



**Town of Aurora
Council Report**

No. FS19-010

Subject: 2019 Operating Budget Final Approval

Prepared by: Jason Gaertner, Acting Director of Financial Services - Treasurer

Department: Financial Services

Date: March 26, 2019

Recommendation

1. That Report No. FS19-010 be received; and
2. That the 2019 Operating Budget summarized in Attachment #1, which reflects all revisions recommended for approval by the Budget Committee, resulting in a total expenditure plan of \$67,454,900 and a total tax levy of \$47,258,500, resulting in an estimated 3.3% increase on the Aurora share of property tax bills, and a 3.1% 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 eight (8) to 231 staff (excluding Library Board and Central York Fire Services) as presented in Attachment #2 and funded in the 2019 operating budget; and
4. That a general wage increase of 2.0% effective April 1, 2019, be approved and applied to the Salary Schedule for Full-time Permanent Non-Bargaining Unit Positions, and to the Rate Schedule for Other-Than-Continuous-Full-time Non-Bargaining Unit Positions, both being Attachments to Policy #7 and funded in the 2019 operating budget; and
5. That Council fund its share of the Kaleidoscope in Schools pilot program through the creation of a capital project in the amount of \$100,000 to be funded from the Rate Stabilization Reserve; and
6. That the necessary by-law be enacted at a future Council Meeting to set the final billing 2019 tax rates and payment dates.

Executive Summary

The intent of this report is to present to Council for its approval the 2019 Operating Budget as amended by the reviews and deliberations of Budget Committee at its recent series of meetings.

- The 2019 budget process continued to be guided by Council's two foundational documents: Council Budget Principles, and Council Budget Process
- Council directed staff to keep budget to inflation, and to add 1% for fiscal strategies
- Staff presented a draft budget of a 2.3% tax increase, plus 1% for fiscal strategies
- The Budget Committee made multiple adjustments to staff's presented draft operating budget
- The 2019 operating budget includes the Library Square's first year's phase-in amount of \$240,000
- The Budget Committee agreed to financially support the Aurora Cultural Centre's Kaleidoscope in Schools pilot program at a total cost of \$100,000 over two years

Under Ontario Regulation 284/09, made under the *Municipal Act, 2001*, all Ontario municipalities are permitted to exclude from their annual budgets a specified list of Public Sector Accounting Board (PSAB) accounting non-cash costs. However, this same regulation requires that if a municipality excludes any costs of this nature that they must report to their Council on the impact of these excluded costs. Another purpose of this report is to satisfy this disclosure requirement and to illustrate the 2019 budget in the PSAB format.

- The Town's annual budget excludes its usual specified list of PSAB accounting non-cash costs

Background

Budget Committee has concluded its review and discussions of the draft 2019 Operating Budget. Amendments made to the draft budget during the Committee deliberations are summarized on Attachment 1.

The Town of Aurora, like most municipalities, prepared its 2019 budget in the traditional, cash based, balanced municipal budget approach. The Province of Ontario enacted a regulation (O.Reg. 284/09, s.1.) under the *Municipal Act, 2001*, that permits all Ontario municipalities to exclude from their annual budgets the following PSAB accounting non-cash costs:

- amortization expenses
- post-employment benefits, and

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- solid waste landfill closure and post-closure expenses (not applicable for Aurora).

Where these non-cash items have been excluded, Council are to receive:

- an estimate of the change in the accumulated surplus of the municipality to the end of the year resulting from the exclusion of any of these expenses, and
- an analysis of the estimated impact of the exclusion on the future tangible capital asset funding requirements of the municipality.

Exclusion in the annual budget of the amortization of tangible capital assets has no impact on the future tangible capital asset funding requirements of the Town. The Town includes in its municipal budget allocations to capital reserves for the purposes of funding future capital asset renewal and replacements. Its newly approved Strategic Asset Management Policy guides the Town's recently re-approved detailed Asset Management Plan, which in turn drives the decisions and recommendations reflected in the detailed ten year capital and investment plan document. This long term plan includes all replacement needs, as well as new assets required for growth and other purposes. This long term plan is updated each year. This plan carefully evaluates the adequacy of the Town's reserves, anticipated future cash flows, and makes recommendations for continued annual dedicated tax increases for the purpose of increasing the capital reserve contributions for infrastructure. Council has a seven year history of making such incremental increases, specifically for infrastructure as recommended by the plan and staff. Continuing with such recommendations is evaluated annually by Council during the annual review of the ten year capital and investment plan, as well as the annual contribution to reserves amount included in the budget.

Analysis

The 2019 budget process continued to be guided by Council's two foundational documents: Council Budget Principles, and Council Budget Process

The 2019 budget process continued to be guided by the two foundational documents that Council adopted in 2016. Council adopted these 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 fulfils in performing detailed departmental reviews outside of the annual budget review and approval process.

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

At its March 20, 2018 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 draft budget of a 2.3% tax increase, plus 1% for fiscal strategies

Despite inflation reported at 2.5% for twelve months ending on June 2018 for the Toronto area, staff presented Council with a base operating budget proposal with a resulting tax increase of 2.3%, plus the 1% for fiscal strategies, leaving 0.2% available within the maximum ceiling allotted by Council for subsequent Council funding decisions. In addition to this draft budget, Council was presented with several budget option decision units relating to increases in service levels in various areas for its consideration. This list was further adjusted throughout the budget process.

The presented base operating budget also accommodated any required extensions of existing Town services in order to accommodate all growth. In addition, the base budget presented to the Budget Committee also accommodated the second year's phase in of the substantial cost increases arising from renewal of the long term solid waste collection contract and from provincial legislation contained in Bill 148, including the increases to minimum wage in Ontario in 2018.

The Budget Committee made multiple adjustments to staff's presented draft operating budget

The Budget Committee made several adjustments to staff's presented base operating budget, which included reductions or increases, as well as transfers between different budgets. Multiple options presented by staff for consideration were added to the budget. All budget adjustments made to the draft budget are detailed in Attachment #3.

The key elements affecting the overall required 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.

The 2019 operating budget includes the Library Square's first year's phase-in amount of \$240,000

On March 21, 2019 Council approved an operational plan for the Library Square. This plan estimated that the total incremental operating cost for the ongoing operation of the Library Square will be \$720,000 per year once it becomes fully operational.

Due to the material nature of this incremental cost, Council has approved an operating cost funding strategy for the Library square. This funding strategy recommends that this noted impact be phased onto the tax levy in a gradual controlled fashion over the next three years commencing in 2019. This would represent an incremental tax levy increase of \$240,000 or 0.5% per year. See below table:

**Incremental Net Operating Costs for Library Square
(\$000's)**

| Fiscal Year | Phased in Amount |
|--------------------|-------------------------|
| 2019 | 240.0 |
| 2020 | 240.0 |
| 2021 | 240.0 |
| Total | 720.0 |

The Budget Committee has approved the inclusion of the first year's phase in amount in the 2019 operating budget.

The Budget Committee agreed to financially support the Aurora Cultural Centre's Kaleidoscope in Schools pilot program at a total cost of \$100,000 over two years

As part of the 2019 operating budget process, the Budget Committee agreed to financially support the Aurora Cultural Centre's (ACC) Kaleidoscope in Schools pilot program to take place over the 2019/20 and 2020/21 school years.

In consideration of the cash flow challenges presented by the differing fiscal years of the Town and school board, the one-time nature of this funding request, as well as the materiality of the request, the Budget Committee approved a funding strategy that included the creation of new capital project with a budget of \$100,000 to be funded through an equivalent funding transfer from the Rate Stabilization reserve.

The Town's annual budget excludes its usual specified list of PSAB accounting non-cash costs

For compliance with the regulation, the Town of Aurora's 2019 Business Plan, Operating Budget and Capital Investment Program, as approved, excludes the following expenses:

- an expense for the 2018 amortization of the Town's non-water rate funded tangible capital assets, estimated to be \$9,681,800 (see Attachment #8 for categorized list). Of this total estimated amount, \$9,464,300 is directly supported by taxes while \$217,500 is indirectly supported by taxes via a funding contribution to the Aurora Public Library and Central York Fire Services. In regards to the portion of the total estimated amortization expense that is directly supported by the tax levy, this amount has been under-funded by \$4,200,400, meaning the budgeted contributions to capital reserves are not keeping pace with the depreciation of the town's tangible capital assets. The Town is able to partially subsidize this noted funding gap through alternative funding sources such as federal and provincial grants and gas tax sharing, reducing this noted gap to a remaining short-fall of \$1,404,700.
- the current year's post-employment benefit obligation in relation to eligible employee early retirement and/or accrued sick leave is estimated to grow by approximately \$230,300, thus creating a related non-cash expense;
- the current year's Workplace Safety & Insurance Board benefit obligation is estimated to increase by approximately \$9,800, thus creating a related non-cash savings;
- the Town does not own or operate a landfill site and therefore is not subject to solid waste landfill closure or post-closure expenses.

The 2019 operating budget was prepared in the traditional cash-based municipal budget approach, whereby total revenues (including taxation) equal total expenditures, resulting in a "balanced" budget. Attachment #9 illustrates the differences between the 2019 approved operating budget as prepared (on a cash basis) to what it would be if prepared under PSAB guidelines on an accrual basis budgeting. The accrual basis approach would result in an estimated annual surplus of \$24,580,900 as shown on Attachment #9. Two significant contributors to the 'accrual based' estimated surplus is the planned utilization of \$11,636,300 in DC revenues and a cost recovery of \$13,500,000 from the Town of Newmarket as funding sources for a group of approved 2019 capital projects. Both of these 'revenues' are excluded in the standard municipal budget approach, and therefore increase total revenues under PSAB, creating surplus.

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 second quarter of 2019.

Financial Implications

The 2019 Operating Budget sets out planned expenditures totalling \$67,454,900, funded with non-tax revenues of \$20,196,400, such as investment income, user fees,

Federal Gas Tax grants, and fines & penalties. The remaining \$47,258,500 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 3.3%. When combined with the Region of York's tax increase of 4.37%, 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 3.1% on average for residential properties. For each \$100,000 of assessment, these increases will add \$9.96 to the Aurora share, and \$25.29 total overall. For an average home assessed at \$800,000, the impacts are \$79.71 to the Aurora share, and \$202.28 total overall, on average. All reports, presentations and materials presented to the Budget Committee will 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 share of property tax levies.

In 2019, the budgeted contributions to infrastructure reserves are as follows:

| | |
|------------------------------------------------------------|-------------|
| Direct property taxation contributions | \$5,263,900 |
| Expected Federal Gas Tax contributions | 1,694,600 |
| Expected Ontario Infrastructure contributions | 1,101,100 |
| Total non-rate funded Infrastructure renewal contributions | \$8,059,600 |

Of note is the disparity between the estimated amortization expenses of \$9,464,300 for tax levy directly supported assets and the tax levy contributions to reserves of \$5,263,900 (excluding federal and provincial infrastructure funding) for the rehabilitation and replacement of these aging assets.

The Town has approved an ongoing financial strategy to close this funding disparity. This strategy includes increasing property taxes each year by 1% more than the Consumer Price Index. This additional 1% helps to increase funding for the current and future replacement or rehabilitation of our existing capital assets. Provided Council continues to follow the strategy, significant sudden tax increases, new debt, or financial crisis can be avoided in the future.

Communications Considerations

A press release and information kit has been prepared related to the approval of the Town's 2019 Operating Budget. Updated budget information will be included on the reverse side of the Final Tax Bill Brochure included with all mailed tax billings to be issued in June. 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 2019 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

The Budget Committee has concluded its review of the annual budget for 2019. The result of the recommended budget is a 3.3% tax increase on the Aurora share of the tax bill. When combined with the increases for the Region of York and the provincial education portions, the expected overall tax impact for Aurora residents is 3.1%.

This operating budget includes the first phase-in amount relating to the funding of the estimated on-going incremental Library Square operating costs that are expected to commence upon the Square and all its components becoming fully operational.

In the preparation of the 2019 operating budget, the Town of Aurora has complied with requirements of the Municipal Act which identifies allowed exclusions from that budget (paragraph 3, subsection 289 (2) and paragraph 3, subsection 290 (2)). This report provides the disclosures required under this regulation which requires municipalities to report to Council when these exclusions exist and the impact on the overall accumulated surplus of each transaction.

Attachments

- Attachment #1 - 2019 Operating Budget Summary by Department
- Attachment #2 - Converted and New Full Time Staff Additions
- Attachment #3 - Details of Adjustments made to the Budget by Committee
- Attachment #4 - Key Budget Drivers affecting the tax increase
- Attachment #5 - Total Revenues by Source
- Attachment #6 - Net Operating Budget by Service
- Attachment #7 - History of Tax Rate Increases – Aurora Share
- Attachment #8 - Schedule of Estimated 2019 Tangible Capital Asset Amortization

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Attachment #9 - Reconciliation of 2019 Approved Budget to the 2019 Budget as if prepared under PSAB 3150

Previous Reports

FS18-004: 2019 Budget Development Direction

FS19-002: 2019 Operating Budget

FS19-013: 2019 Budget Committee Additional Information

FS19-014: Kaleidoscope in Schools Pilot Program Funding Options

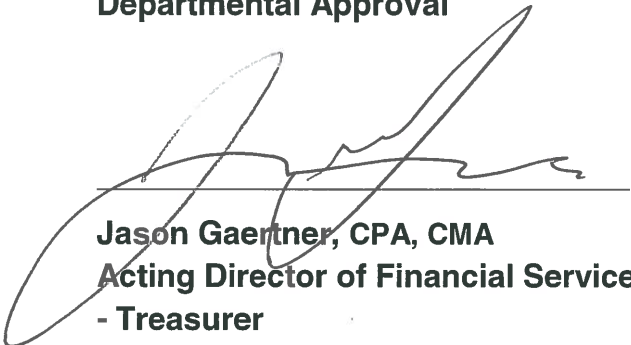
FS19-017: Incremental Operating Requirement Funding Strategy

Pre-submission Review

CAO and Treasurer only

Departmental Approval

Approved for Agenda



**Jason Gaertner, CPA, CMA
Acting Director of Financial Services
- Treasurer**



**Doug Nadorozny
Chief Administrative Officer**

Attachment 1

**Town of Aurora
2019 Operating Budget**

Summary by Department

| <u>Shown in \$000's</u> | <u>2018 Approved Budget (adjusted)</u> | <u>2019 Draft Budget</u> | <u>Dollar Change favourable / (unfavourable)</u> | <u>Tax Pressure Change (unfavourable)</u> |
|----------------------------------------------------|----------------------------------------------------|----------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| <u>Gross Expenses</u> | | | | |
| Council | \$ 627.8 | \$ 576.1 | \$ 51.7 | 0.1 % |
| CAO's Office | \$ 1,228.3 | \$ 1,332.4 | \$ (104.1) | (0.2 %) |
| Corporate Services | \$ 8,037.1 | \$ 8,269.9 | \$ (232.8) | (0.5 %) |
| Financial Services | \$ 2,061.3 | \$ 2,293.8 | \$ (232.5) | (0.5 %) |
| Planning and Development Services | \$ 6,161.9 | \$ 5,868.5 | \$ 293.4 | 0.6 % |
| Operational Services | \$ 10,506.8 | \$ 11,063.9 | \$ (557.1) | (1.2 %) |
| Community Services | \$ 13,888.1 | \$ 14,654.1 | \$ (766.0) | (1.7 %) |
| Corporate Expenses | \$ 7,370.8 | \$ 8,365.0 | \$ (994.2) | (2.2 %) |
| Fire Services | \$ 10,484.2 | \$ 11,188.1 | \$ (703.9) | (1.5 %) |
| Funding Provided for Library Operations | \$ 3,843.1 | \$ 3,843.1 | \$ - | - |
| Gross Expenditure (Increase) / Decrease | \$ 64,209.4 | \$ 67,454.9 | \$ (3,245.5) | (7.1 %) |
| <u>Gross Revenues</u> | | | | |
| Council | \$ - | \$ - | \$ - | - |
| CAO's Office | \$ (0.3) | \$ (0.3) | \$ - | - |
| Corporate Services | \$ (737.3) | \$ (797.0) | \$ 59.7 | 0.1 % |
| Financial Services | \$ (202.7) | \$ (456.3) | \$ 253.6 | 0.6 % |
| Planning and Development Services | \$ (5,594.4) | \$ (4,820.7) | \$ (773.7) | (1.7 %) |
| Operational Services | \$ (850.9) | \$ (1,067.8) | \$ 216.9 | 0.5 % |
| Community Services | \$ (5,227.1) | \$ (5,224.4) | \$ (2.7) | (0.0 %) |
| Corporate Revenues | \$ (7,142.6) | \$ (7,829.9) | \$ 687.3 | 1.4 % |
| | \$ (19,755.3) | \$ (20,196.4) | \$ 441.1 | 0.9 % |
| Taxation - 2018 | (44,453.3) | (44,453.3) | | - |
| Taxation - Growth from New Assessment | - | \$ (1,289.1) | 1,289.1 | 2.9 % |
| Taxation - 2019 Levy Increase | - | \$ (1,516.1) | 1,516.1 | 3.3 % |
| Gross Revenue Increase / (Decrease) | \$ (64,208.6) | \$ (67,454.9) | \$ 3,246.3 | 7.1 % |
| <u>Net Expenditures/(Revenues)</u> | | | | |
| Council | \$ 627.8 | \$ 576.1 | \$ 51.7 | 0.1 % |
| CAO's Office | \$ 1,228.0 | 1,332.1 | \$ (104.1) | (0.2 %) |
| Corporate Services | \$ 7,299.8 | 7,472.9 | \$ (173.1) | (0.4 %) |
| Financial Services | \$ 1,858.6 | 1,837.5 | \$ 21.1 | 0.0 % |
| Planning and Development Services | \$ 566.7 | 1,047.8 | \$ (481.1) | (1.1 %) |
| Operational Services | \$ 9,655.9 | 9,996.1 | \$ (340.2) | (0.7 %) |
| Community Services | \$ 8,661.0 | 9,429.7 | \$ (768.7) | (1.7 %) |
| Corporate Revenues & Expenses | \$ 228.2 | 535.1 | \$ (306.9) | (0.7 %) |
| Fire Services | \$ 10,484.2 | 11,188.1 | \$ (703.9) | (1.5 %) |
| Funding Provided for Library Operations | \$ 3,843.1 | 3,843.1 | \$ - | - |
| | \$ 44,453.3 | \$ 47,258.5 | \$ (2,805.2) | (6.1 %) |
| Taxation | \$ (44,453.3) | (47,258.5) | \$ 2,805.2 | 6.1 % |
| | \$ - | \$ - | \$ - | - |

**Town of Aurora
2019 Operating Budget Impacts
CONVERTED AND NEW POSITIONS IN 2019 BUDGET**

Attachment 2

2019 Budget Requests

| | D o l l a r s | | | Full-Time Complement |
|---------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------------|
| | Gross Cost | Offsets | Net Cost | |
| 2018 Budget Approved Full-Time Complement | | | | 223 |
| <u>Full-Time Staffing - Conversion Requests</u> | | | | |
| Program Specialist (HR) - July 1st start date | 42,800 | | | 1 |
| Accounting Analyst - July 1st start date Position will be funded 40% from Building and 10% from Water | 49,850 | 24,925 | | 1 |
| Collections Coordinator - Funded in Water Budget (Full Year) Position will be funded 100% from Water | 73,500 | 73,500 | | 1 |
| Program Manager, Facility Capital Projects - July 1st start date Position will be funded 100% from Capital | 46,500 | 46,500 | | 1 |
| Site Inspector/Contract Administrator - July 1st start date Position will be funded 100% from Capital | 46,500 | 46,500 | | 1 |
| Fleet Supervisor - July 1st start date | 51,600 | | | 1 |
| Flex Serviceperson (2) - July 1st start date | 17,700 | | | 2 |
| | <u>\$ 328,450</u> | <u>\$ 191,425</u> | | |
| Net Full-Time | | | <u>\$ 137,025</u> | <u>231</u> |

**Town of Aurora
2019 Operating Budget
BUDGET COMMITTEE CHANGES**

Attachment 3

| ADJUSTMENTS | | | | RESULTS | | | | | |
|---------------------------------------------------------------------------|------------------|------------|----------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|---------------------|----------------------------|-------------------------------|--------------|
| Ref. | Date of Decision | Department | ITEM | Change to Operating Budget | Running Revised Budget Increase | Impact on Town Rate | Running Town Rate Pressure | Effective Combined Tax Impact | |
| | | | | | | | | Residential | Commercial |
| STARTING POINT - Draft Budget, As of February 12, 2019 = 1,506,900 | | | | | | | 3.3 % | 3.1 % | 1.8 % |
| 1 | Feb.12/19 | CMS | Remove earmarked funding from within core draft budget for the Sports Hall of Fame operating grant | (28,100) | 1,478,800 | (0.06 %) | 3.2 % | 3.0% | 1.7% |
| 2 | Feb.12/19 | CMS | Return of remaining previous Sport Aurora funding to CMS as a placeholder as per CMS19-001 Report | 53,800 | 1,532,600 | 0.12 % | 3.4 % | 3.1% | 1.8% |
| 3 | Feb.12/19 | Fire | Change in final approved Fire Services budget impact for the Town of Aurora | (22,600) | 1,510,000 | (0.05 %) | 3.3 % | 3.1% | 1.8% |
| 4 | Feb.12/19 | CMS | Remove earmarked inflationary funding increase - Aurora Historical Society | (1,850) | 1,508,150 | - | 3.3 % | 3.1% | 1.8% |
| 5 | Feb.12/19 | CMS | Remove earmarked inflationary funding increase - Aurora Cultural Centre | (10,400) | 1,497,750 | (0.03 %) | 3.3 % | 3.1% | 1.7% |
| 6 | Feb.12/19 | LIB | Remove earmarked inflationary funding increase - Library | (95,000) | 1,402,750 | (0.20 %) | 3.1 % | 3.0% | 1.7% |
| 7 | Mar. 4 & 18/19 | CAO | Increase the Town's sponsorship program budget | 40,000 | 1,442,750 | 0.08 % | 3.2 % | 3.0% | 1.7% |
| 8 | Mar. 4 & 18/19 | Corp | Reduce Council contingency budget | (40,000) | 1,402,750 | (0.08 %) | 3.1 % | 3.0% | 1.7% |
| 9 | Mar. 4/19 | CMS | Approval of one-time AHS Godfrey Collection storage costs | 3,500 | 1,406,250 | - | 3.1 % | 3.0% | 1.7% |
| 10 | Mar. 4/19 | CMS | Rate stabilization draw to offset AHS Godfrey Collection Costs | (3,500) | 1,402,750 | - | 3.1 % | 3.0% | 1.7% |
| 11 | Mar. 18/19 | CMS | Approval of Sports Hall of Fame operating grant | 28,100 | 1,430,850 | 0.06 % | 3.1 % | 3.0% | 1.7% |
| 12 | Mar. 18/19 | CAO | Increase the Town's sponsorship program budget | 7,600 | 1,438,450 | 0.01 % | 3.1 % | 3.0% | 1.7% |
| 13 | Mar. 18/19 | Council | Reduce Council civil responsibilities budget | (7,600) | 1,430,850 | (0.01 %) | 3.1 % | 3.0% | 1.7% |
| 14 | Mar. 18/19 | Corp | Remove IT Application Specialist - approval subject to further information back to Council | (51,600) | 1,379,250 | (0.11 %) | 3.0 % | 3.0% | 1.7% |
| 15 | Mar. 18/19 | Corp | Remove IT Manager - approval subject to further information back to Council | (51,600) | 1,327,650 | (0.12 %) | 2.9 % | 2.9% | 1.7% |
| 16 | Mar. 18/19 | FS | Remove Procurement Consultant | (51,600) | 1,276,050 | (0.11 %) | 2.8 % | 2.9% | 1.6% |
| 17 | Mar. 18/19 | CMS | Library Square operating budget phase-in. | 240,000 | 1,516,050 | 0.52 % | 3.3 % | 3.1% | 1.8% |
| | | | | 9,150 | | 0.02 % | | | |

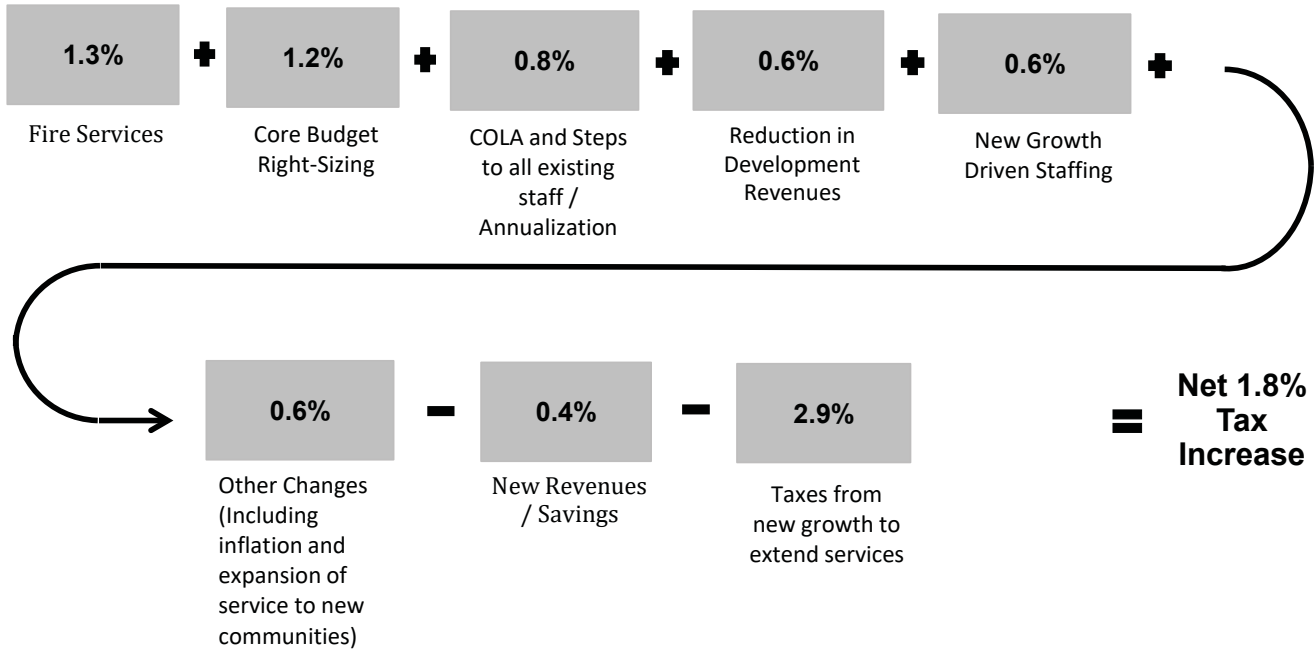
| CALCULATION OF IMPACT ON OVERALL TAX BILL | Estimated Tax Rate Pressure (from above) | RESIDENTIAL | | COMMERCIAL | |
|-------------------------------------------|------------------------------------------|-------------------|----------------------------|-------------------|----------------------------|
| | | Share of Tax Bill | Weighted Tax Rate Pressure | Share of Tax Bill | Weighted Tax Rate Pressure |
| Town of Aurora | 3.3% | 36.6 % | 1.21% | 20.8 % | 0.7% |
| Region of York | 4.4% | 42.7 % | 1.86% | 24.4 % | 1.1% |
| Education | 0.0% | 20.7 % | 0.00% | 54.8 % | 0.0% |
| | | | 3.08% | | 1.8% |

Attachment 4

**Town of Aurora
2019 Operating Budget**

KEY BUDGET DRIVERS

Core Operations:



Service Enhancements:



Fiscal Strategy:



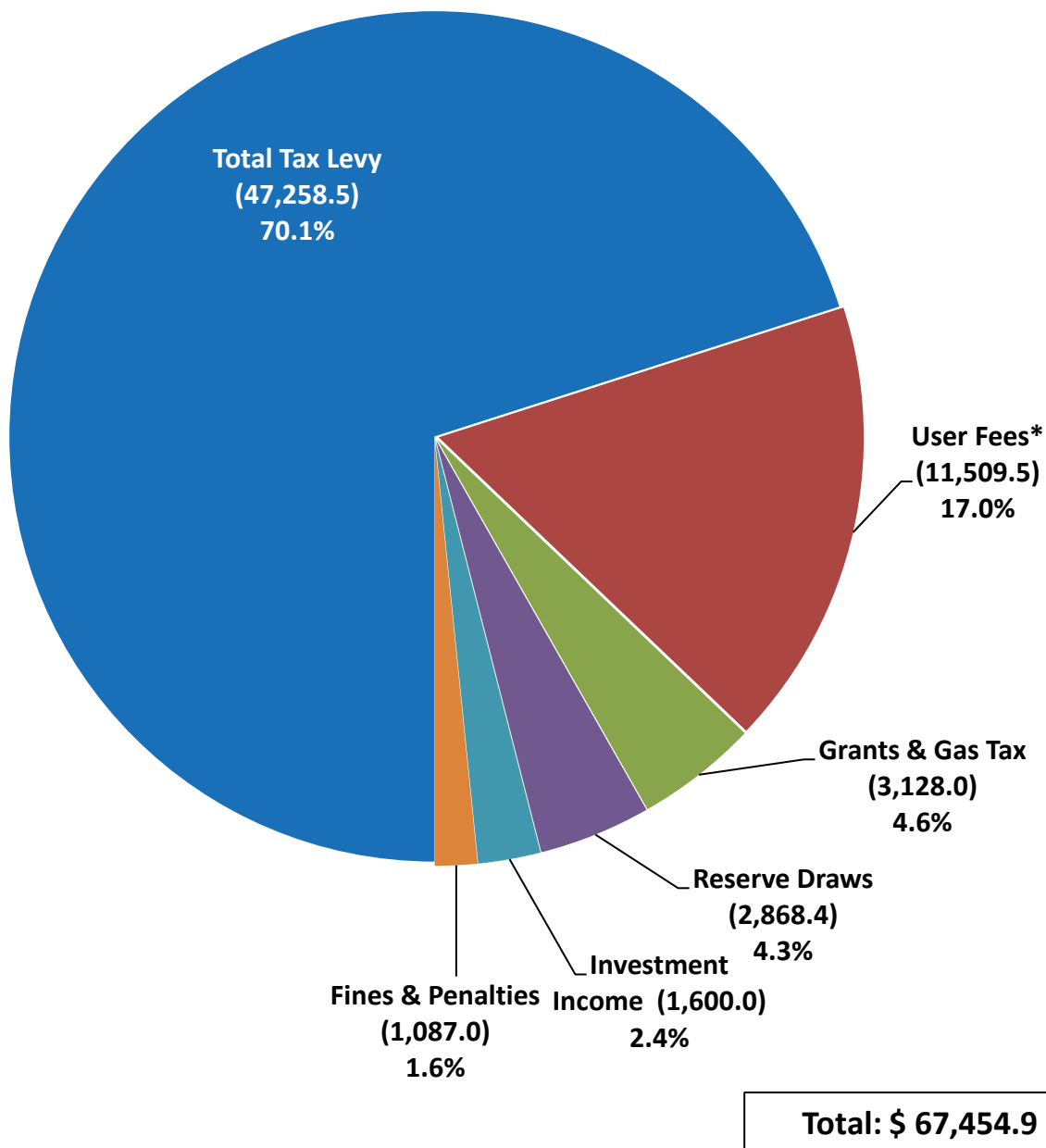
The 3.3% increase to the tax levy translates to an additional \$79.71 on a home with an average assessed value of \$800,000.

**= Net 3.3%
Tax
Increase**

Attachment 5

Town of Aurora 2019 Operating Budget Total Revenues by Source

Shown in \$000's

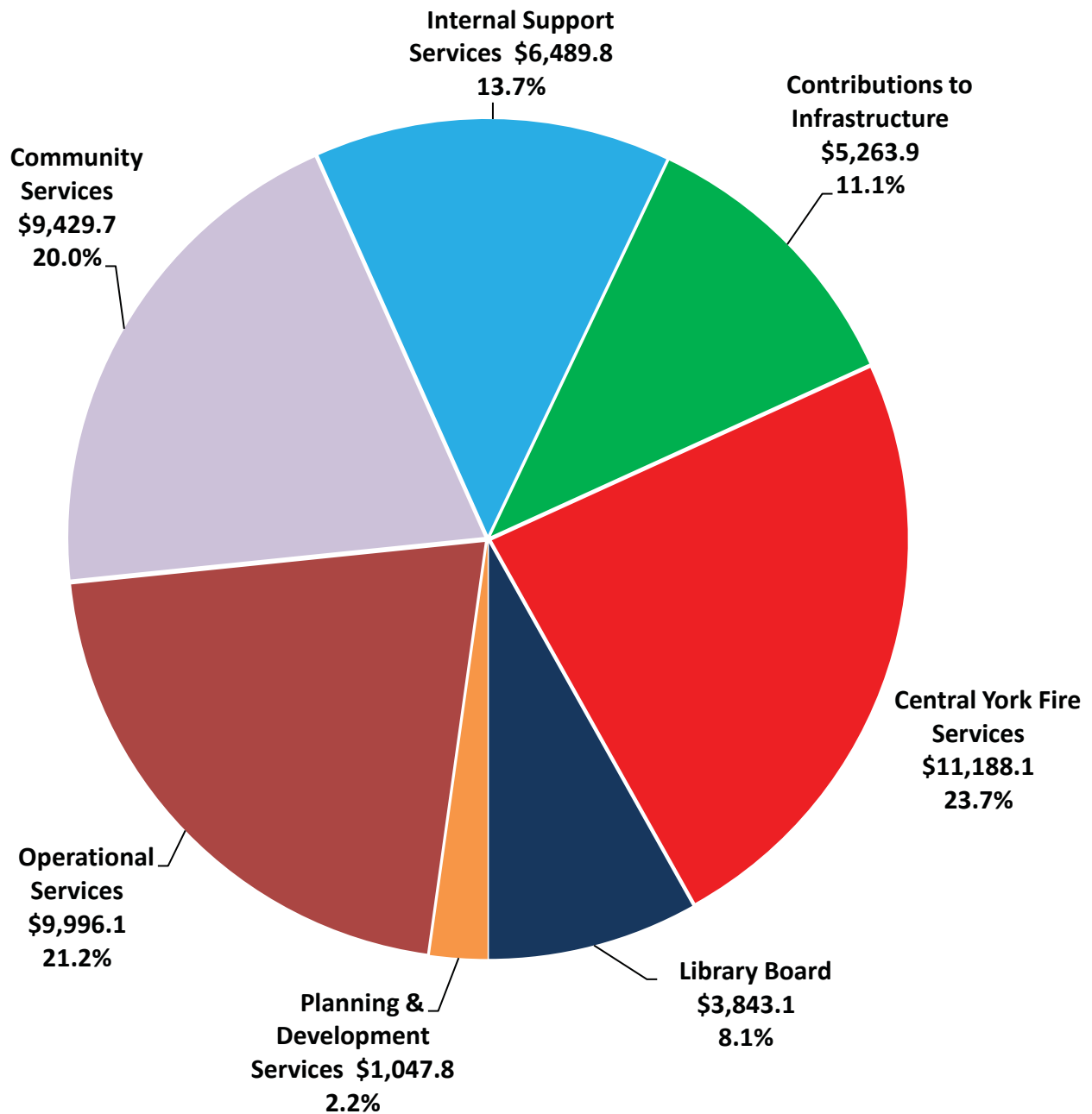


* User Fees include revenue received in relation to the utilization of the town's various service offerings such as its parks and facilities, building permit issuances and development application fees.

Attachment 6

Town of Aurora 2019 Operating Budget Net Tax Funding by Service

Shown in \$000's

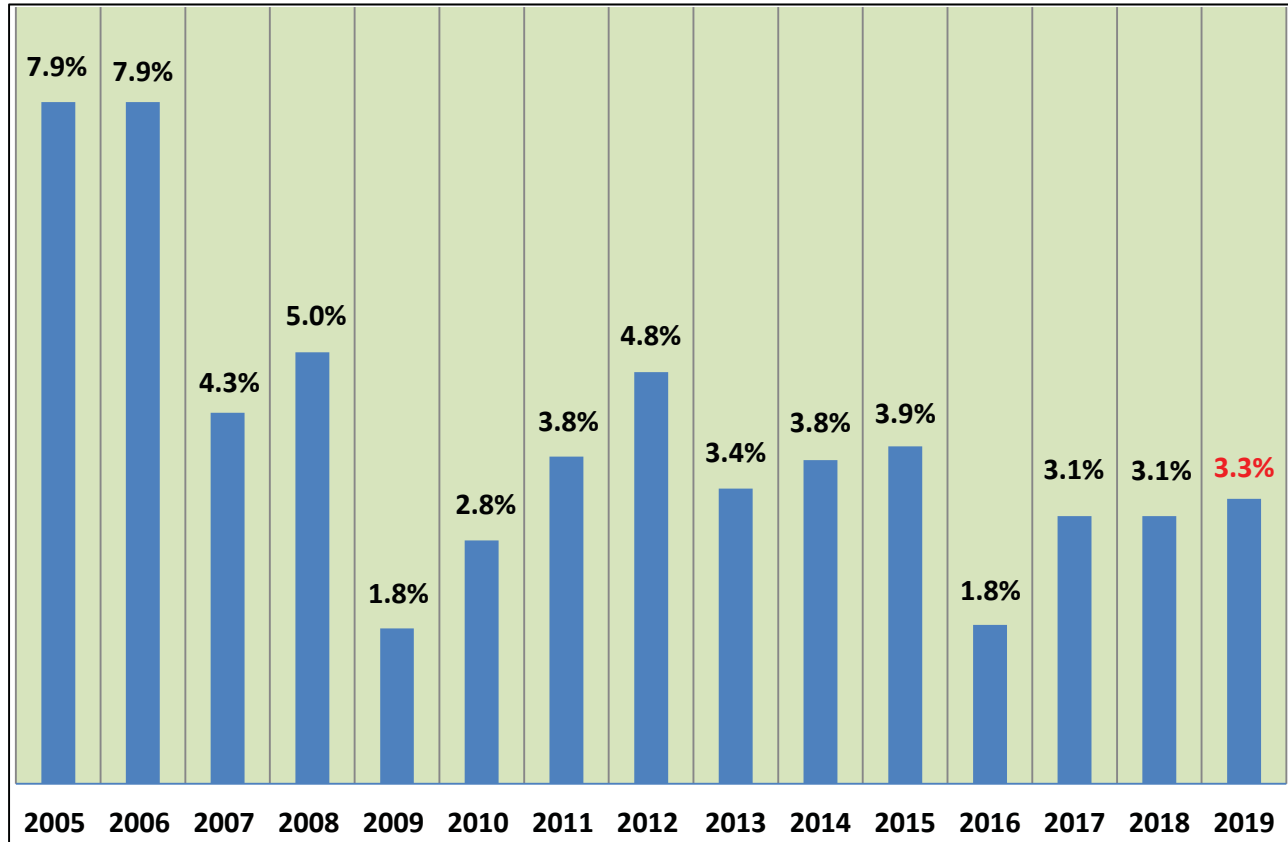


Total: \$ 47,258.5

Town of Aurora

2019 Draft Operating Budget

HISTORY OF AURORA TAX RATE INCREASES



Attachment #8

**Estimate of Tangible Capital Asset Amortization Expense for 2018:
(Excluding Rate Funded Assets)**

| <u>Category</u> | <u>Amortization Amount</u> | |
|-------------------------------------------------|--------------------------------|--------------------------|
| | | in \$'000's |
| <u>Tax Supported Assets</u> | | |
| Buildings | \$ 3,727.6 | |
| Roads/Sidewalks/Street Lighting | 3,523.0 | |
| Bridges & Culverts | 865.9 | |
| Parks (Land Improvement) | 930.4 | |
| Other Vehicles & Equipment | 80.1 | |
| Computer Related Equipment | 337.3 | |
| Sub Total - Directly Supported Assets | | 9,464.3 |
| <u>Indirectly Supported Assets (from Taxes)</u> | | |
| Fire Vehicles & Equipment | \$128.5 | |
| Library Content & Equipment | 89.1 | |
| | | 217.5 |
| Estimated Amortization Expense for 2018 | | <u>\$ 9,681.8</u> |

Town of Aurora - 2019 Budget

2019 Budget Presentation Differences

"Standard" Cash-Basis Budget vs. Presentation Requirement under P.S.A.S.

| <u>In \$ 000 's</u> | <u>Town Budget</u> <small>(excl Library)</small> | <u>+</u> | <u>Library Budget</u> | <u>=</u> | <u>Consolidated Municipal "Standard"</u> <small>(cash basis)</small> | <u>Reporting Change</u> | <u>Under PSAB Guidelines</u> <small>(accrual basis)</small> |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------|----------|-----------------------|----------|-------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------|
| Revenues: | | | | | | | |
| Operating - Tax Levy | \$ 43,415.4 | | \$ 3,843.1 | | \$ 47,258.5 | \$ - | \$ 47,258.5 |
| Operating - Receipts From Outside Sources | 17,454.6 | | 138.6 | | 17,593.2 | - | 17,593.2 |
| Operating - Transfers From Other Funds | 2,741.8 | | - | | 2,741.8 | (2,741.8) ⁽¹⁾ | - |
| Capital - Receipts From Outside Sources | 27,387.3 | | - | | 27,387.3 | - | 27,387.3 |
| Capital - Transfers From Other Funds | 33,176.5 | | 1,105.0 | | 34,281.5 | (34,281.5) ⁽¹⁾ | - |
| Total Revenues | \$ 124,175.6 | | \$ 5,086.7 | | \$ 129,262.3 | \$ (37,023.3) | \$ 92,239.0 |
| Expenses: | | | | | | | |
| Operating Expenses | \$ 52,620.9 | | \$ 3,851.7 | | \$ 56,472.6 | \$ - | \$ 56,472.6 |
| Operating - Transfers To Capital Funds | 5,798.0 | | 130.0 | | 5,928.0 | 5,928.0 ⁽²⁾ | - |
| Operating - Transfers To Other Funds | 3,868.9 | | - | | 3,868.9 | 3,868.9 ⁽²⁾ | - |
| Operating - Debt Principal Payment | 1,040.5 | | - | | 1,040.5 | 1,040.5 ⁽³⁾ | - |
| Operating - Debt Interest Payment | 283.5 | | - | | 283.5 | - | 283.5 |
| Tangible Capital Additions | 59,583.8 | | 1,105.0 | | 60,688.8 | 60,688.8 ⁽⁴⁾ | - |
| Non-Tangible Capital Additions | 980.0 | | - | | 980.0 | - ⁽⁵⁾ | 980.0 |
| Total Expenses | \$ 124,175.6 | | \$ 5,086.7 | | \$ 129,262.3 | \$ 71,526.2 | \$ 57,736.1 |
| Annual Surplus / (Deficit) with Exclusions | \$ - | | \$ - | | \$ - | \$ 34,502.9 | \$ 34,502.9 |
| per O.Reg 284/09 | | | | | | | |
| Exclusions Add Back / (Deduct): | | | | | | | |
| - Amortization of Tangible Capital Assets ⁽⁴⁾ | | | | | | | \$ (9,681.8) |
| - Post Employee Benefits and Sick Leave liabilities | | | | | | | (230.3) |
| - Workplace Safety & Insurance Board Benefits | | | | | | | (9.8) |
| Total Exclusions | | | | | | | \$ (9,921.9) |
| Annual Surplus / (Deficit) - full PSAB Compliance - Estimated Audited Financial Statement Result | | | | | | | \$ 24,580.9 |

Foot Notes:

1. "Transfers From Other Funds" represents transfers from reserves (Retained Earnings) for expenditures and is not considered a revenue source under accrual accounting.
2. "Transfers To Other Funds" represents the contribution to reserves (Retained Earnings) and is not considered an expense under accrual accounting.
3. "Debt Principal Payments" are considered a repayment of a long term liability and are not considered an expense under accrual accounting - only the related interest portion remains a valid expense
4. Under accrual accounting, costs related to the acquisition of "Tangible Capital Assets" are recorded on the balance sheet - only the amortization of existing Tangible Assets is included as an expense. This amortization is generally excluded from traditionally prepared, cash basis, municipal budgets.
5. Studies and Reports are examples of non-Tangible Capital Assets and their acquisition is included as an expense.

Under O.Reg 284/09, this schedule is to be presented prior to or as part of the budget approval process