



**Town of Aurora
General Committee Report**

No. FS17-046

Subject: 2018 Operating Budget

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

Department: Financial Services

Date: November 7, 2017

Recommendation

- 1. That Report No. FS17-046 be received for information; and**
- 2. That the 2018 draft Operating Budget be referred to Budget Committee for review at its scheduled meetings commencing November 18; and**
- 3. That following the completion of the Budget Committee reviews, the Treasurer bring forward a final budget approval report reflecting all adjustments recommended by the Committee.**

Executive Summary

Proposed budget less than July 4th Council mandate to staff

On July 4, 2017, Council directed staff to prepare the 2018 Operating Budget, with a target tax rate increase equal to inflation. Inflation was subsequently reported as 2.1%. The budget was also to include a further 1% increase for fiscal strategies and infrastructure. This report presents the 2018 draft Operating Budget for review by Budget Committee.

The 2018 draft operating budget recommended by staff results in a total tax levy pressure of 1.9% which is 0.2% lower than the maximum ceiling allotted by Council resulting in a total of \$94,800 being available for additional Council funding decisions within the original target. This recommended budget:

- respects council's defined tax pressure ceiling;
- addresses current budget underfunding in identified areas;
- provides the Library Board, the Cultural Centre Board, and the Historical Society with their designated budget funding amounts;

- continues with the town's phase-in budget strategy for the Fire Services expansion;
- supports Council's fiscal strategy objectives of reducing the town's reliance upon Supplementary tax and hydro fund proceed revenues; as well as continuing to grow the Town's contributions in support of its infrastructure renewal.

Background

At its meeting of July 4, 2017, Council adopted the following resolutions arising from staff Report No. FS17-023:

THAT the increase for the Aurora portion of the residential tax bill for the 2018 Base Operating budget be limited to the reported 12 months to June 2017 Consumer Price Index (CPI) for the Toronto Area; and

THAT all fees, rates and charges be indexed by the same CPI reported value unless precluded by legislation, and new revenue sources identified where possible; and

THAT new tax revenue from new buildings be incorporated into the base budget and be used to extend existing service levels to these new properties, residents and businesses; and

THAT for strategic priorities separately identified by Council, a further increase be levied for such new funding; and

THAT once the CPI factor is known, and the growth estimated, the Finance Advisory Committee provide each of the Library Board, the Cultural Centre Board, and the Historical Society a designated 2018 budget funding amount for their respective budget development work; and

THAT a "current plus three year forecast" operating budget be prepared, and include a staffing needs analysis and forecast for the same period.

THAT the phase-In budget strategy currently approved for Fire Services expansion be funded from within the inflationary and growth components of the Base Operating Budget, as applicable, with any excess planned increase being a separate component of the overall tax increase; and

THAT in addition to the base budget increase for inflation, up to 1% dedicated Fiscal Strategy tax levy increase be imposed to fund additional contributions to Infrastructure Reserves in accordance with the long range fiscal strategies adopted in the recent 10 Year Capital and Asset Management Plan, and any other fiscal strategy items.

Analysis

Draft budget prepared by staff allows funding room for subsequent Council funding decisions

Staff are pleased to present the draft 2018 Operating Budget which reflects Council's direction, resulting in an average town share tax increase of 1.9% plus 1% for fiscal strategies for residential properties, representing an amount that is 0.2%, or \$94,800, below Council's defined tax pressure target of 3.1%. Budget Committee will be able to allocate the \$94,800 towards budget options and service changes and still maintain the budget target of 3.1%.

The 12 month June to June CPI for the Toronto area was recently reported by Statistics Canada at 2.1% (data table 326-0020, filtered to Toronto only). This is the reference index approved by Council for use in the annual budget process.

Key funding pressures identified have been addressed

The following items of key interest to Council have been reflected in the draft budget:

1. Funding of estimated incremental salary and benefit costs of \$605,000 that are anticipated as a result of the province's proposed changes to Employment Standards legislation should they be approved.
2. Funding of increased costs arising out of town's new waste collection contract which will become effective in 2018.
3. The continued implementation of funding strategy that addresses current budget underfunding in identified areas such as utilities, part time and full time salaries, and certain program revenue line items.
4. Increased contributions to infrastructure reserves equal to 0.5% of tax levy.
5. Reduced reliance on interest from hydro proceeds reserve fund, reducing last year's reliance of \$100,000 to zero for 2018.
6. Reduced planned reliance on supplementary tax revenues in accordance with our financial strategy by \$75,000 to only \$350,000 for 2018.
7. Continued phase-in of expected cost increases for the expanding Central York Fire Services. The Town had previously adopted a phase-in strategy of increasing fire services budget by 1.3% of Aurora's tax levy each year for six years. In past years, the phase-in approach has resulted in the Town's budget

for fire being higher than actual in each year. For 2018, the fire budget has been more closely aligned with the draft budget of CYFS.

8. All rates, fees, and charges of the Town have been indexed where permissible by 2.1% representing inflation as reported for the 12 month period July, 2016 to June, 2017.
9. All revenue estimates have been carefully considered in the context of the inflated rates and fees, as well as expected activity volumes and reflected in the budget.

Anticipated new revenues were quickly consumed by identified budget pressure areas

Attachment #6 outlines the anticipated new revenues, and the immediate commitment of those revenues to the above items and others, being new and incremental costs expected for 2018. After allocating new revenues to all of these pressures, there were no new revenues left to allocate to operational expense increases resulting from inflation for all other costs of the town. Departments were asked to find savings in other line items in order to absorb inflation to the best of their ability. Ultimately, staff were able to hold the line, except for a total net increase of \$226,600 on these other pressures.

The cost increases of the new waste management contract have been phased in over two years using tax rate stabilization reserves as endorsed recently by the Finance Advisory Committee.

The cost increases of the new pending labour legislation have been phased-in over two years using tax rate stabilization reserves also as recommended by the Finance Advisory Committee. This approach will allow the legislation to become clear, the impacts fully quantified and allow the Town to consider alternative methods of financing the remaining portion of these new costs, possibly through user rate increases, further tax increases or a combination of both.

The 2018 budgetted draw from the Tax Rate Stabilization reserve fund for these two aforementioned items is \$569,000. The balance in this reserve fund is currently \$3.77 million prior to this draw.

Despite the above constraints, staff have been able to achieve a base budget reflecting a 1.9% tax levy increase by utilizing new growth revenues arising from the recent growth of the 2C area, together with the above noted revenue changes, as well as constraining wherever possible the costs of operations of the Town. A further 1% increase has been included as directed by Council to fund fiscal strategies such as increased contributions to infrastructure reserves and further reduction in the town's reliance upon hydro fund investment proceeds and supplementary tax revenues. A further 0.2% in funding room within the original target of 3.1% remains available for subsequent Budget Committee decisions. By having a clear direction from Council,

November 7, 2017

Page 5 of 10

Report No. FS17-046

staff were able to focus their attention to developing a budget which would meet Council's goal.

Attachment #2 outlines the operating expenses of each department, net of their respective non-tax revenues. The total Net Operating budget area of the schedule shows the distribution of the total proposed 2018 tax revenue of \$44,454,900. Attachment #3 outlines all revenues by type, showing the total combined revenues of \$64,050,600. Attachment #4 shows this information in tabular format in addition to staff's projected operating budget requirements for three outlook years (2019 to 2021). While Attachment #4 also shows the Town's draft budget requirements for 2019-2021, these figures have been included for illustrative purposes only. Staff are committed to producing budgets for these outlook years that fall within established Council mandates such as the one approved by Council for this budget in July.

Attachment #5 outlines graphically the key budget pressures and influences encountered in compiling the 2018 budget, ending with a 3.1% tax increase which includes the available 0.2% in additional funding available for subsequent Council decisions. The nine previously noted budget highlights are included in these graphics. The presented graphics flow from the bottom left corner of the page upwards, then right, and back down to the bottom right corner of the page. A more detailed summary of the Town's key 2018 operating budget pressures are presented under Attachment #6.

The 2018 operating budget binder will be distributed today, and its contents will be made available on the Town's website shortly thereafter. Tab #15 of the Budget Binder includes a 2017 departmental objectives scorecard which will be distributed to the committee prior to its first review meeting scheduled on November 18th.

Binder Tab #3 captures a summary of the 2018 Budget Option Decision Units that have not been included in the Town's currently proposed draft operating budget as well as a summary of the cost neutral new staffing items that have been included in the draft operating budget. Also included under this tab is a detailed business case for each of the items listed. Binder Tabs #4 to #14 contain the business plans and information regarding each operating department of the Town.

Each department's 2018 objectives are captured in their respective departmental business plans. Some of the highlights of these objectives include:

- Lead the development of an expanded economic development mandate and the creation of an Office of Economic Development;
- Work with the Economic Development Board to prepare a community wide economic development strategy;
- Lead the Town's development of its Cultural Precinct and Library Square;
- Implementation of recommendations coming out of the Cultural Master Plan;
- Implementation of three year plan for the Aurora Museum & Archives;

- Development of a Public Art Policy;
- Implementation of the new Facility Advertising and Sponsorship Program;
- Detailed design and tender preparation for Wildlife Park;
- Advancement of recommendations from the Parks & Recreation Master Plan and Sports Plan;
- Prepare neighbourhood development guidelines;
- Facilitation and oversight of the 2018 election including the implementation of internet voting;
- Implementation of an alternative animal control and shelter service delivery model;
- Continue to expand the Town's customer service relationship (CRM) and telephony tools;
- Implementation of e-billing for water utilities;
- Initiate the implementation of a Town wide stream erosion management plan;
- Conduct a review of the winter roads and sidewalk maintenance operation to determine if resources are sufficient to sustain established service levels;
- Initiate the review of the condition of the town's existing linear infrastructure other than roads which were completed in 2016;
- Complete review of Towns' methodology for calculating its stormwater rates;

Advisory Committee Review

The Financial Advisory Committee is not charged with reviewing the annual operating budget, however they are charged with reviewing the detailed budgets of each Town department on a rotating basis. This approach allows the Budget Committee to focus their review on the key changes and pressures arising in the annual budget, while relying upon the work of the Finance Advisory Committee in regards to the review of each department's ongoing core operating budget details. Attachment #1 includes a recent summary report of the work of the Finance Advisory Committee and the outcomes of its detailed reviews.

The Finance Advisory Committee was apprised of the budget pressures outlined in Attachment #6, and the use of stabilization reserves in order to phase-in the new costs arising from the new waste collection contract and the newly proposed labour legislation which were endorsed by the Committee.

Financial Implications

Residential tax bill impacts align close to inflation

Residential tax bills contain three different property taxes. Taxes collected for provincial education purposes represents approximately 20.6% of a residential tax bill, while taxes for York Region are approximately 42.9%, with the remaining 36.5% being retained by the Town for Town purposes.

The Town's 3.1% tax increase budget adds \$9.82 per year to the town share of the tax bill for each \$100,000 of assessment, or less than \$50 for a home assessed at \$500,000. For the average Aurora home assessed at \$770,000, this budget will add \$76 per year for the Town share of the tax bill. For reference, Attachment #7 sets out a history of Aurora's tax rate increases in recent years.

When combined with the York Region's expected 2.35% tax rate and the revenue neutral education rate to be set by the Province (not until April 2018), the expected combined tax impact to a residential property is 2.07%. The June 2016 to June 2017 CPI index for Toronto was 2.1% (Statistics Canada CANSIM table 326-0020 filtered to Toronto only).

Total operating budget expenditures surpass \$64 million

The proposed budget sets out planned expenditures totalling \$64,050,600 including \$94,800 in expenditures yet to be allocated by Council, funded with non-tax revenues of \$19,595,700, such as investment income, user fees, Federal Gas Tax grants, and fines & penalties. The remaining \$44,454,900 requirement is to be raised through property taxes, requiring a 3.1% average tax increase.

Three major budget pressures are addressed as part of staff's recommended 2018 operating budget. Those pressures being the anticipated financial impacts resulting from the province's proposed changes to Employment Standards legislation via its "Fair Workplaces, Better Jobs Act, 2017" ("Bill 148") estimated at \$605,000, incremental costs of \$518,000 arising out of the Town's new waste collection contract, and the continued right sizing of current budget underfunding in identified areas such as utilities, part time and full time salaries, and certain program revenue line items.

Staff are presenting service increase options for consideration at extra cost

A suite of 2018 budget options totaling \$234,560 which relate to town service enhancements are presented for the budget committee's consideration over and above staff's recommended core 2.9% tax pressure. The \$94,800 or 0.2%, being the currently unallocated amount within Council's defined tax threshold pressure of 3.1% can be

used to fund some of these. Any funding allocated towards these options beyond the \$94,800 will result in tax rate increases above the 3.1% level should Budget Committee so choose.

The list of budget options which have not been included in the current proposed operating budget includes all of the operating budget type requests which were received from community stakeholder groups at the Town's May 31, 2017 Community Budget Consultation meeting. The details for all of these budget decision units can be found in Tab #3 of the 2018 budget binder package.

Communications Considerations

This report will be posted to the Town's Budget and Financial Information web page for transparency and accountability as part of the overall annual budget communications and engagement plan. Each budget meeting will be separately communicated through various channels to the community, including a synopsis of the topics planned. A final press release with budget highlights will be issued upon approval by Council.

Budget Committee meetings for review of the 2018 Operating Budget have been set as follows:

1. Saturday November 18, 2017, 9:00 a.m. (expected to last until approximately 4:00 p.m.)
2. Monday November 20, 2017, 7:00 p.m. (cultural partners presentations)
3. Monday November 27, 2017, 7:00 p.m.

Budget meetings may be cancelled or added, or starting times changed by the Chair. All meeting updates will be reflected on the Town's website as soon as changes are approved.

Link to Strategic Plan

Developing the annual budget supports all aspects of the Strategic Plan. Specifically, this report supports the Plan principles of Leadership in Corporate Management, Leveraging Partnerships, and Progressive Corporate Excellence and Continuous Improvement.

Alternative(s) to the Recommendation

1. None: General Committee will consider the presented draft budget in detail, reviewing materials from each operating department, as well as materials presented by the Library Board, the Aurora Cultural Board, and the Aurora Historical Society. Shortly, the approved 2018 detailed budget for Central York Fire Services, as reviewed and recommended by the Joint Council Committee will be presented to Committee for comment.

The Committee may make recommendations for changes to the 2018 draft budget at any time during its review process.

Conclusions

Council established a budget target for the 2018 operating budget of inflation plus 1% in support of fiscal strategies, representing a maximum 3.10% tax increase. Staff have responded in developing a comprehensive budget producing a lower total required core tax increase of 2.9%; making available 0.2%, or \$94,800 within Council's defined maximum allotted spending increase ceiling in order to fund subsequent Council funding decisions. Of this recommended tax levy increase, 1.9% relates to the town's core operations; the remainder of 1.0% is fiscal strategy driven. As directed, all revenue rates, fees and charges have been indexed for inflation wherever possible. All operating lines continue to be examined for opportunities for constraint, while maintaining services to our growing community. All revenue targets were examined for expected volumes of activities. Through careful review, the 2.9% tax increase budget meets all of Council's criteria and goals set out in their directives to staff.

During the past year, staff have heard of a number of new service level initiatives suggested by members of Council as well as from its public consultation which was held on May 31, 2017. Where these are indeed new service levels or enhancements, staff have identified costs and details, however have not included these in the 2.9% draft budget. These items are separately described as Budget Option Decision Units, as these can be selected for funding by Council individually. Funding requirements for any chosen by Council can firstly be funded with the remaining 0.2% in tax rate increase room within Council's defined maximum allotted tax rate increase of 3.1%, with any remaining excess requirements representing a required tax increase over and above 3.1%.

November 7, 2017

Page 10 of 10

Report No. FS17-046

Attachments

- Attachment # 1 – FS17-042 FAC Summary of Results Achieved From Detailed Budget Reviews Undertaken to Date
- Attachment # 2 – Net Operating Budget by Department
- Attachment # 3 – Total Revenues by Source
- Attachment # 4 – 2017 Draft Operating Budget – Summary by Department
- Attachment # 5 – Key Budget Drivers Summary (graphical)
- Attachment # 6 – Summary of Key Town 2018 Operating Budget Pressures
- Attachment # 7 – Tax Rate History

Previous Reports

CFS17-023, 2018 Budget Preparation Directions – to Council on July 4, 2017.

Pre-submission Review

Agenda Management Meeting review on October 24, 2017

Departmental Approval



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

Approved for Agenda


for **Doug Nadorozny**
Chief Administrative Officer



Attachment #1

Subject: Summary of the key findings / outcomes to date arising from the Finance Advisory Committee's rotating annual departmental detailed budget reviews

Prepared by: Jason Gaertner, Manager, Financial Planning

Department: Financial Services

Date: September 27, 2017

Recommendation

1. That Report No. FS17-042 be received for information.

Executive Summary

The purpose of this report is in response to the Finance Advisory Committee's (FAC) request that staff provide it with a summary of the key findings / outcomes to date arising from the FAC's rotating annual departmental detailed budget reviews.

Background

As per Council's approved budget review and approval process, the Finance Advisory Committee commenced its rotating annual departmental detailed budget reviews with the Parks, Recreation & Cultural Services (PRCS) department at its February 16, 2016 scheduled meeting. The agenda materials for this review and all subsequently completed reviews included the following core information:

- a. Line by line details, including grouping summaries of identified areas of Committee interest;
- b. 2016 Business Plan; and
- c. A presentation by each Director on the approaches used to prepare their budget.

To date, the FAC has completed departmental detailed budget reviews for the following list of departments:

- Parks, Recreation and Cultural Services commencing on February 16, 2016;
- Corporate Accounts commencing on May 24, 2016;
- Planning and Building Services (PBS) commencing on March 22, 2017;

Attachment #1

Analysis

The FAC's departmental detailed budget reviews are bearing results

Over the course of its detailed departmental budget reviews, the FAC has made several key findings which have resulted in multiple tangible actions being undertaken by staff. These key findings / outcomes from each of these said completed departmental detailed budget reviews to date are as follows:

Parks, Recreation & Cultural Services

- It was determined that the Town's community program delivery contracts budgets was insufficient. It was also noted that select recreational program revenue targets had become out of alignment with reality. The FAC concluded that right-sizing of these items was in order.

This finding has resulted in the formal right-sizing of both the community programs delivery contract budgets and select recreational program revenue targets as part of the 2017 Operating Budget.

- Identified a few categories of community programs that were being excessively subsidized by the Town and agreed to explore options for addressing through strategies such as further user fee rate increases, select program discontinuation, boosting of alternative revenue sources and consideration of a more selective program subsidization framework.

This finding has resulted in staff increasing select community program 2017 user fee rates and significantly expanding planned sponsorship revenues as part of the 2017 Operating Budget. In addition, staff developed and brought to the FAC for its review and comment a draft comprehensive community program subsidization policy / framework entitled Aurora Assist.

- It was noted that the flat rate billing of PRCS' Park Operations division for Town Park water consumption was placing a material pressure on this division's operating budget.

This finding has resulted in the discontinuation of the flat rate billing of Park Operations for Town Park water consumption as part of the 2017 Operating Budget.

- Recognition that uncontrollable staffing activity such as staff turnover, maternity leave, long term sick leave, etc. has a material impact on the Town's operating budget financial performance and that mitigating measure(s) need to be explored.

Attachment #1

This finding has resulted in Council's approval of a reserve fund strategy for the management of uncontrollable External Legal and Occasional Human Resources Expenses in June, 2017.

- It was acknowledged that uncontrollable development driven revenues can materially impact the financial results of the Town and consequently, staff should examine ways to address this.

This finding has resulted in staff modifying the way in which both budget information and financial results are presented to Council.

- Identified a need for the Town to re-visit its Key Performance Indicators (KPIs) and more effectively link them to financial results.

This finding has resulted in staff commencing a review of all existing Town KPIs which continues to be in progress at this time.

- It was noted that there will be a material increase in resident demand for the Town's recreational and community program services in the near future driven by the recent high rate of growth that the Town has been experiencing. It was suggested that the Town should explore a strategy for preparing for this expected growth similar to one being utilized Fire Services being a phasing in of the anticipated resultant increased service delivery costs ahead of the actual requirements arising.

This finding has resulted in staff planning to explore a strategy of this nature to be commenced as part of the 2019 Operating Budget, which will begin to phase-in any incremental anticipated costs for the ongoing operation of the planned new community centre being planned.

Corporate Accounts

- The FAC obtained a greater understanding of the accounts that are captured under the Corporate Accounts and why.

Planning & Building Services

- It was recognized that the Planning & Building Services department's funding model is presently heavily reliant upon uncontrollable development driven revenues. Consequently, staff need to ensure that they are effectively projecting these revenues into the short to medium term future and that they devise a strategy for reducing the Town's reliance upon these revenues.

This finding has resulted in staff further enhancing their longer term development driven revenue projections; which included a report to Council

Attachment #1

on the Town's long term development activity projections in May, 2017. In addition, staff plan to devise and implement a formal strategy that will progressively wean the Development Planning division off of its operating budget reliance upon development driven revenues.

Financial Implications

There are no immediate financial implications arising from this report.

Communications Considerations

This report will be posted to the Town's Budget and Financial Information web page for transparency and accountability.

Link to Strategic Plan

Having the FAC undertake its rotating annual departmental detailed budget reviews contributes to achieving the Strategic Plan guiding principle of "Leadership in Corporate Management" and improves transparency and accountability to the community.

Alternative(s) to the Recommendation

1. The FAC may request additional information from staff.

Conclusions

The Finance Advisory Committee has now completed a detailed budget review for three of the town's departments. These reviews have proven to be quite fruitful, generating multiple key findings which have contributed directly to the betterment of the town's financial planning and reporting framework.

Staff recommend that this report be received.

Attachments

None

Attachment #1

September 27, 2017

Page 5 of 5

Report No. FS17-042

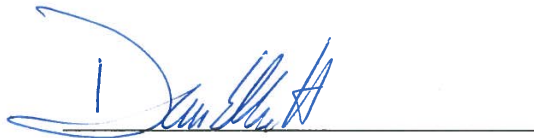
Previous Reports

None

Pre-submission Review

Agenda Management Team review on August 31, 2017

Departmental Approval



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

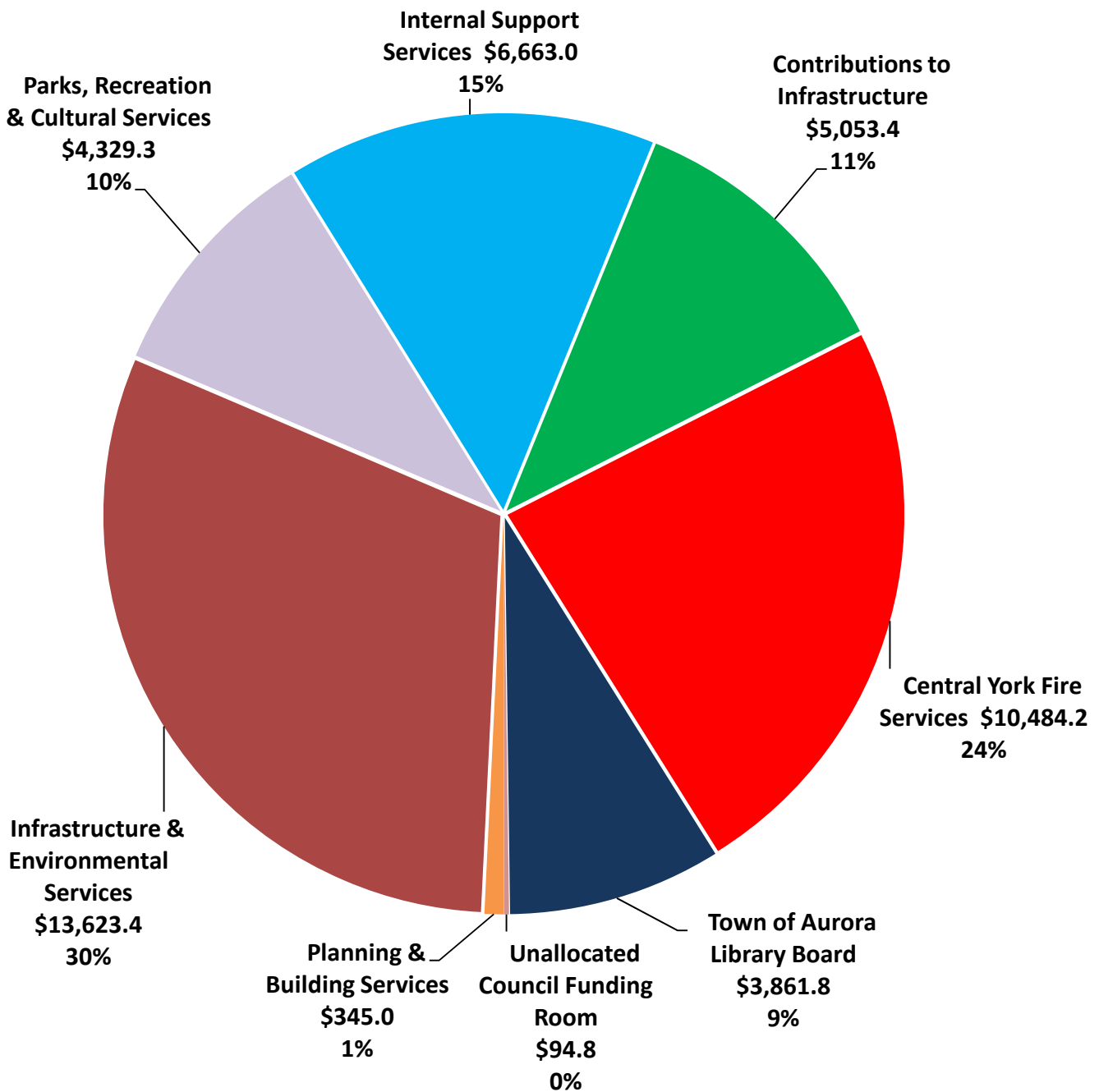
Approved for Agenda



**Doug Nadorozny
Chief Administrative Officer**

Town of Aurora 2018 DRAFT Operating Budget Net Tax Funding by Service

Shown in \$000's

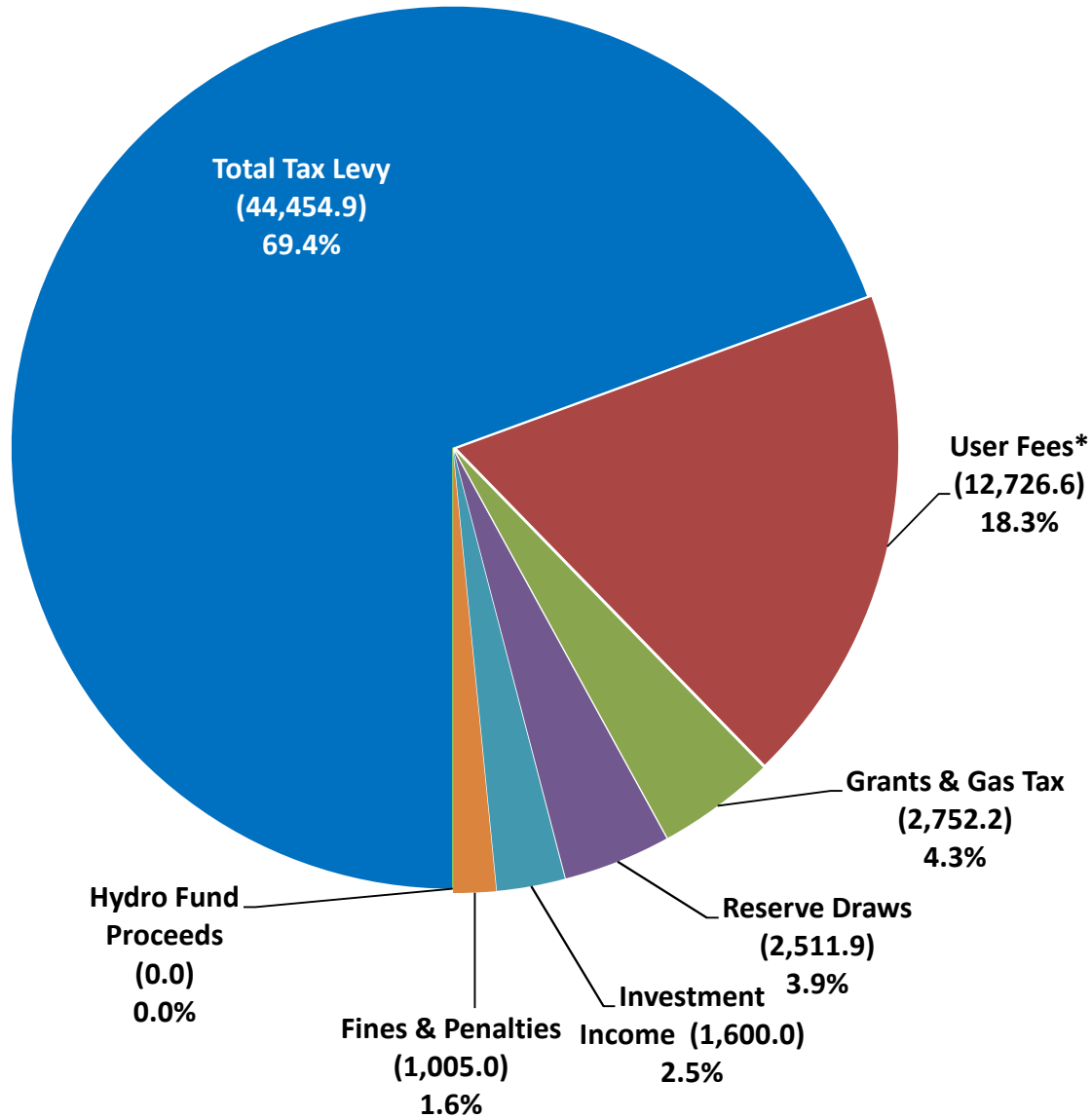


Total: \$ 44,454.9

Attachment 3

Town of Aurora 2018 DRAFT Operating Budget Total Revenues by Source

Shown in \$000's



Total: \$ 64,050.6

* 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.

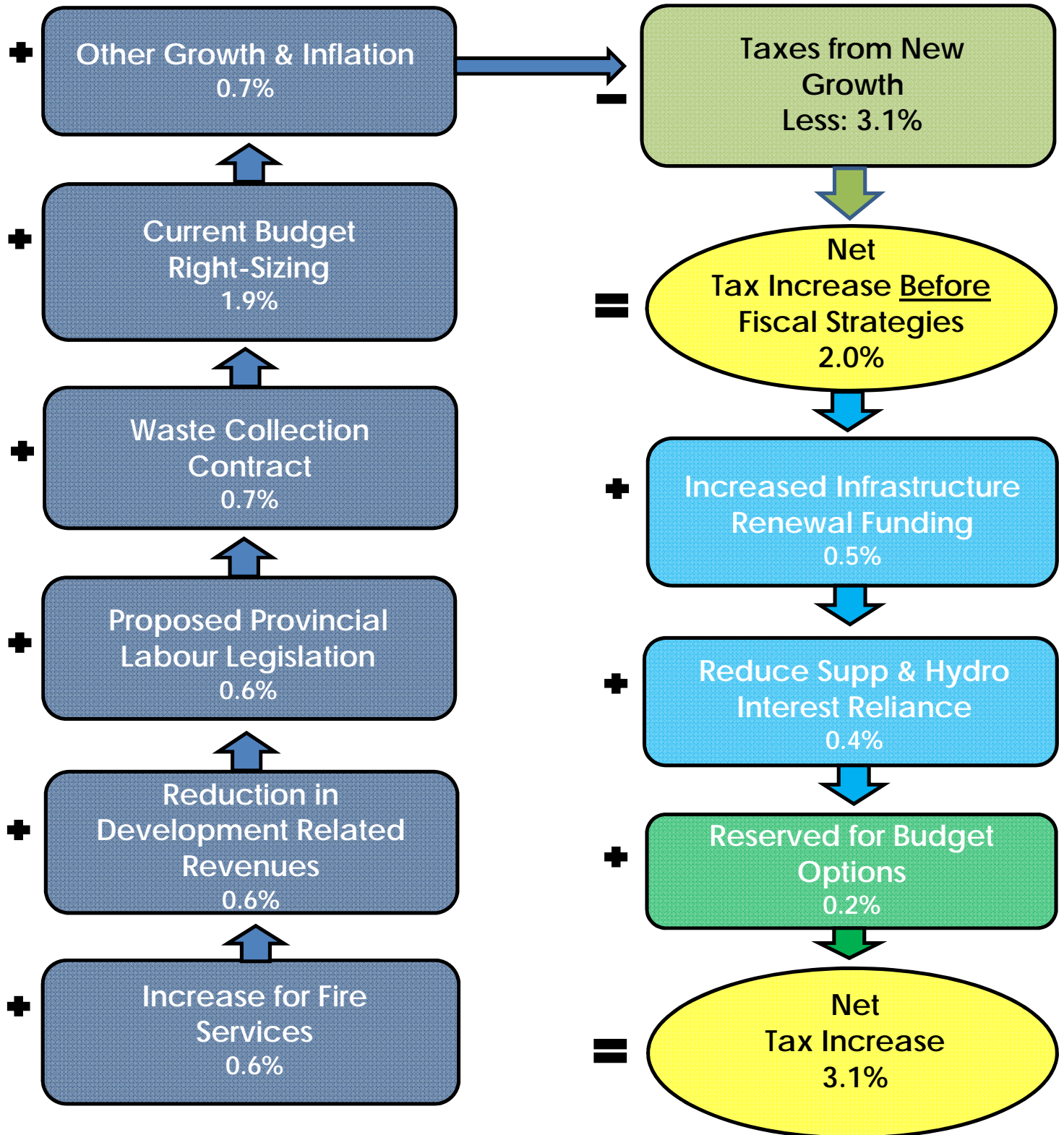
**General Committee Meeting Agenda
Tuesday, November 7, 2017**

**Town of Aurora
Four Year Operating Budget Recommended Funding Levels (2018 - 2021)**

SUMMARY BY DEPARTMENT

Shown in \$000's	2017	2018		2019		2020		2021	
	Approved Budget (adjusted)	Recommend Budget	Dollar Change	Recommend Budget	Dollar Change	Recommend Budget	Dollar Change	Recommend Budget	Dollar Change
Gross Expenses									
Council	\$ 561.9	\$ 606.6	\$ (44.7)	\$ 616.9	\$ (10.3)	\$ 627.7	\$ (10.8)	\$ 638.9	\$ (11.2)
CAO's Office	\$ 1,221.7	\$ 1,214.0	\$ 7.7	\$ 1,251.9	\$ (37.9)	\$ 1,309.5	\$ (57.6)	\$ 1,335.4	\$ (25.9)
Corporate Services	\$ 7,499.2	\$ 7,681.1	\$ (181.9)	\$ 7,958.5	\$ (277.4)	\$ 8,193.0	\$ (234.6)	\$ 8,430.8	\$ (237.8)
Election 2018	\$ 82.5	\$ 476.4	\$ (393.9)	\$ 105.0	\$ 371.4	\$ 105.0	\$ -	\$ 105.0	\$ -
Financial Services	\$ 1,948.7	\$ 2,064.7	\$ (116.0)	\$ 2,064.4	\$ 0.3	\$ 2,119.7	\$ (55.3)	\$ 2,171.1	\$ (51.3)
Planning and Building Services	\$ 4,665.1	\$ 4,810.9	\$ (145.8)	\$ 4,665.9	\$ 145.0	\$ 4,411.3	\$ 254.6	\$ 4,509.0	\$ (97.8)
Infrastructure & Environmental Services	\$ 14,539.1	\$ 15,396.0	\$ (856.9)	\$ 16,152.4	\$ (756.4)	\$ 16,739.1	\$ (586.7)	\$ 16,801.1	\$ (62.0)
Parks, Recreation & Cultural Services	\$ 9,253.9	\$ 9,593.5	\$ (339.6)	\$ 9,897.9	\$ (304.4)	\$ 10,097.6	\$ (199.7)	\$ 10,318.3	\$ (220.7)
Corporate Expenses	\$ 7,050.1	\$ 7,766.6	\$ (716.6)	\$ 8,225.0	\$ (458.4)	\$ 8,441.4	\$ (216.4)	\$ 8,378.5	\$ 62.9
Fire Services	\$ 10,225.0	\$ 10,484.2	\$ (259.2)	\$ 11,074.2	\$ (590.0)	\$ 11,694.7	\$ (620.5)	\$ 11,933.3	\$ (238.6)
Library Operations	\$ 3,767.7	\$ 3,861.8	\$ (94.1)	\$ 3,920.0	\$ (58.2)	\$ 3,998.4	\$ (78.4)	\$ 4,078.3	\$ (79.9)
Reserved for Council Funding Decisions	\$ -	\$ 94.8	\$ (94.8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Expenditures	\$ 60,814.8	\$ 64,050.6	\$ 531.9	\$ 65,932.1	\$ (1,881.5)	\$ 67,737.4	\$ (1,805.3)	\$ 68,699.7	\$ (962.3)
Gross Revenues									
Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAO's Office	\$ -	\$ (0.3)	0.3	\$ (0.3)	\$ -	\$ (0.3)	\$ -	\$ (0.3)	\$ -
Corporate Services	\$ (372.3)	\$ (378.4)	6.1	\$ (377.1)	\$ (1.3)	\$ (382.3)	\$ 5.2	\$ (383.5)	\$ 1.2
Election 2018	\$ -	\$ (368.9)	368.9	\$ -	\$ (368.9)	\$ -	\$ -	\$ -	\$ -
Financial Services	\$ (181.4)	\$ (202.7)	21.3	\$ (202.7)	\$ 0.0	\$ (204.3)	\$ 1.6	\$ (205.5)	\$ 1.2
Planning and Building Services	\$ (4,696.0)	\$ (4,465.9)	(230.1)	\$ (3,932.8)	\$ (533.1)	\$ (3,493.2)	\$ (439.6)	\$ (3,493.4)	\$ 0.2
Infrastructure & Environmental Services	\$ (1,799.3)	\$ (1,772.6)	(26.7)	\$ (1,527.7)	\$ (245.0)	\$ (1,363.5)	\$ (164.2)	\$ (1,321.1)	\$ (42.4)
Parks, Recreation & Cultural Services	\$ (5,354.8)	\$ (5,264.2)	(90.6)	\$ (5,294.4)	\$ 30.2	\$ (5,367.3)	\$ 72.9	\$ (5,454.0)	\$ 86.7
Corporate Revenues	\$ (6,589.3)	\$ (7,142.6)	553.3	\$ (7,845.6)	\$ 703.0	\$ (7,762.2)	\$ (83.4)	\$ (6,123.9)	\$ (1,638.3)
	\$ (18,993.1)	\$ (19,595.6)	\$ 602.5	\$ (19,180.6)	\$ (415.1)	\$ (18,573.1)	\$ (607.5)	\$ (16,981.7)	\$ (1,591.4)
Taxation Base	(41,821.7)	\$ (41,821.7)		\$ (44,454.9)		\$ (46,751.5)		\$ (49,164.3)	
Taxation - Growth from New Assessmen	-	\$ (1,296.5)	1,296.5	\$ (889.1)	889.1	\$ (935.0)	935.0	\$ (983.3)	983.3
Gross Revenues	\$ (60,814.80)	\$ (62,713.8)	\$ 1,899.0	\$ (64,524.6)	\$ 474.0	\$ (66,259.6)	\$ 327.6	\$ (67,129.3)	\$ (608.1)
Net Expenditures/(Revenues)									
Council	\$ 561.9	\$ 606.6	\$ (44.7)	\$ 616.9	\$ (10.3)	\$ 627.7	\$ (10.8)	\$ 638.9	\$ (11.2)
CAO's Office	1,221.7	1,213.7	8.0	1,251.6	\$ (37.9)	1,309.2	\$ (57.6)	1,335.1	(25.9)
Corporate Services	7,126.9	7,302.6	(175.8)	7,581.4	\$ (278.7)	7,810.7	\$ (229.4)	8,047.3	(236.6)
Election 2018	82.5	107.5	(25.0)	105.0	\$ 2.5	105.0	\$ -	105.0	-
Financial Services	1,767.3	1,862.0	(94.7)	1,861.7	\$ 0.3	1,915.4	\$ (53.7)	1,965.6	(50.2)
Planning and Building Services	(30.9)	345.0	(375.9)	733.1	\$ (388.2)	918.1	\$ (184.9)	1,015.6	(97.5)
Infrastructure & Environmental Services	12,739.8	13,623.4	(883.6)	14,624.7	\$(1,001.3)	15,375.6	\$ (750.9)	15,480.0	(104.4)
Parks, Recreation & Cultural Services	3,899.1	4,329.3	(430.2)	4,603.4	\$ (274.2)	4,730.3	\$ (126.8)	4,864.3	(134.0)
Corporate Revenues & Expenses	460.8	624.0	(163.3)	379.4	\$ 244.6	679.2	\$ (299.8)	2,254.6	(1,575.4)
Fire Services	10,225.0	10,484.2	(259.2)	11,074.2	\$ (590.0)	11,694.7	\$ (620.5)	11,933.3	(238.6)
Library Operations	3,767.7	3,861.8	(94.1)	3,920.0	\$ (58.2)	3,998.4	\$ (78.4)	4,078.3	(79.9)
Reserved for Council Funding Decisions	-	94.8	(94.8)	-	\$ 94.8	-	\$ -	-	-
	\$ 41,821.7	\$ 44,454.9	\$(2,633.2)	\$ 46,751.5	\$(2,296.6)	\$ 49,164.3	\$(2,412.8)	\$ 51,718.0	\$(2,553.7)
Taxation	\$ (41,821.7)	(43,118.2)	\$ 1,296.5	(45,344.0)	\$ 889.1	(47,686.5)	\$ 935.0	(50,147.6)	\$ 983.3
Proposed Tax Increase	-	(1,336.7)	1,336.7	(1,407.5)	\$ 1,407.5	(1,477.8)	\$ 1,477.8	(1,570.4)	\$ 1,570.4
NET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Pressure Change									
Core Operations			2.1%		2.1%		2.1%		2.1%
Fiscal Strategy			1.0%		1.0%		1.0%		1.0%
Total Anticipated Tax Levy Increase			3.1%		3.1%		3.1%		3.1%
* Assumed Tax Revenue Growth:									
			3.1%		2.0%		2.0%		2.0%

Town of Aurora
2018 Draft Operating Budget
KEY BUDGET DRIVERS



Summary of Key Town 2018 Operating Budget Pressures

New Revenue for 2018 (As per Council's Direction)

Growth Revenue (3.1% assessment growth forecast)	\$	1,296,500	
Tax Levy Increase (based on CPI of 2.1% plus 1% -- Total 3.1%)		1,336,700	
non-tax revenue CPI		200,800	
Estimated New Revenue	\$		2,834,000

Allocation to Known Incremental Financial Requirements

Fiscal Strategies

Corp. Expenses	Cash to capital increase - fiscal strategy	(215,600)
Corp. Revenues	Hydro interest and supplementary tax reduction - fiscal strategy	(175,000)

Past Council Commitments

Various	COLA and steps all union & FT non-union staff	(462,300)
Corp. Revenues	Reduced Rate Stabilization Draw: Final Phase-in of 2017 'right size' Adjustment	(437,000)
Fire Services	Fire increase in funding (planned 1.3% of tax levy reduced by staff)	(259,200)
Various	2017 approved position annualization	(149,700)
Council	Council salary 'gross up'	(65,000)
Corp. Services	Election 2018 funding short-fall	(25,000)
PRCS	Canine commons	(16,000)
PRCS / IES	NET Savings from the closure of 52/56 Victoria Street (before potential subsidies)	47,700
PRCS	Tax savings soccer dome	40,500

New Pressures on Budget

Corp. Expenses	New Provincial labour legislation impact - Bill 148	(605,000)
IES	New waste management contract increase	(518,000)
IES	Budget correction electricity streetlights and facilities	(380,800)
PBS	Reduced Planning & Development revenue	(244,300)
PRCS / Library	Cultural partners allocation increase	(106,000)
PRCS	Lost rental revenue from Library Building	(26,700)
PRCS	Park Operations reduced reliance upon Developer Charges	(20,500)
Corp. Services	Insurance premium increase	(17,600)
PRCS	Lost rental revenue from Holland Room loss	(3,600)
Corp. Expenses	Increase net recoveries from rate supported utility & Bldg budgets	556,600
Various	Net all other budget pressures from departments	(226,600)

Rate Stabilization

IES	Solid waste:	Phase-in \$518K over two years	235,000	
Corp. Revenues	Labour Legislation	Phase-in \$605K over two years	334,900	569,900

Unallocated Council Contingency

Corp. Expenses	Reserved for Council funding decisions	(94,800)
----------------	--	----------

Unresolved Budget Tax Pressure versus Council's Direction

-

**Town of Aurora
2018 Draft Operating Budget
HISTORY OF AURORA TAX RATE INCREASES**

