



 CORPORATE
ITEMS

As approved on January 31st, 2023

Corporate Items

The Corporate Items Budget includes items which cannot be easily associated with specific departments or are corporate-wide in nature including corporate management assumptions/contingencies, user rate recoveries, Fiscal Strategy and non-levy tax items.

Corporate Items support the implementation of the strategic and other key plans

Strategic Plan

Corporate Items supports the “Leadership in Corporate and Financial Management” guiding principal of the plan as the corporate budgets for Fiscal Strategy elements are included in this Budget.

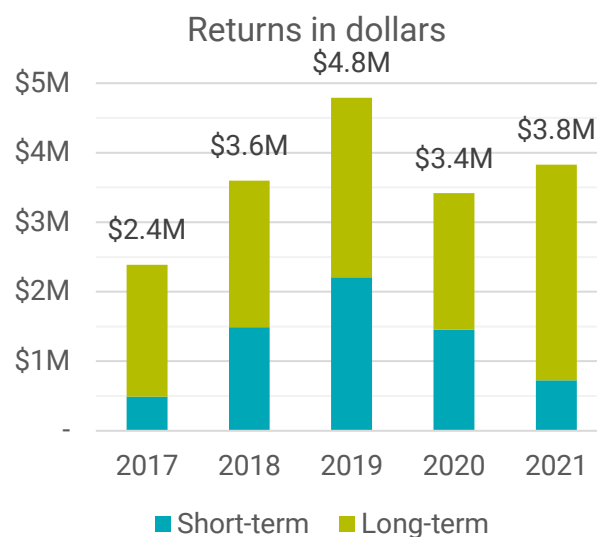
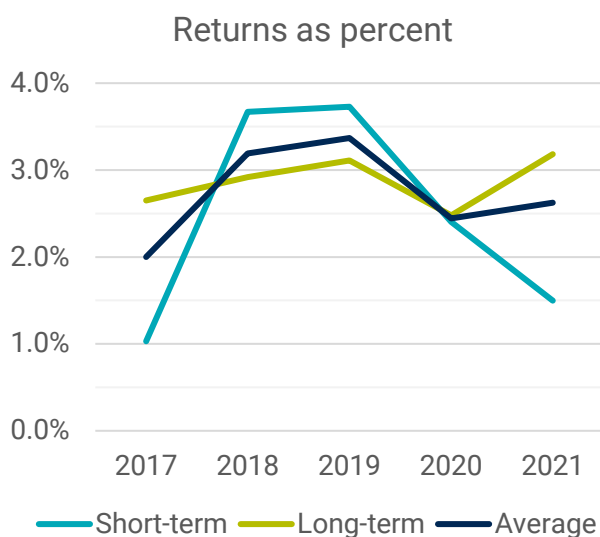
This Budget includes the contributions of asset management capital reserves supporting the strategic objective to “invest in sustainable infrastructure.”

Fiscal Strategy

The four pillars of the Fiscal Strategy are: Capital Planning, Reserve Management, Debt Management and Revenue Management. This Budget includes items that support the last three through contributions to capital reserves, budget for debt repayment and funding and investment income.

The Town currently invests using the Legal List which specifies limited list low-risk Canadian investments including guaranteed income certificates, bonds, and limited Canadian equity. Aurora has earned returns of between 2% and 3.37% between 2017 and 2021.

Aurora investment returns from 2017 to 2021



Aurora will consider moving towards the prudent investor standard in early 2023 which will provide more options for long-term investments with potentially higher returns.

Asset Management Plan

Corporate Items includes the budget for contributions to capital reserves with the largest portion going towards supporting asset management. These contributions are then used in the Capital Budget to fund projects and some reserves are being built up over the long-term to support significantly higher asset management needs in the future. More information about reserves can be found in Tab 5 Reserves and Debt Management.

2022 Accomplishments

In 2022, the reporting on corporate items was revised after consultation with the Finance Advisory Committee.

- The changes make it easier to understand the elements of Corporate Items by reporting on them in four key areas: Corporate Management, Recovery from Rate, Fiscal Strategy and Non-Levy Tax Items
- This change also managed the deferred revenue reporting standards for grants by receiving the revenue directly into the reserve, so they no longer appear in corporate items
- The Business Improvement Area budget for the payment was also moved from Planning and Development Services to Corporate Items to offset the special levy

Operating Budget

Overview

The operating budget for Corporate Items is approved to increase by \$772,900 in 2023. The main driver of the increase includes the Fiscal Strategy portion of the levy which reflects a one percent tax increase to support contributions to capital reserves and a reduction on the reliance of supplementary tax revenues.

Operating financial summary

\$000's	Net Actual Results		2022 Net Fcst*	2022 Budget	2023 Budget
	2020	2021			
Expenditures	11,112.3	15,767.1	6,350.7	6,169.0	6,829.6
Non-Tax Revenues	(9,285.4)	(12,923.6)	(5,329.5)	(5,294.8)	(5,182.5)
Net Tax Levy	1,826.9	2,843.5	1,021.2	874.2	1,647.1
% Tax Funded	16%	18%	16%	14%	24%
Net Budget Change	\$	1,016.6	(1,822.3)	(147.0)	772.9
	%	55.6%	(64.1%)	(14.4%)	88.4%

*Net forecast as of October 31, 2022

Operating Budget priorities for 2023

The Corporate Items budget is broken down into four key areas: Corporate Management, Recovery from Rate, Fiscal Strategy and Non-levy Tax Items.

Corporate Management

Corporate Management includes high-level corporate assumptions for salary assumptions including adjustments, retiree benefits and gapping, contingency which is used in the outer years of the multi-year budget and other items that don't have a natural home in the Budget.

Note the Council contingency has moved to the Council budget as authorization to use this amount is based on resolutions during the year.

Recovery from User Rate

This reflects the recovery for corporate overhead from water, wastewater, stormwater and building services operations.

Fiscal Strategy

This section includes three of the pillars of the Fiscal Strategy:

- Reserve management includes the contributions to capital reserves
- Investment management includes investment income earned on reserve balances in accordance with the Investment Policy Statement
- Debt management includes the principal and interest costs associated with the active or completed construction of capital projects and partially offset by any applicable non-tax levy funding including development charge revenue

The fourth pillar of the Fiscal Strategy is capital planning which is reflected by the 10-Year Capital Plan.

Non-Levy Tax Items

This section includes additional tax revenues and costs which are not part of the Town's regular tax levy. They include:

- Business Improvement Area (BIA) Levy which applies only to a specific area in the Town. The funds collected through this special levy are remitted to the BIA for them to implement their programs
- Supplemental Taxes reflect additional taxes for growth that reflect changes to the tax roll typically for growth. Aurora is reducing the reliance on this levy to \$75,000 per year which will be achieved in 2024. The excess revenue collected will be contributed to the Growth and New Reserve as these funds are additional tax funds relating to growth
- Payments-in-Lieu of Tax are payments made by the provincial and federal government in lieu of paying property taxes
- Tax Adjustments/Losses arise from notices and decisions relating to assessments and reassessments of properties within the Town's borders. The adjustments are approved

by the Municipal Property Assessment Corporation (MPAC), as part of the Ontario Assessment Review Board appeal process. These losses can fluctuate as they may span multiple years

- Penalties on Taxes are charges of penalties and interest on late or unpaid tax installments. These revenues can fluctuate based on the amount of outstanding tax bills which also includes past due water account balances which are moved to the tax account for collection

Corporate Items Budget changes

\$000's	2022 Budget		2023 Budget		Net Change	
	Gross	Net	Gross	Net	\$	%
Corporate Management						
Corporate Accounts	-	(64.6)	1.0	(72.8)	(8.2)	12.7%
Salary Management	(79.6)	(184.6)	66.6	66.6	251.2	(136.1%)
Contingency	-	-	-	-	-	
	(79.6)	(249.2)	67.6	(6.2)	243.0	(97.5%)
Recovery from Rate	(2,404.9)	(2,404.9)	(2,510.3)	(2,510.3)	(105.4)	4.4%
Fiscal Strategy						
Reserve Management	6,320.7	6,320.7	6,866.9	6,866.9	546.2	8.6%
Investment Management	-	(1,600.0)	-	(1,600.0)	-	
Debt Management	1,685.0	510.0	1,685.0	510.0	-	
	8,005.7	5,230.7	8,551.9	5,776.9	546.2	10.4%
Non-Levy Tax Items						
Business Improvement Area Levy	42.8	-	40.4	-	-	
Supplemental Taxes	325.0	(225.0)	400.0	(150.0)	75.0	(33.3%)
Payments-in-Lieu of Tax	-	(362.1)	-	(348.0)	14.1	(3.9%)
Tax Adjustments/Losses	280.0	280.0	280.0	280.0	-	
Penalties on Taxes	-	(1,395.3)	-	(1,395.3)	-	
	647.8	(1,702.4)	720.4	(1,613.3)	89.1	(5.2%)
Total	6,169.0	874.2	6,829.6	1,647.1	772.9	88.4%

Intentional Blank