



BUDGET OVERVIEW

AS APPROVED ON DECEMBER 10, 2019



MESSAGE FROM THE CAO



I am pleased to present the 2020-2022 Operating Budget. This budget is our very first multi-year budget, allowing us to more efficiently and effectively match our business objectives to resources. In addition to increasing fiscal responsibility, this budget has also allowed us to maintain limited tax increases for our residents while implementing several large-scale and exciting projects, and accommodating the growth we continue to experience.

The 2020-2022 Operating Budget includes tax increases of 3.4% in 2020 and 2021 and 2.9% 2022. This represents our commitment to keeping increases set at no more than inflation, with an additional one per cent increase for fiscal strategy initiatives and an extra 0.5% in 2020 and 2021 to phase in the cost of repayment for the library square tax funded capital debt. For the average Aurora home valued at \$800,000 the increase will add \$79 to the Town share of the total tax bill in 2020, \$83 in 2021 and \$73 in 2022.

In 2019, Aurora was named the 11th best community in Canada and the 9th best for families. These rankings marked an incredible rise to the top of the rankings, following 2018 placements at 36 and 37 respectively. I have no doubt that the investments we continue to make in our community and our people are a contributing factor in this national recognition.

This budget represents our commitment to ensuring sound and sustainable finances so that we can continue to maintain existing service levels, while investing in our vision of a progressive community with small town charm. Several key projects have been cemented recently that will help us achieve this vision. In early 2020 we expect to break ground on what is currently called Library Square. More than just a Town Square, the project will see us add a multipurpose performance hall, dance and art studios and café to the existing historic building at 22 Church Street. This facility will be a key part of our commitment to downtown revitalization and I look forward to seeing this creative community space take shape.

Each and every day, our staff live our organizational mission of delivering exceptional services that make people proud to call Aurora home. Our Operating Budgets enable us to allocate the resources we need to take our vision for the future and make it a reality.

The Town is also moving forward with our ongoing commitment to developing and reporting on meaningful Key Performance Indicators (KPIs) that measure the objectives we are setting out as part of our Integrated Business Planning Process. This past year we have made tremendous progress on modernizing our business planning and linking it with our budget and, ultimately, developing KPIs that demonstrate a real return on investment for our residents.

I look forward to working with you, our Council, and our community as we continue to bring our mission and vision for Aurora to life.

Sincerely,

Doug Nadorozny
Chief Administrative Officer

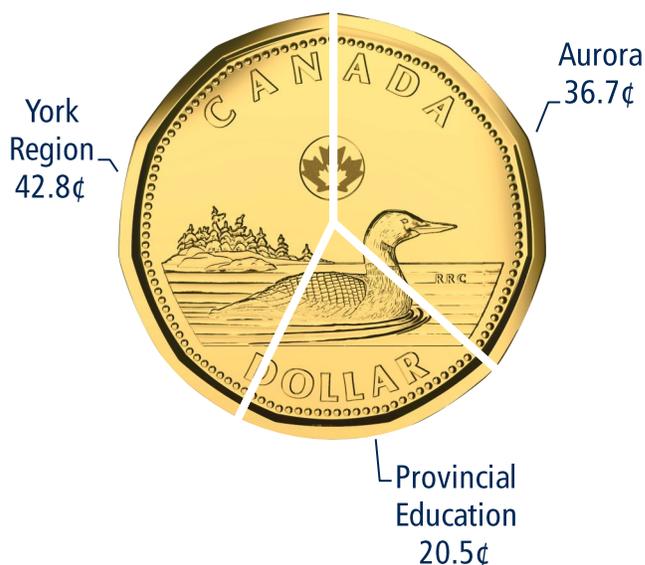
Aurora’s multi-year budget proposes tax increases of 3.4% in 2020 and 2021 and 2.9% in 2022

The 2020 to 2022 budget represents the first multi-year budget for the Town of Aurora. This budget proposes tax increases of 3.4% in 2020 and 2021 and 2.9% 2022. This annual increase meets the direction set by Council to not exceed 3.0% per year including 1% for the fiscal strategies of contributing to asset management reserves and reducing the reliance on supplementary taxes (in-year tax growth) while adding an additional 0.5% in 2020 and 2021 to fund the repayment costs for the debt to be issued for the library square capital investment/

The budget includes \$71.8 million in 2020 growing to \$77.7 million in 2022 to manage tax levy funded operations. The tax levy and supplementary taxes funds 71% of the budget and increases to 73% by 2022.

The budget also includes \$28.8 million in 2020 growing to \$31.5 million in 2022 to support the proposed water, wastewater and stormwater budget which is fully-funded by user rates. The user rate budget is discussed in further detail in the Operational Services section.

Aurora’s share of the tax bill



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 residential tax bill includes three different property taxes: provincial education, York Region and the Town of Aurora. Aurora's share of the residential tax bill is expected to be 36.7% in 2020.

Developing a budget is a complex process

Developing the budget requires input from Council and staff across all departments. In June Council provided staff a target of inflation, two percent, plus one percent for fiscal strategies for all three budget years.

On June 18, 2019 a public session was held to receive input from residents and community groups on the development of the multi-year budget.

The tax levy direction provided by Council and feedback from the public and community groups was used by staff in their development of the budget and the multiple reviews of the budget by the Executive Leadership Team.

This proposed budget was provided to Council for their review on November 5th, 2019 and also shared on the Town's website. Over the month that follows, four Budget Committee meetings are planned to review the multi-year budget with the goal of approving the budget at Council on December 10th, 2019.

Multi-year budgets are more strategic and provide benefit the town

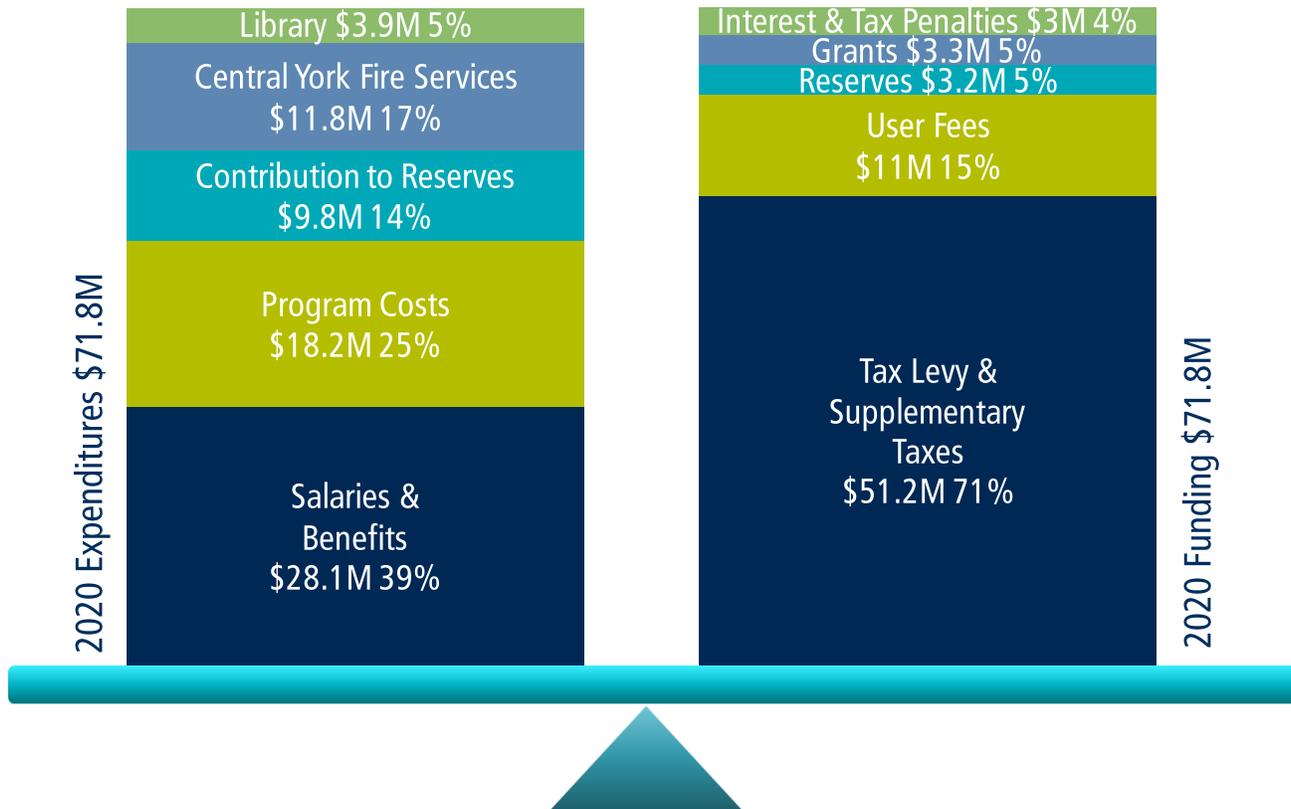
The 2020 to 2022 represents the first multi-year budget for the Town of Aurora. The multi-year budget framework is aligned with the term of Council. In the first year, Council is asked to approve the budget for the first year of their term and receives a forecast for the next three years. In the second year of its term, Council will be asked to approve a three-year operating budget including all related tax impacts.

In the last two years of the Council term the budget focuses on what changed since it was approved in the previous year. Council then has the option to re-affirm the previously approved budget or approve changes to the budget. This meets the requirement in the Municipal Act for Council to approve or re-affirm the budget on an annual basis.

Multi-year budgets provide the following benefits to the Town:

- Better coordination of budgeting and strategic priorities
- Greater certainty for departments in managing expenditures and service levels
- Improved fiscal discipline of the organization
- Streamlined budget reviews that focus on key changes in assumptions and the reasons driving such changes

The 2020 balanced budget, what we spend and how we pay for it



- Allowing staff to develop budgets with fixed targets in place, allowing early response to circumstances and budget constraints of such targets
- Reduced uncertainty about future year tax levies.

Aurora’s proposed budget is balanced in all three years

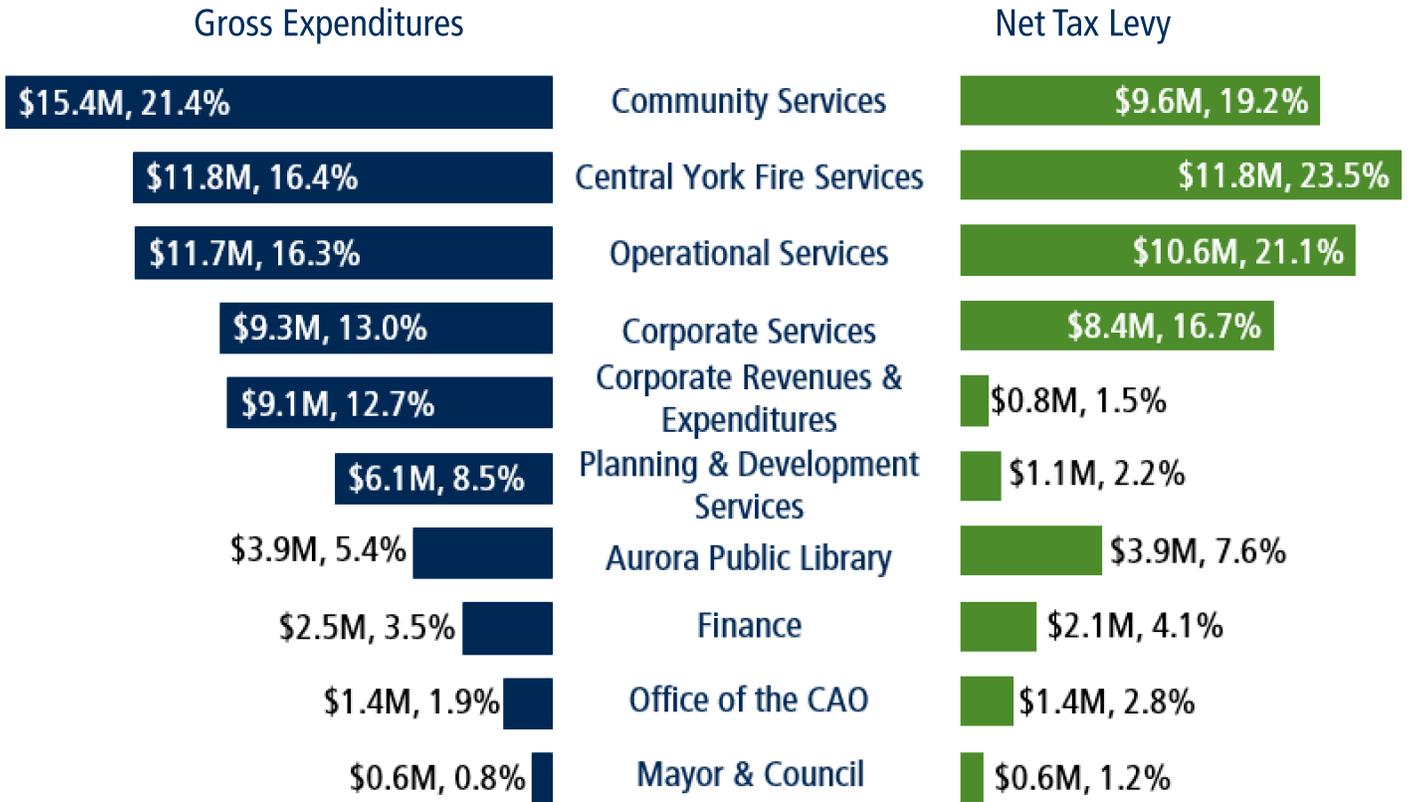
Municipalities are required to approve a balanced budget. Since the budget is developed on a modified-accrual basis, the Town must balance all planned expenditures and reserve contributions with a funding source. For the water, wastewater and stormwater budget the costs are funded through the changes to the rates charged for these services. For the tax levy funded budget, the amount not funded by grants, revenues, reserve draws or user fees must be funded through the property tax.

The image above shows how the tax levy budget is funded for 2020. The largest cost for the Town is salaries and benefits at \$28.1 million or 39% and the largest source of funding is tax levy and supplementary taxes.

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.

2020 budget departmental share of the gross expenditures and net tax levy



The Community Services budget has the highest gross expenditures at 21.4% in 2020. However, on a net tax levy basis, Community Services is the third highest at 19.2% after Central York Fire Services at 23.7% and Operational Services at 21.1% as shown in the chart above. The table on the next page shows the gross and net budgets for 2020 to 2022.

The budget manages year-over-year budget pressures and initiatives

The net budget reflects the amount of expenditures which are funded through the tax levy. The Town has two streams of tax levy funding to pay for these pressures: an increase to the tax levy collected and tax revenue from growth in the number of assessed properties.

The Town strives to use its available assessment growth tax revenues to fund growth pressures. This enables the Town to provide the same level of service to a growing community. The additional tax levy revenue from assessment growth does not impact the tax bill for any of the Town’s existing tax payers.

This budget assumes that assessment growth will slow over the next three years to 2.6% for 2020, 2.4% for 2021 and 2.2% for 2022. The assessment growth combined with the tax levy increase of 3.4% in 2020 and 2021 and 2.9% in 2022 per year fund the net year-over-year budget increases.

2020 to 2022 budget by department

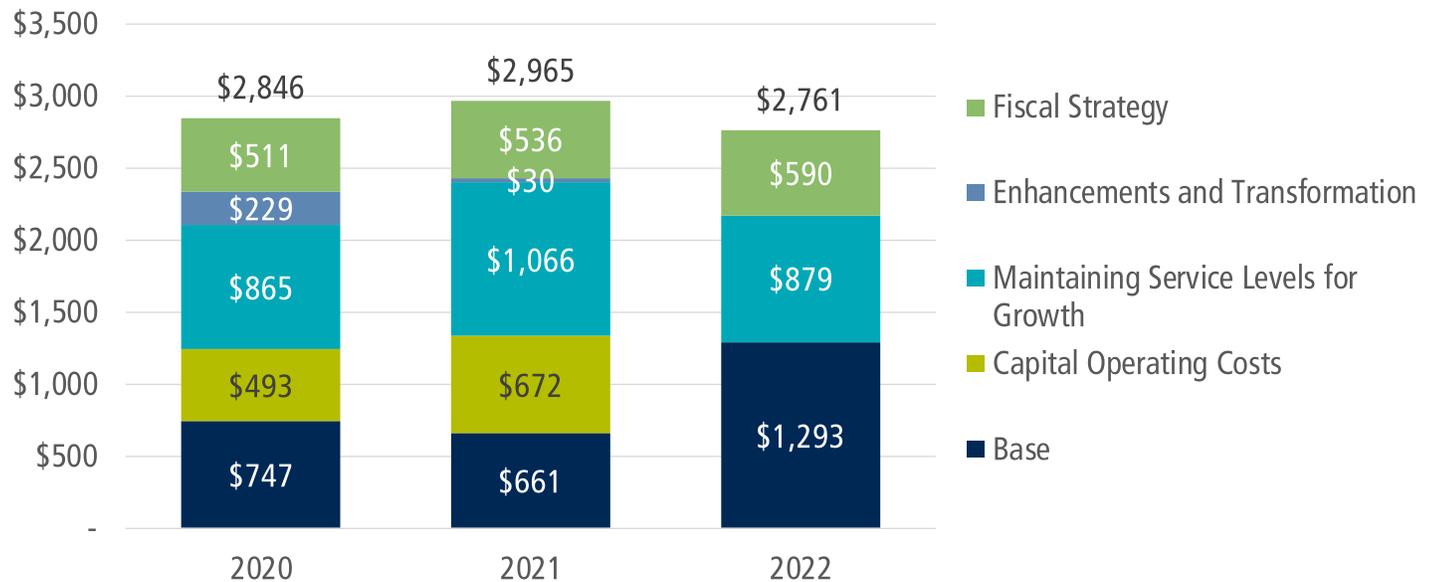
\$000's	Net Actual		2019 Budget			2020 Proposed		Net Change	
	2017	2018	Net Fcst*	Gross	Net	Gross	Net	\$	%
Council	538.9	607.3	571.1	576.1	576.1	578.1	578.1	2.0	0.3%
Office of the CAO	1,065.6	1,166.0	1,276.6	1,332.4	1,332.1	1,378.8	1,378.5	46.4	3.5%
Community Services	7,553.1	7,901.0	8,728.9	14,654.1	9,429.7	15,381.5	9,628.3	198.6	2.1%
Corporate Services	6,706.7	7,111.0	7,420.6	8,269.9	7,472.9	9,330.6	8,364.7	891.8	11.9%
Finance	1,302.9	2,119.9	1,730.9	2,293.8	1,837.5	2,503.6	2,073.6	236.1	12.9%
Operational Services	9,991.5	10,009.7	9,919.0	11,063.9	9,996.1	11,724.0	10,578.3	582.3	5.8%
Planning & Development Serv.	(959.6)	(161.8)	535.1	5,868.5	1,047.8	6,124.6	1,117.3	69.5	6.6%
Corporate Revenues and Exp.	2,402.7	1,724.6	589.6	8,364.9	535.0	9,129.8	762.2	227.1	42.5%
Departmental Total	28,603.7	30,479.7	30,771.8	52,423.7	32,227.3	56,151.0	34,481.1	2,253.8	7.0%
Central York Fire Services	10,225.0	10,496.4	11,188.1	11,188.1	11,188.1	11,755.3	11,755.3	567.2	5.1%
Library	3,767.7	3,843.1	3,843.1	3,843.1	3,843.1	3,868.1	3,868.1	25.0	0.7%
Total	42,596.4	44,819.1	45,803.0	67,454.9	47,258.5	71,774.4	50,104.5	2,846.0	6.0%
Assessment Growth								1,209.4	2.6%
Proposed Tax Increase								1,636.6	3.4%

\$000's	2021 Proposed		Net Change		2022 Proposed		Net Change	
	Gross	Net	\$	%	Gross	Net	\$	%
Council	587.6	587.6	9.5	1.6%	597.2	597.2	9.7	1.6%
Office of the CAO	1,403.1	1,402.8	24.4	1.8%	1,428.1	1,427.8	25.0	1.8%
Community Services	15,982.7	10,208.3	580.0	6.0%	16,263.4	10,535.0	326.8	3.2%
Corporate Services	10,160.2	9,174.6	809.8	9.7%	10,559.4	9,555.2	380.6	4.1%
Finance	2,688.3	2,160.3	86.6	4.2%	2,849.7	2,334.7	174.5	8.1%
Operational Services	12,230.0	11,106.4	528.1	5.0%	12,755.1	11,629.9	523.5	4.7%
Planning & Development Services	6,466.8	1,116.1	(1.2)	(0.1%)	6,786.3	1,184.0	68.0	6.1%
Corporate Revenues and Expenditures	9,338.4	1,217.3	455.1	59.7%	9,889.5	2,019.4	802.1	65.9%
Total Departmental Budget	58,857.1	36,973.3	2,492.2	7.2%	61,128.7	39,283.3	2,310.0	6.2%
Central York Fire Services	12,200.1	12,200.1	444.8	3.8%	12,613.6	12,613.6	413.5	3.4%
Library	3,896.1	3,896.1	28.0	0.7%	3,934.1	3,934.1	38.0	1.0%
Total Proposed Budget	74,953.3	53,069.5	2,965.0	5.9%	77,676.4	55,831.0	2,761.5	5.2%
Assessment Growth			1,204.7	2.4%			1,178.6	2.2%
Proposed Tax Increase			1,760.3	3.4%			1,582.9	2.9%

The net increases to the Town’s budget are grouped into the five categories shown in the chart below. These categories are broken down into further detail in the table on the following page.

Year-over-year net budget increases

(in \$000s)



Base

Base pressures include items which are intended to maintain the status quo which is delivering the same level of service from the previous year. The pressures in this group are mostly inflationary and include salaries, benefits, cost of living adjustments, step increases and other staffing actions at \$947,300 in 2020, \$642,000 in 2021 and \$523,000 in 2022. Inflationary pressures on contracts, program materials and utilities are \$678,800 in 2020, \$438,600 in 2021 and \$538,500 in 2022.

These costs are offset by additional revenues and recoveries of \$1.2 million in 2020, \$246,100 in 2021 and \$100,500 in 2022. These revenues and recoveries include penalties on taxes, recoveries from water and building operations for corporate overhead, lease revenues and a one-time provincial modernization grant.

The combination of the increased revenues for penalties on taxes in 2020 and 2021 and the use of the fiscal stabilization reserve result in the base year-over-year pressure change from year-to-year. Without these two items the base pressure would be \$951,100 in 2020, \$1,057,000 in 2021 and \$1,084,000 in 2022.

Contributions to and from the tax stabilization reserve are discussed in more detail in the Corporate Revenues & Expenditures section of this budget.

Budget change summary

	2020		2021		2022	
	FTE	\$000's	FTE	\$000's	FTE	\$000's
Base						
Salary & Wages including COLA, step increases and other	-	947.3	-	642.0	-	523.2
Solid waste / recycling contract increases	-	318.3	-	184.1	-	219.1
Rate stabilization draws/contributions	-	291.6	-	(333.8)	-	208.9
Inflationary impacts on various Town contracts	-	192.5	-	130.1	-	191.5
Town Facility operating cost increases (utilities, heating, operating supplies)	-	86.6	-	88.7	-	98.3
Fleet and equipment operation	-	81.4	-	35.7	-	29.5
Insurance premium increases	-	55.2	-	60.8	-	66.8
Multi-year budget contingency	-	-	-	100.0	-	56.0
Penalty revenue increases	-	(495.3)	-	(61.7)	-	-
Overhead support recoveries from water & building ops	-	(235.0)	-	(129.7)	-	(92.2)
Other savings / revenues	-	(208.7)	-	(129.6)	-	(105.9)
One time provincial modernization grant	-	(160.4)	-	160.4	-	-
Lease revenues	-	(83.4)	-	(67.2)	-	103.9
Sponsorship / advertising revenues	-	(42.8)	-	(18.3)	-	(6.3)
	-	747.4	-	661.5	-	1,292.9
Capital Operating Costs						
Library Square financing cost phase-in (tax funded debt)	-	253.0	-	257.0	-	-
Phase in of New Library Square Operating Budget	-	240.0	-	240.0	-	-
New HRIS Software Maintenance & Support	-	-	-	175.0	-	-
	-	493.0	-	672.0	-	-
Maintaining Service Levels for Growth						
Central York Fire Services	-	567.2	-	444.8	-	413.5
New positions - Various	5.0	357.5	6.0	500.1	5.0	450.7
Contract increases	-	189.0	-	158.8	-	65.8
Part time / contract increases	-	171.3	-	39.8	-	52.7
Solid waste / recycling contract increases	-	44.7	-	37.8	-	37.8
Community partner delivered services	-	37.3	-	38.6	-	45.3
New Positions - Various Conversions	4.0	8.5	1.0	-	-	-
Community program revenue increases	-	(328.7)	-	(38.1)	-	(57.8)
Development driven revenue increases	-	(181.7)	-	(115.9)	-	(129.2)
	9.0	865.2	7.0	1,066.0	5.0	878.8
Enhancements and Transformation						
IT Strategic Plan driven non staffing enhancements	-	229.1	-	30.0	-	-
New Positions - Financial & Systems Specialist	-	-	1.0	-	-	-
	-	229.1	1.0	30.0	-	-
Fiscal Strategy						
Cash to capital contribution to reserve	-	436.3	-	460.6	-	539.8
Reduce reliance on Supplementary Taxes	-	75.0	-	75.0	-	50.0
	-	511.3	-	535.6	-	589.8
Total Net Budget Change	9.0	2,846.0	8.0	2,965.0	5.0	2,761.5

Capital impact on operating

Capital impact on operating pressures reflect the on-going cost to operate a capital project once it moves into operations. This group includes three items. The first is the phase in of the incremental costs of \$240,000 in 2020 and 2021 to operate Library Square once it opens in 2022. The second is the ongoing maintenance and support costs for the new human resources information system of \$175,000 in 2021. The last item relates to the tax funded debt to be issued for the construction of Library Square. This funding represents a 0.5% tax levy increase equal to \$253,000 in 2020 and \$257,000 in 2021. These funds will be used to repay the Library Square debt over 20 years. Until the debt is issued the funds will be contributed to the Town's tax funded asset management reserves.

Maintaining service levels for growth

This group includes the cost to provide the same level of service for a growing population. The cost pressures in this group include new permanent full-time positions and conversions of positions to permanent full-time of \$366,000 in 2020, \$500,100 in 2021 and \$450,700 in 2022. More detail can be found in the departmental sections of the budget where business cases for each new proposed full-time position is included. Other cost pressures in this group relate to contract increases of \$233,800 in 2020, \$196,600 in 2021 and \$103,600 in 2022.

The budget also includes Aurora's share of the cost for Central York Fire Services of \$567,200 in 2020, \$444,800 in 2021 and \$413,500 in 2022 and the increases for Aurora's community partners of \$37,300 in 2020, \$38,600 in 2021 and \$45,300 in 2022. More information can be found in the Central York Fire Services and Community Partners sections of this budget.

These pressures are offset by increases to revenues for community programs and development fees of \$510,400 in 2020, \$154,000 in 2021 and \$187,000 in 2022.

Enhancements and transformation

The initiatives in this group are intended to enhance services or transform business processes including how the Town will transform business processes through the better use of technology. This group includes implementing the non-staffing items from the Information Technology Strategic plan and adding a Financial & Systems Specialist to support the implementation of the new financial system and to further develop financial reporting tools.

Fiscal strategy

Fiscal strategy includes the cash-to-capital contribution to reserves and reducing the Town's reliance on supplementary taxes. These pressures are mostly funded through the additional one percent tax levy included above inflation.

Proposed permanent full-time staffing detail

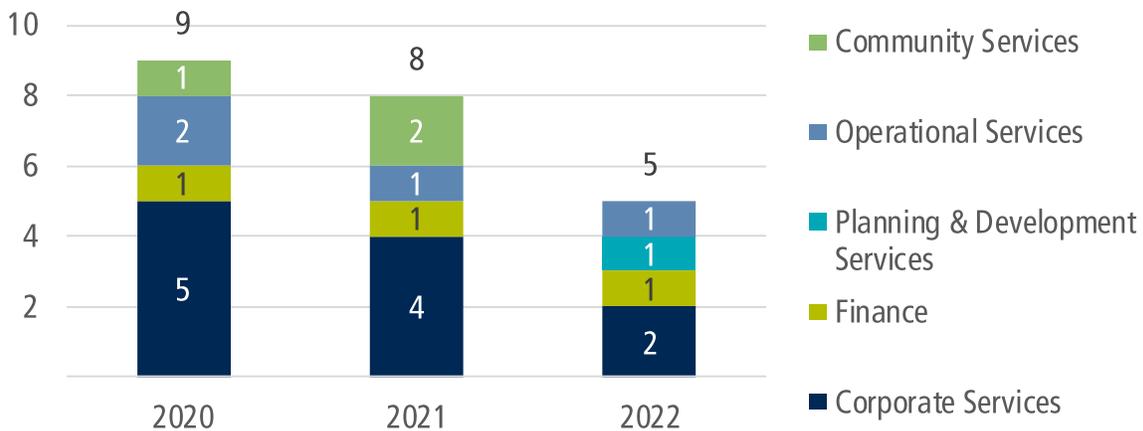
	2020			2021			2022		
	FTE	Gross \$000	Net \$000	FTE	Gross \$000	Net \$000	FTE	Gross \$000	Net \$000
Opening Full Time Equivalent (FTE)	231			240			248		
Corporate Services									
IT Strategic Plan Positions	2	252.0	252.0	1	111.8	111.8	1	111.8	111.8
Project Manager, PMO (Conversion)	1	136.2	0.0						
Parking/By-Law Officers (Conversion)	2	163.0	8.5						
Uplift of Part Time to Full Time Customer Service Rep				1	55.7	55.7			
Human Resources Consultant				1	108.8	108.8			
Legal Assistant				1	74.3	74.3			
Legal Articling Student							1	90.0	90.0
Finance									
Senior Financial Management Advisor	1	119.8	119.8						
Financial ERP Specialist				1	111.1	0.0			
Procurement Analyst							1	90.9	90.9
Planning & Development Services									
Administrative Assistant - Engineering Division							1	75.0	75.0
Operational Services									
Water Meter/Backflow Administrator	1	82.0	0.0						
Flex Service Person (Conversion)	1	81.3	15.9						
Flex Service Person				1	81.3	81.3			
Parks Operator							1	83.0	83.0
Community Services									
Community Programmer	1	83.9	83.9						
Facility Booking Administrator				1	68.2	68.2			
Sport & Community Development Specialist (Conversion)				1	100.9	0.0			
Closing Full Time Equivalent (FTE)	240	918.2	480.1	248	712.1	500.1	253	450.7	450.7

People deliver services the Town relies on

This budget proposes to add five new positions plus four conversions in 2020, seven new positions plus one conversion in 2021 and five new positions in 2022. These positions are needed to deliver the initiatives included in budget and manage growth.

Business cases are included in the department’s section for the new staffing requests shown above plus two additional temporary staffing requests. They include a three-year temporary Graphic Designer in the Office of the CAO to support Library Square starting in 2020 and a two-year temporary Policy Planner in Planning and Development Services starting in 2021.

Proposed permanent full-time staff



Council approved the pressures not included within the tabled budget

Two known budget pressures which were not included in the tabled budget were approved by Council. These pressures relate the Town’s planned Library Square development and the operations of its community partner, the Aurora Cultural Centre. Budget Committee considered these two pressures and recommended them to be included in the approval of the 2020 to 2022 budget. The addition of phasing in the Library Square debenture increased the tax levy increase in 2020 and 2021 from 2.9% to 3.4% from tabling to approval.

The 1% Library Square debenture funding strategy to be phased in over two years

The investment for Library Square at budget tabling was estimated at \$47.9 million. The Town’s proposed funding strategy for this project includes the use of debt where the carrying cost of the debt, principal and interest, does not exceed an equivalent of a 1% tax rate increase.

The debt is expected to be needed in late 2021 or early 2022. This provides the Town time to phase in the annual carrying costs of this debt. Council approved phasing in the 1% tax

increase over 2020 and 2021 in two equal tax rate increases of 0.5%. Since these funds will not be required immediately they will be contributed to the tax stabilization reserve until the debt is issued and the carrying costs begin.

Aurora Cultural Centre will pressures be managed through Library Square funding

The Town has budgeted inflationary increases for the Aurora Cultural Centre. The centre had identified pressures over this amount by \$58,700 in 2022, \$10,500 in 2021 and \$12,800 in 2022. Council approved that these amounts, along with the costs to temporarily relocate the Aurora Cultural Centre and museum staff, be funded out of existing Library Square operating budget funding that is included in this proposed budget avoiding the need for any further tax increase. More information can be found in the Community Partners section of this budget.

Continuous improvement of the budget

The budget is an annual process which is refined each year. Implementing the multi-year budget framework is a significant change but there are also some more improvements included in this budget.

New two-page business cases for staffing initiatives

The 2020 to 2022 includes newly designed two-page business cases for permanent full-time staffing requests and the two multi-year temporary positions. These new business cases provide the rationale for hiring the positions and explain the initiatives they support. On the second page additional information and graphics are included to help show the benefit of proceeding with hiring the additional position and implementing the initiative.

The water, wastewater and stormwater budget is integrated with the budget

This year, in the Operational Services section, information is provided on the rate-supported budget in the same manner as the tax-supported budget. This provides a better overview of all the services that Operational Services provides and provides more information to the budget reader about the water, wastewater and stormwater budget.

More work is to be done on key performance indicators

The Town is moving forward with developing and reporting on meaningful key performance indicators to measure the objective to be set out as part of our Integrated Business Planning Process. This past year we have made tremendous progress on modernizing our business planning and linking it with our budget and, ultimately, developing indicators that demonstrate a real return on investment for our residents.

The metrics which were reported in last year’s budget have not been included in this budget document. They will be replaced with the new key performance indicators being developed next year as part of the 2021 to 2022 Budget.

The 2021 budget will bring operating and capital budgets together

The 2021 to 2022 budget, to be presented next year, will bring both the operating and capital budgets together as one complete document. The operating budget will focus on the changes to the outlook while the capital budget will include improvements identified in the approved 2020 Capital Budget. These capital budget improvements included

- Bringing new and previously approved projects together to ensure the capital plan is more complete
- Considering both the total capital project costs and the timing of capital spending.
- Further developing longer-term fiscal plans for capital budgets and reserves.

Budget impact on the average resident

The graphic below shows the average impact of this three-year budget on the average resident. For a home assessed at \$800,000, Aurora’s share of the tax bill in 2019 is \$2,339. This will increase by 3.4% in 2020 and 2021 and 2.9% in 2022 or \$79 in 2020, \$83 in 2021 and \$73 in 2022.

On average, each resident consumes 54 cubic meters of water per quarter which results in a total bill of \$279.14. This bill will increase each year by \$42.21 in 2020, \$4.92 in 2021 and \$7.71 in 2022.



* Includes water, wastewater and stormwater charge

Intentional Blank