.2	\$ 9,336.4	\$ (512.2)	(1.3 %)
Corporate Expenses	\$ 7,548.7	\$ 7,482.5	\$ 66.2	0.2 %
Fire Services	\$ 9,774.8	\$ 10,225.0	\$ (450.2)	(1.1 %)
Funding Provided for Library Operations	\$ 3,659.0	\$ 3,767.7	\$ (108.7)	(0.3 %)
<b>Gross Expenditure (Increase) / Decrease</b>	<b>\$ 58,169.9</b>	<b>\$ 60,814.8</b>	<b>\$ (2,644.9)</b>	<b>(6.5 %)</b>
<b><u>Gross Revenues</u></b>				
Council	\$ -	\$ -	\$ -	-
CAO's Office	\$ -	\$ -	\$ -	-
Corporate Services	\$ (518.7)	\$ (372.3)	\$ (146.5)	(0.4 %)
Election 2018	\$ -	\$ -	\$ -	-
Financial Services	\$ (177.6)	\$ (181.4)	\$ 3.8	0.0 %
Planning and Building Services	\$ (4,688.3)	\$ (4,696.0)	\$ 7.7	0.0 %
Infrastructure & Environmental Services	\$ (1,607.7)	\$ (1,799.3)	\$ 191.6	0.5 %
Parks, Recreation & Cultural Services	\$ (5,410.5)	\$ (5,354.8)	\$ (55.7)	(0.1 %)
Corporate Revenues	\$ (6,808.1)	\$ (6,589.3)	\$ (218.8)	(0.6 %)
Corporate Expenses & Revenues			\$ -	
CYFS	\$ -	\$ -	\$ -	-
	<b>\$ (19,210.9)</b>	<b>\$ (18,993.1)</b>	<b>\$ (217.8)</b>	<b>(0.6 %)</b>
Taxation - 2016	<b>(38,959.0)</b>	<b>(38,959.0)</b>		-
Taxation - Growth from New Assessment	-	\$ (1,597.3)	1,597.3	4.0 %
Taxation - Increase for 2016	-	\$ -		
<b>Gross Revenue Increase / (Decrease)</b>	<b>\$ (58,169.9)</b>	<b>\$ (59,549.4)</b>	<b>\$ 1,379.5</b>	<b>3.4 %</b>
<b><u>Net Expenditures/(Revenues)</u></b>				
Council	\$ 532.8	\$ 546.9	\$ (14.1)	(0.0 %)
CAO's Office	\$ 1,077.7	1,242.7	\$ (165.0)	(0.4 %)
Corporate Services	\$ 6,475.7	6,973.5	\$ (497.9)	(1.2 %)
Election 2018	\$ 82.5	82.5	\$ -	-
Financial Services	\$ 1,322.5	1,384.0	\$ (61.5)	(0.2 %)
Planning and Building Services	\$ (133.2)	(4.5)	\$ (128.7)	(0.3 %)
Infrastructure & Environmental Services	\$ 12,012.9	12,729.0	\$ (716.1)	(1.8 %)
Parks, Recreation & Cultural Services	\$ 3,413.7	3,981.5	\$ (567.8)	(1.4 %)
Corporate Revenues & Expenses	\$ 740.6	893.2	\$ (152.6)	(0.4 %)
Fire Services	\$ 9,774.8	10,225.0	\$ (450.2)	(1.1 %)
Funding Provided for Library Operations	\$ 3,659.0	3,767.7	\$ (108.7)	(0.3 %)
Funding Provided for Library Operations	\$ -	-	\$ -	-
	<b>\$ 38,959.0</b>	<b>\$ 41,821.7</b>	<b>\$ (2,862.7)</b>	<b>(7.1 %)</b>
<b>Taxation</b>	<b>\$ (38,959.0)</b>	<b>(40,556.3)</b>	<b>\$ 1,597.3</b>	<b>4.0 %</b>
<b>NET Tax Increase Required</b>	<b>\$ -</b>	<b>\$ 1,265.4</b>	<b>\$ (1,265.4)</b>	<b>(3.1 %)</b>

**Town of Aurora**  
**2017 Operating Budget Impacts**  
**CONVERTED AND NEW POSITIONS IN 2017 BUDGET**

**2017 Budget Requests**

	<b>D o l l a r s</b>			<b>Full-Time Complement</b>
	<u>Gross Cost</u>	<u>Offsets</u>	<u>Net Cost</u>	
<b>2016 Budget Approved Full-Time Complement</b>	—————→			<b>212</b>
<b><u>FULL-Time Staffing - Conversion Requests</u></b>				
Communications Specialist	109,700			1
Parks Operations Crew Leader ( costed for 7 months)	47,800			1
Part-Time to Full Time Uplift of Special Events Coordinator ( costed for 7 months )	30,100			1
Building Services Clerical Support	38,500			1
Position will be funded 100% from Building Services and costed for 7 months		(38,500)		
Capital Delivery Project Manager	60,200			1
Position will be funded 30% from Capital and costed for 7 months		(18,100)		
Museum Services Support ( costed for 9 months )	58,635			1
Economic Development Officer	76,895			1
Position will be funded 100% from Capital and costed for 10 months		(76,895)		
Program Manager, Records Management and Policy Development	116,100			1
Procurement Clerical Assistant	59,900			1
Position will be funded 85% from water rates and costed for 7 months		(44,400)		
	<u>\$ 597,830</u>	<u>\$ (177,895)</u>	<u>\$ 419,935</u>	<u><b>221</b></u>
<b>Net Full-Time</b>				
<b><u>CONTRACT Staffing - Requests</u></b>				
Financial Services Part Time Clerical Assistance	\$ 9,000			
Back-Fill Contract for Manager of Revenue	42,900			
Contract will be funded 100% from water rates		(42,900)		
Museum Services Part Time Student	10,000			
Additional Part Time Recreation Customer Service Hours	58,200			
	<u>\$ 120,100</u>	<u>\$ (42,900)</u>	<u>\$ 77,200</u>	
<b>Net Part-Time / Contracts</b>				
<b>Total Net 2017 Budget Requests</b>	<u>\$ 717,930</u>	<u>\$ (220,795)</u>	<u>\$ 497,135</u>	

**Town of Aurora  
2017 Operating Budget  
BUDGET COMMITTEE CHANGES**

A D J U S T M E N T S				R E S U L T S					
Ref.	Date of Decision	Department	I T E M	Change to Operating Budget	Running Revised Budget Increase	Impact on Town Rate	Running Town Rate Pressure	Effective Combined Tax Impact	
								Residential	Commercial
				<b>STARTING POINT - Draft Budget, As of November 8, 2016 = 1,191,637</b>			<b>2.9 %</b>	<b>2.3 %</b>	<b>1.3 %</b>
9	Nov. 14/16	IES	Move Facilities Supervisor to Option List (Remove)	(60,200)	1,131,437	(0.15 %)	<b>2.8 %</b>	<b>2.3%</b>	<b>1.3%</b>
	Nov. 14/16	Council	Increase Council Administration Conference Budget	7,900	1,139,337	0.02 %	<b>2.8 %</b>	<b>2.3%</b>	<b>1.3%</b>
	Nov. 22/16	PRCS / IES	Remove Southlake Event Costs	(7,500)	1,131,837	(0.02 %)	<b>2.8 %</b>	<b>2.3%</b>	<b>1.3%</b>
17	Nov. 29/16	ALL	Reduction in training & development	(70,000)	1,061,837	(0.17 %)	<b>2.6 %</b>	<b>2.2%</b>	<b>1.2%</b>
8	Nov. 29/16	PBS	Position Addition - Economic Development Position (Capital Funded)	76,895	1,138,732	0.19 %	<b>2.8 %</b>	<b>2.3%</b>	<b>1.3%</b>
8	Nov. 29/16	PBS	Contribution FROM Capital (CIP Capital Project to fund)	(76,895)	1,061,837	(0.19 %)	<b>2.6 %</b>	<b>2.2%</b>	<b>1.2%</b>
5	Nov. 29/16	PRCS	Celebration 150 Town Park	15,000	1,076,837	0.04 %	<b>2.7 %</b>	<b>2.2%</b>	<b>1.3%</b>
2	Nov. 29/16	PRCS	Multi-cultural Event	24,400	1,101,237	0.06 %	<b>2.7 %</b>	<b>2.2%</b>	<b>1.3%</b>
10	Nov. 29/16	PBS	Sponsorship of Business Excellence Awards (Chamber of Commerce)	10,000	1,111,237	0.02 %	<b>2.7 %</b>	<b>2.2%</b>	<b>1.3%</b>
4	Nov. 29/16	PRCS	Additional Exhibition and online museum	15,500	1,126,737	0.04 %	<b>2.8 %</b>	<b>2.3%</b>	<b>1.3%</b>
6	Nov. 29/16	PRCS	Pet Cemetary establishment & annual maintenance	5,000	1,131,737	0.01 %	<b>2.8 %</b>	<b>2.3%</b>	<b>1.3%</b>
7	Nov. 29/16	PRCS	Reduction in Ribfest Revenues	25,000	1,156,737	0.06 %	<b>2.9 %</b>	<b>2.3%</b>	<b>1.3%</b>
11	Nov. 29/16	PBS	Sponsorship of Women in Business Conference (Chamber of Commerce)	2,500	1,159,237	0.01 %	<b>2.9 %</b>	<b>2.3%</b>	<b>1.3%</b>
3	Nov. 29/16	PRCS	Position Addition - FT Museum Position, plus training	58,635	1,217,872	0.14 %	<b>3.0 %</b>	<b>2.3%</b>	<b>1.3%</b>
12	Nov. 29/16	PRCS	Sponsorship of Technology Expo (Chamber of Commerce)	2,500	1,220,372	0.01 %	<b>3.0 %</b>	<b>2.3%</b>	<b>1.3%</b>
1	Nov. 29/16	CS	Animal Control service level increase	45,000	1,265,372	0.11 %	<b>3.1 %</b>	<b>2.4%</b>	<b>1.3%</b>
13	Nov. 29/16	PRCS	Aurora Sports Hall of Fame - Sustainability Operating Grant	50,500	1,315,872	0.12 %	<b>3.2 %</b>	<b>2.4%</b>	<b>1.4%</b>
16	Nov. 29/16	PRCS	Sport Aurora - Sustainability Operating Grant <sup>1</sup>	93,700	1,409,572	-	<b>3.5 %</b>	<b>2.5%</b>	<b>1.4%</b>
	Nov. 29/16	PRCS	Contribution FROM Council Discretionary Reserve <sup>2</sup>	(144,200)	1,265,372	(0.36 %)	<b>3.1 %</b>	<b>2.4%</b>	<b>1.3%</b>

**Note(s):**

1) Sport Aurora sustainability funding has been conditionally approved subject to further information coming back to council.

2) Contribution from the Council Discretionary Reserve amount of \$144,200 includes sustainability funding for both the Aurora Sports Hall of Fame and Sport Aurora.

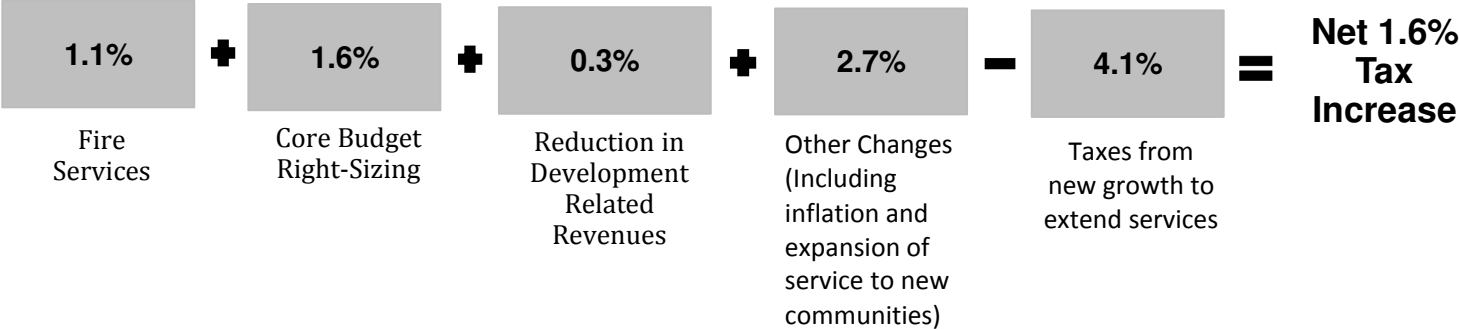


# Town of Aurora 2017 Operating Budget

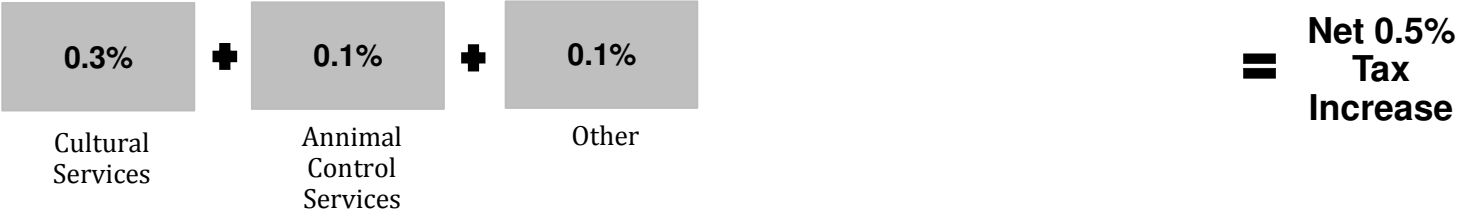
## KEY BUDGET DRIVERS

---

### Core Operations:



### Service Enhancements:



### Fiscal Strategy:



The 3.1% increase to the tax levy translates to an additional \$80.52 on a home with an average assessed value of \$770,000.

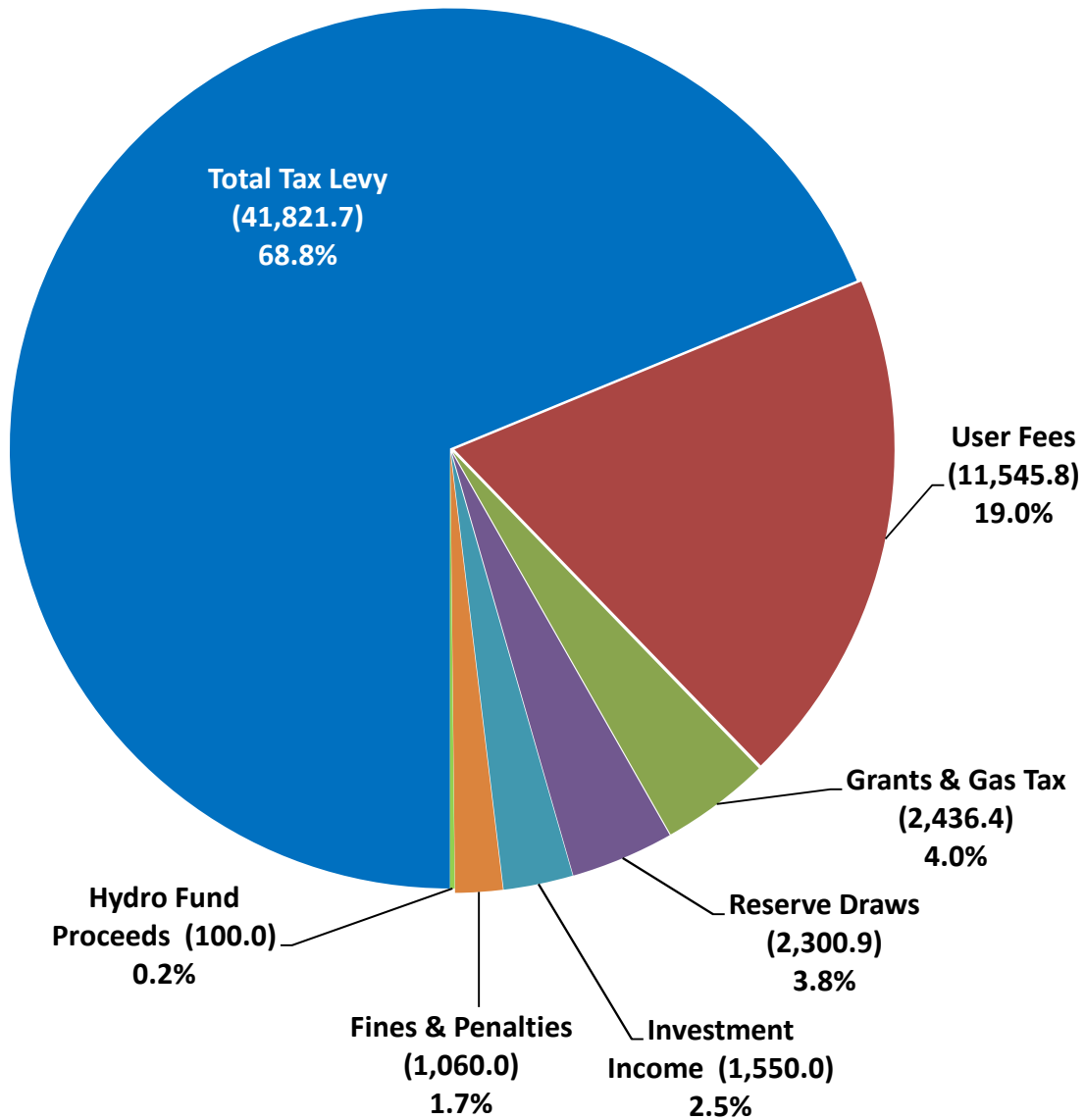
---

**Net 3.1% Tax Increase**

# Town of Aurora 2017 Operating Budget Total Revenues by Source

---

Shown in \$000's

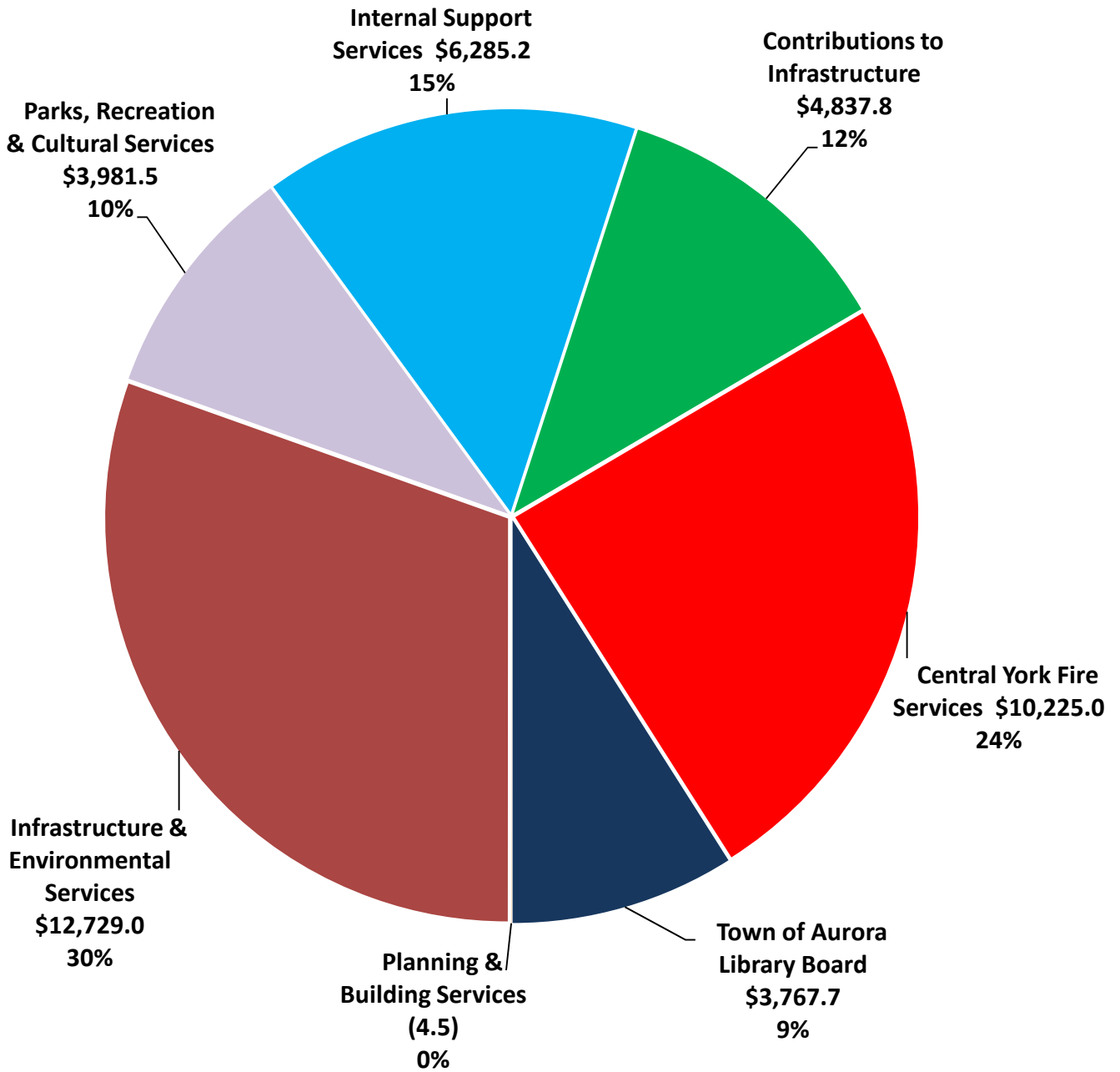


\* User Fees include revenue received in relation to the utilization of the town's various service offerings such as its parks and facilities, building permit issuances and development application fees.

# Town of Aurora 2017 Operating Budget Net Operating Budget by Service

---

Shown in \$000's



**Town of Aurora**  
**2017 Operating Budget**  
**HISTORY OF AURORA TAX RATE INCREASES**

---

