



# 2020 to 2022 Operating Budget

Presentation to Council  
November 5, 2019



# Overview of presentation

- Multi-year budget
- 2020 to 2022 tax levy budget overview
- Water, wastewater and stormwater budget
- Household impact
- Looking ahead and next steps

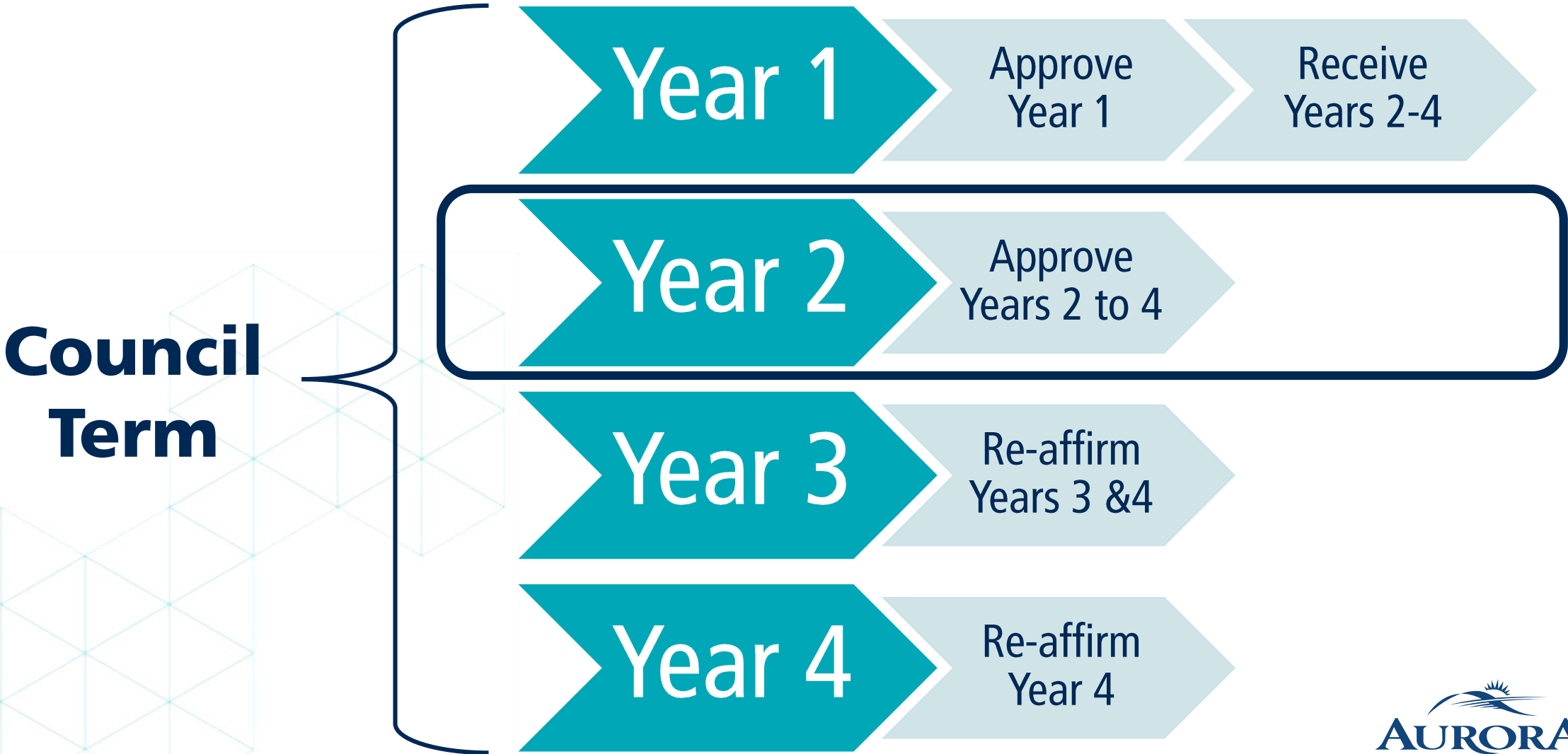




# Benefits of a multi-year budget

- Better alignment with strategic priorities
- Greater certainty in managing service levels
- Improved fiscal discipline
- Certainty about future year tax levy increases
- Streamlined budget reviews in future years

# Aurora's multi-year budget approval process



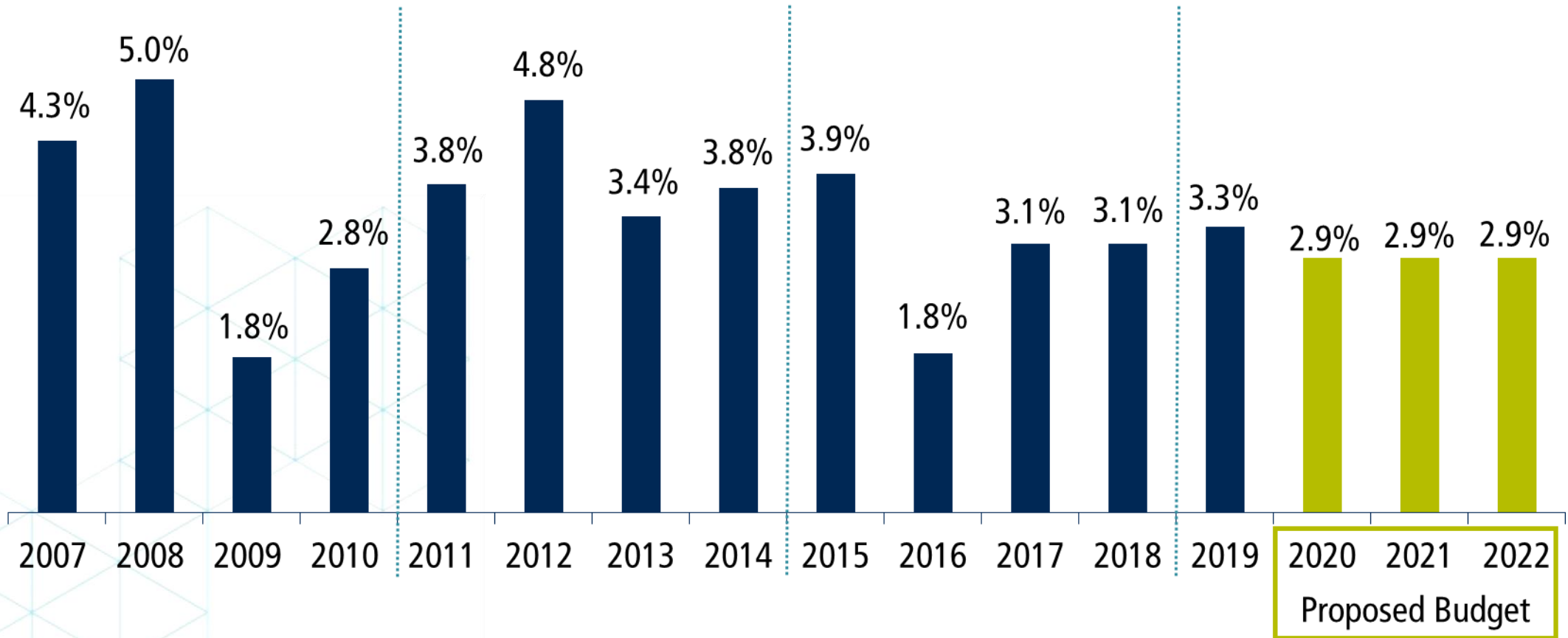




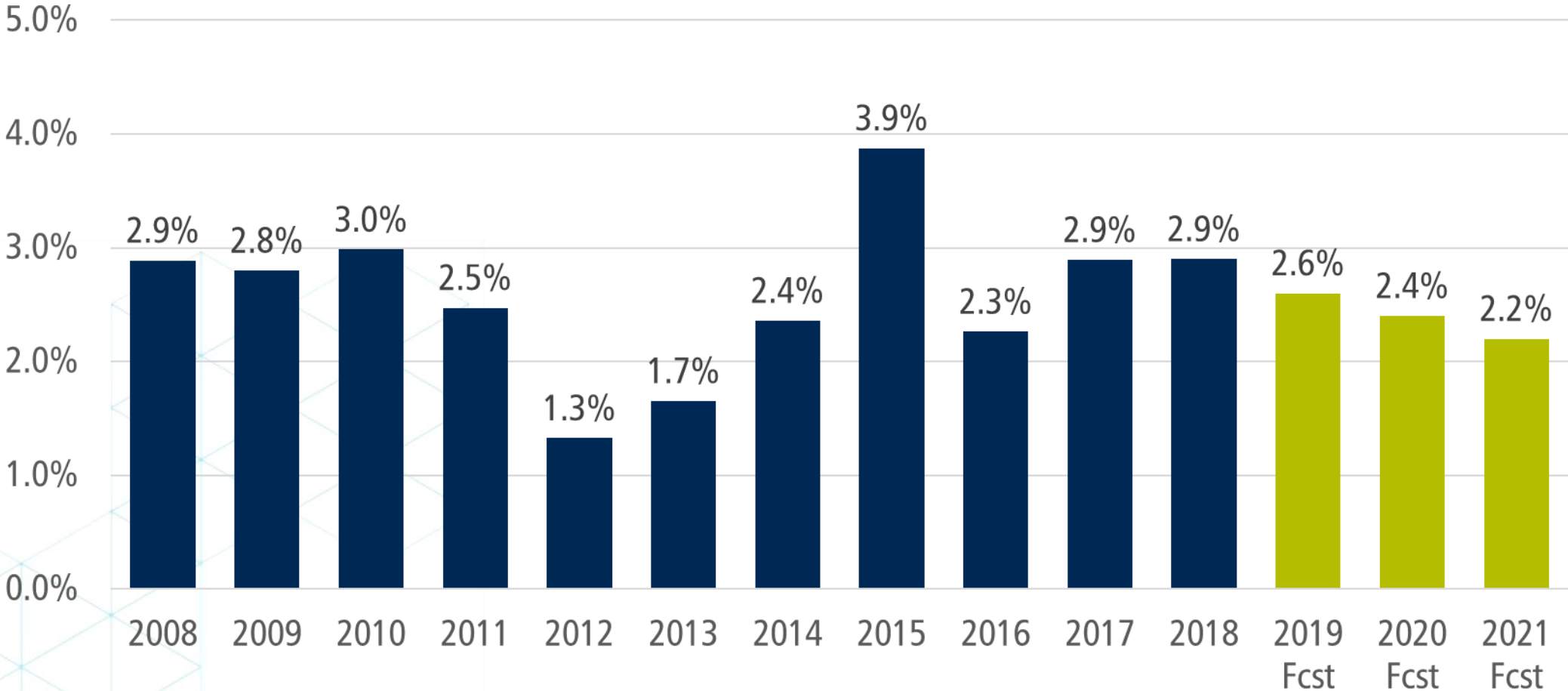
# 2020 to 2022 tax levy budget



# Proposed 3% average tax increase for this Council term



# Assessment growth is forecasted to slow

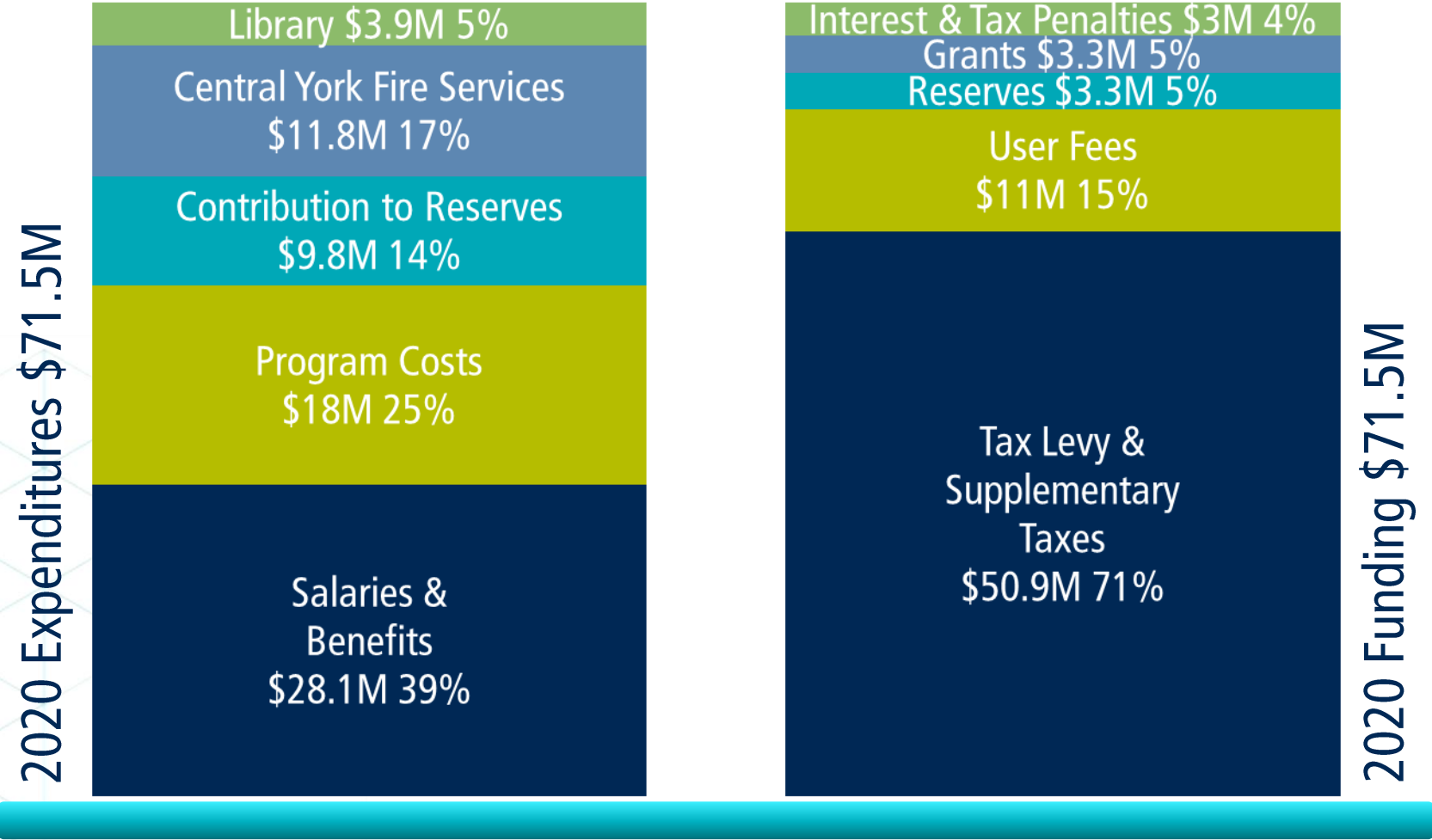


# 2020 to 2022 proposed budget at a glance

	2020	2021	2022
Gross Expenditures (\$000s)	71,521	74,443	77,166
Non-Tax Revenues (\$000s)	(21,670)	(21,884)	(21,845)
Net Tax Levy (\$000s)	49,851	52,559	55,321
Assessment Growth	2.6%	2.4%	2.2%
Proposed Tax Increase	2.9%	2.9%	2.9%
Option: Proposed Library Square Debenture	0.5%	0.5%	-

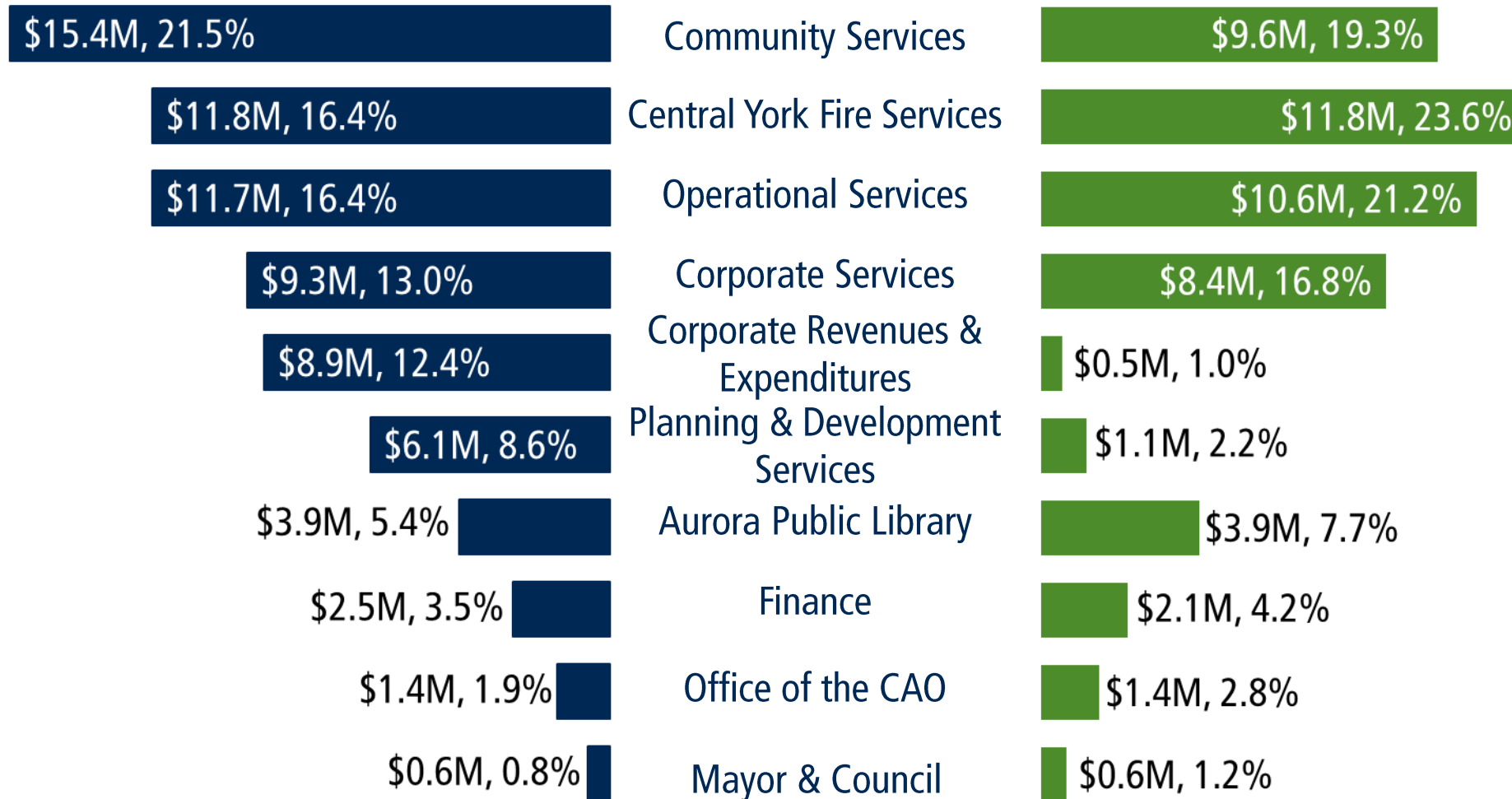


# The budget is balanced in each year



# Gross spending vs.....

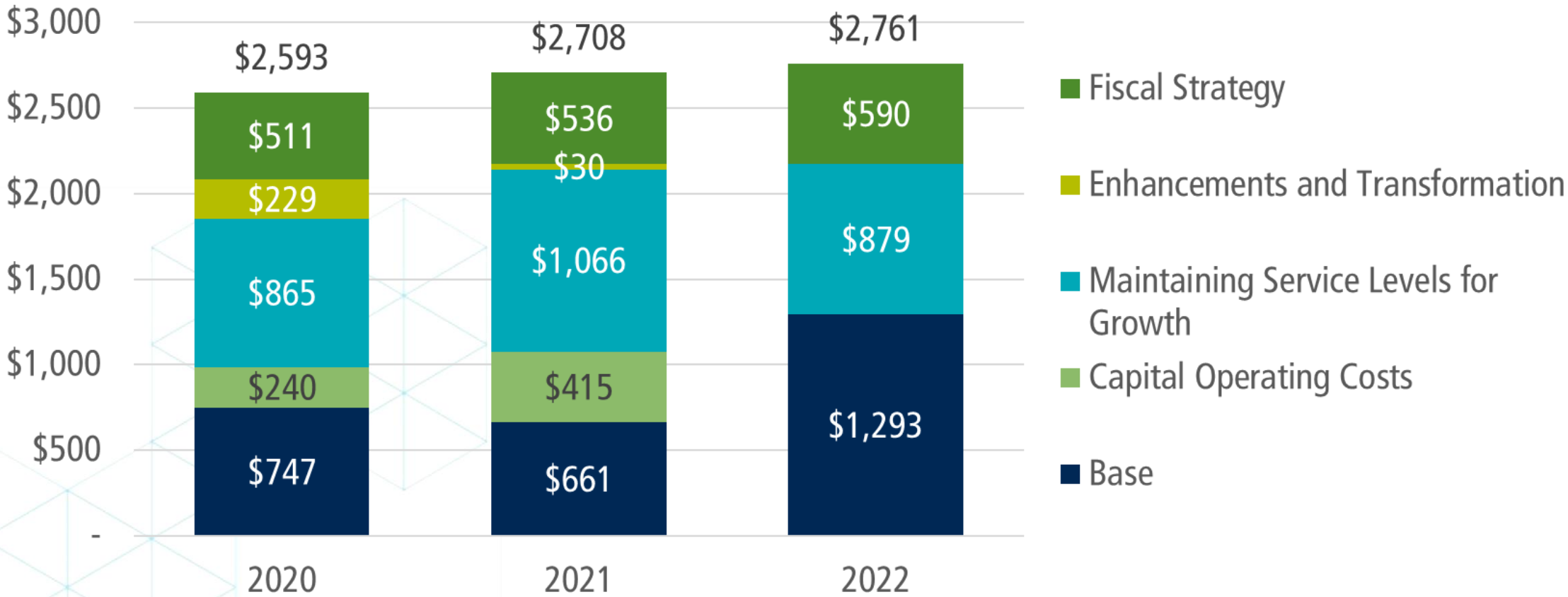
# Net budget





# Year-over-year budget change drivers

(in \$000s)

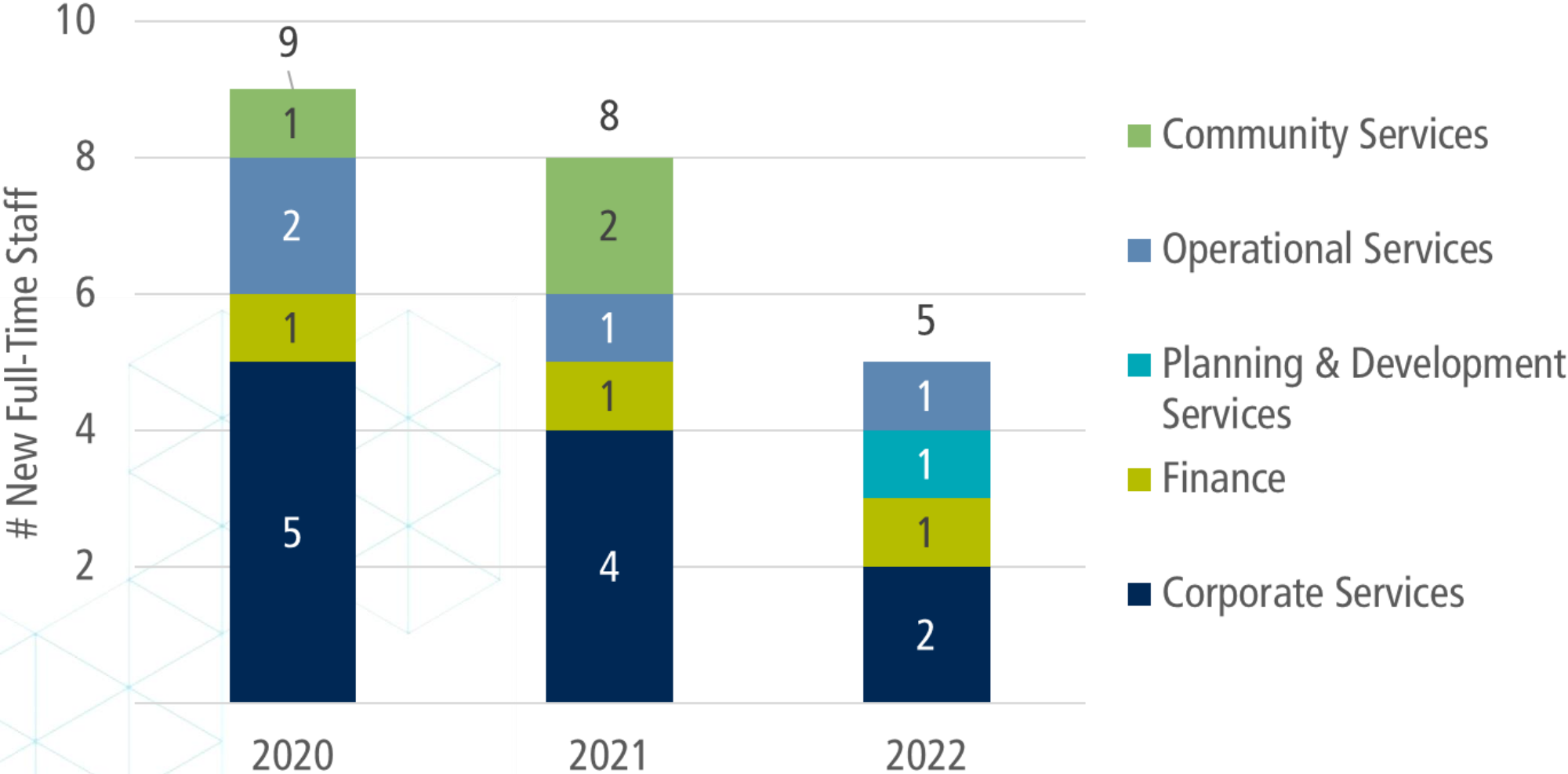


# New initiatives in the budget

- Maintaining strong customer service in Access Aurora and Community Programs
- Opening of the Library Square
- Maintaining a growing network of parks and roads
- Implementing the recommendations of the IT strategic plan
- Review of the Official Plan
- Modernizing Finance and adapting to procurement growth
- Growing the in-house legal capacity to manage contracts and risk



# People deliver the services



# Proposed Library Square debt funding strategy

- Debt required in late 2021 to early 2022
- Carrying costs not to exceed 1% tax levy
- Funding options:
  - **Recommended:** Phase in 0.5% increase over two years
  - **Alternate:** 1% increase in one year







# Water, wastewater & stormwater

# Water, wastewater and stormwater budget

(\$000s)	2020	2021	2022
Water	11,552	12,102	12,386
Wastewater	14,742	15,414	15,708
Stormwater	2,512	2,959	3,410
<b>Proposed Budget</b>	<b>28,805</b>	<b>30,475</b>	<b>31,504</b>
	1,792	1,669	1,030
<b>Budget Change</b>	<b>6.6%</b>	<b>5.5%</b>	<b>3.4%</b>



# Proposed rates

	2019	2020	2021	2022
Water (\$ per m <sup>3</sup> )	\$2.18	\$2.41	\$2.45	\$2.48
Wastewater (\$ per m <sup>3</sup> )	\$2.65	\$3.11	\$3.11	\$3.15
Stormwater (monthly)				
- Residential & Condo	\$5.44	\$7.09	\$8.01	\$9.32
- Non-residential & Multi-residential	\$69.08	\$90.07	\$101.73	\$118.31

# Key assumptions and pressures

Water and wastewater wholesale rate increase of 9% in 2020

Backflow prevention program (1 staff)

Stormwater maintenance and reserve contributions

Climate change leading to unpredictable and more intense weather



# Budget impact



# Budget impact for the average household

## Annual 2.9% tax increase

Average house assessed  
at \$800,000



## Quarterly water bill\*

increase with average  
consumption of 54m<sup>3</sup>/quarter



\*Includes water, wastewater and  
stormwater charge

A photograph of two women in a park performing a yoga stretch on the grass. The woman in the foreground is wearing a red t-shirt and has her hair in a bun. The woman in the background is wearing a white t-shirt and glasses. They are both leaning forward with their arms extended towards the ground. The background shows a green lawn and some trees.

Looking ahead and next steps



# A new look to the operating budget binder

- 3 years presented
- Revised business plans integrated with budget tables
- New 2-page business cases for staff requests
- Rate budget is presented with Operational Services

**Enhancement**  
Leverage technology to streamline processes and enable more advanced financial analysis and reporting  
Finance Space Needs Confirmed  No

**Recommendation**  
Hire a Finance and Systems Specialist with the necessary skills to provide a big picture approach of the Town's financial processes and reporting.

**Rationale/Benefits**  
Finance is beginning the work to implement integrated financial systems and is seeking to add a Finance and Systems Specialist. The addition of the position will be a key resource in retaining the knowledge through the process of implementing a new financial system. This position in the longer term will assist in the automation of processes and provide capacity within Financial Services for enhanced analytics and reporting. Specifically they will provide additional value to the Town by:

- Developing dashboards and better reports which will enable more responsive decision making
- Leveraging data to create and summarize the financial health over short, mid and long term by department
- Reviewing, optimizing and automating business processes using financial system tools
- Transforming processes to provide better information to help everyone better serve their customers
- Ensuring clients needs are met in the implementation of new financial systems
- Coordinating all financial system maintenance and report development including recommending best practices for general ledger structure and data structure within the financial system
- Considering customer/client impact as changes in the financial system are implemented
- Developing financial processes and reports which streamline financial reporting
- Ensuring all reporting meets regulatory compliance and supporting the external financial audit and Financial Information Reporting requirements
- Developing and maintaining financial policies as required

This position will be recovered from the capital budget for the implementation of the new integrated financial systems during 2021 and 2022. Once the new systems are implemented, it will then be funded through the operating budget.

**Alignment with Council Priorities**  
This position would support the Town's Modernization Strategic Priority being to develop and enhance processes, leverage technology and engage people to align the work place for success by ensuring business processes support financial accountability, commitment to the digital office and workplace automation, providing easy to use tools for information sharing and developing corporate wide systems to better manage work capacity.

**Impact of Not Proceeding**  
Finance will continue to migrate to new integrated financial systems with the assistance of an external consultant that will be retained as a subject matter expert. Once the migration is complete, the ongoing maintenance will need to be done by the existing team and the enhanced reporting and streamlining of processes will not be possible internally and would require the assistance of external consultants.

**Comparative Analysis / Performance Measure**  
This position will be key to improving the financial reporting available for Town staff to help manage their business

**Average Cost for Report**

**City Manager's Dashboard**

With this position the Town will not need to pay an outside consultant to develop reports as they will be developed in-house. These expertise will provide much more flexibility in the types of reports available to Town staff to manage their procurement contracts and their budget. Longer-term having these skills in-house will enable Finance to start providing more advanced tools such as dashboards and push notifications to staff on financial matters. Currently Finance pays \$1100+ for a report to be developed and can take up to 6 months to complete. These costs escalate with the complexity of the report being developed. The complexity of reports is driven by how our underlying data is structured. The Finance and Systems Specialist will have the skills to structure the Town's general ledger data in a way which will make reporting simpler. This will provide a wider range of reporting options and management dashboards providing Town staff with better tools to manage their business.

**The Finance and Systems Specialist will help Finance automate and streamline processes**

**Number of Manual Processes by Function**

Currently there are many manual processes in the Finance department. This position with their hybrid of finance and systems skills will greatly contribute to the continuous improvement of financial processes. Their active involvement in the implementation of a new financial system is a giant first step. There will still be opportunities for improvement to automate more processes and provide more options for online interaction with our clients.

Incremental Operating Budget Impact		2020	2021	2022
Staffing - # of FTEs		-	1.0	-
<b>Gross Expenditures (\$000s):</b>				
Wages and Benefits		-	107.8	-
Staffing Costs*		-	2.5	-
Offsetting Savings/Efficiencies		-	-	-
Other - Memberships		-	0.8	-
<b>Total Gross Expenditures</b>		-	111.1	-
<b>Non-Tax Revenues (\$000s):</b>				
User Fee/Other Revenues		-	-	-
Water Rate/Building Recovery		-	-	-
Other - Capital Recovery		-	111.1	-
<b>Total Revenue</b>		-	111.1	-
<b>Net Tax Impact</b>		-	-	-

\*Includes training, memberships, computer, space accommodation & other equipment



# Continuous improvement of the budget

- Development of key performance indicators
- 2021 and 2022 operating budget will focus on the changes
- Bring together operating and capital budgets



# Operating budget process next steps







Oh... Canada!



40,000 km Tour in Motion Tour, 1985-87



Group of Seven

First distinctive Canadian art movement

FAROUKH & MICHELBERGER



Roberta Bondar

Marc Garneau

First Canadians in space, 1992 & 1994



First women's victory over Team Russia, 1972



Team Canada '72



Barbara Ann Scott  
1960 Olympic Gold Medalist

The Bessons  
Our most celebrated racing duo

Quebecor World  
Astoria

Canadarm

First Canadian robotic space arm, 1981

Sir John A. MacDonal...

World's biggest wood...

...

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