



Budget Committee Meeting Agenda

**2020-22 Operating Budget
Review**

Monday, November 25, 2019

6 p.m.

**Council Chambers
Aurora Town Hall**



**Town of Aurora
Budget Committee
2020-22 Operating Budget Review
Meeting Agenda**

Monday, November 25, 2019
6 p.m., Council Chambers

- 1. Approval of the Agenda**
- 2. Declarations of Pecuniary Interest and General Nature Thereof**
- 3. Delegations**
 - (a) Irene Clement, representing Aurora Community Arboretum
Re: Aurora Arboretum Update & 2020 Budget Plans**
- 4. Consideration of Items**
 - 1. 2020-22 Operating Budget – Business Plans and Presentations**
 - (a) Central York Fire Services 2020-22 Operating Grant (Tab 22)
Fire Chief Ian Laing, and Mike Mayes, Treasurer, Town of Newmarket**

Recommended:

 1. That the presentation by Central York Fire Services be received; and

2. That the request for 2020-22 operating grant to the Central York Fire Services in the amounts of \$11,755,300, \$12,200,100, and \$12,613,600, which includes an annual allocation of \$6,000 for snow clearance for 2020, 2021, and 2022 respectively be tentatively approved.

(b) Aurora Historical Society Board 2020-22 Operating Grant (Tab 23)
John Green, President, Aurora Historical Society (AHS),
Patricia Wallace, AHS Board Secretary, and Geoff Dawe, AHS Board Director

Recommended:

1. That the presentation from the Aurora Historical Society Board be received; and
2. That the request for 2020-22 operating grant to the Aurora Historical Society Board amounts of \$81,300, \$82,800, and \$80,900 for 2020, 2021, and 2022 respectively be tentatively approved.

(c) Aurora Cultural Centre Board 2020-22 Operating Grant (Tab 23)
Suzanne Haines, Executive Director, Aurora Cultural Centre, and
Eric Acker, President of Board of Directors

Recommended:

1. That the presentation and the business plan from the Aurora Cultural Centre Board be received; and
2. That the request for the 2020-22 operating grant to the Aurora Cultural Centre Board in the amounts of \$424,000, \$432,500, and \$441,100 for 2020, 2021, and 2022 respectively be tentatively approved.

(d) Aurora Sports Hall of Fame 2020-22 Operating Grant (Tab 23)
David Thom, President, Aurora Sports Hall of Fame

Recommended:

1. That the presentation from the Aurora Sports Hall of Fame be received; and
2. That the request for the 2020-22 operating grant to the Aurora Sports Hall of Fame in the amounts of \$28,700, \$29,300, and \$29,900 for 2020, 2021, and 2022 respectively be tentatively approved.

(e) Operational Services (Tab 19)
Al Downey, Director of Operational Services
(Deferred from Budget Committee meeting of November 18, 2019)

Recommended:

1. That the presentation by Al Downey, Director of Operational Services, be received; and
2. That the 2020-22 Operating Budget for the Operation Services department as presented be tentatively approved.

(f) Water and Sewer Budget (Tab 19)
Al Downey, Director of Operational Services
(Deferred from Budget Committee meeting of November 18, 2019)

Recommended:

1. That the presentation by Al Downey, Director of Operational Services, be received; and
2. That the 2020-22 Operating Budget for the Water and Sewer as presented be tentatively approved.

(g) Planning and Development Services (Tab 20)
David Waters, Director of Planning and Development Services
(Deferred from Budget Committee meeting of November 18, 2019)

Recommended:

1. That the presentation by David Waters, Director of Planning and Development Services, be received; and
2. That the 2020-22 Operating Budget for the Planning and Development Services department as presented be tentatively approved.

(h) Corporate Revenues and Expenses (Tab 21)
Rachel Wainwright-van Kessel, Director of Finance
(Deferred from Budget Committee meeting of November 18, 2019)

Recommended:

1. That the presentation by Rachel Wainwright-van Kessel, Director of Finance, be received; and
2. That the 2020-22 Operating Budget for Corporate Revenues and Expenses as presented be tentatively approved.

2. FS19-045 – 2020-22 Operating Budget Decision Unit Items

Recommended:

1. That Report No. FS19-045 be received; and
2. That the remaining incremental Aurora Cultural Centre 2020, 2021, and 2022 budget pressures be funded from existing budgeted Library Square funding; and
3. That a further 0.5 % tax levy increase for 2020 and 2021 in support of the Town's planned Library Square construction debenture, be approved; and
4. That the Library Square debenture annual carrying cost funding be contributed to the Tax Rate Stabilization reserve until such time that it is required for its intended purpose.

5. Adjournment



Legislative Services
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100 John West Way, Box 1000
Aurora, ON L4G 6J1

Delegation Request

This Delegation Request form and any written submissions or background information for consideration by either Council or Committees of Council must be submitted to the Clerk's office by the following deadline:

9 a.m. One (1) Business Day Prior to the Requested Meeting Date

Council/Committee Meeting and Date: Budget Committee Nov 25, 2019 6pm	
Subject: Aurora Arboretum Update & 2020 budget plans	
Name of Spokesperson: Irene Clement	
Name of Group or Person(s) being Represented (if applicable): Aurora Community Arboretum	
Brief Summary of Issue or Purpose of Delegation: To provide a outline of activities last year and plans for 2020.	
Please complete the following:	
Have you been in contact with a Town staff or Council member regarding your matter of interest? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
If yes, with whom? Al Downey	Date: approx Oct 24, 2109
<input checked="" type="checkbox"/> I acknowledge that the Procedure By-law permits five (5) minutes for Delegations.	



**Town of Aurora
Budget Committee Report**

No. FS19-045

Subject: 2020-22 Operating Budget Decision Unit Items

Prepared by: Jason Gaertner, Manager, Financial Management

Department: Finance

Date: November 25, 2019

Recommendation

- 1. That Report No. FS19-045 be received for information; and**
- 2. That the remaining incremental Aurora Cultural Centre 2020, 2021 and 2022 budget pressures be funded from existing budgeted Library Square funding; and**
- 3. That Council approve a further 0.5% tax levy increase for 2020 and 2021 in support of the Town's planned Library Square construction debenture; and**
- 4. That the Library Square debenture annual carrying cost funding be contributed to the Tax Rate Stabilization reserve until such time that it is required for its intended purpose.**

Executive Summary

Through its report and accompanying presentation on November 5, 2019, staff presented to Council the Town's first multi-year draft operating budget for 2020, 2021 and 2022 for review by the Budget Committee.

The draft operating budget recommended a tax rate increase that was within Council's directed annual rate increase ceiling of inflation plus one percent for the Town's key fiscal strategies.

- Two operating budget items were identified for the Budget Committee's consideration that were not included in staff's presented draft operating budget

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Should Council approve these two operating budget items and the budget as presented, the Town's total required tax levy rate increase would become 3.4, 3.4 and 2.9 percent for 2020, 2021 and 2022, respectively.

Background

Through the report and accompanying presentation on November 5, 2019, staff presented to Council the Town's first multi-year draft operating budgets for 2020, 2021 and 2022 for review by the Budget Committee. At that time, staff also presented two operating budget items for consideration.

Analysis

Two operating budget items were identified for the Budget Committee's consideration that were not included in staff's presented draft operating budget

Two budget pressures have been identified that do not fall within staff's current recommended tax levy increases for each year. These pressures relate the Town's planned Library Square development and the operations of its community partner, the Aurora Cultural Centre (ACC).

Library Square

Together, Council and staff are in the process of refining the final design and requirements relating to the construction of a new community hub, currently referred to as Library Square. The planned Library Square work includes many dimensions:

- A new addition to the Church Street School
- A new outdoor square
- An above ground pedestrian bridge linking the new addition and the library
- New parking configuration, and
- New library vestibule, program rooms and Yonge St. Entrance

The total required investment for this project is presently estimated to be \$47.9 million. The Town's proposed investment strategy for this project includes the use of debt as a source of funding. The Town's debt tolerance for this project was defined as the debt principal cannot exceed a point where its annual carrying costs exceed an equivalent value to a 1 percent tax rate increase being approximately \$484,700 in 2020. The investment strategy for this project plans to use the maximum defined debt threshold. This debt is expected to be required in late 2021 or early 2022. This provides the Town

time to strategically phase in the annual carrying costs of principal and interest for this debt. It is recommended that this new debt's annual cost equivalent of a 1 percent tax increase be phased in over 2020 and 2021 in two equal tax rate increases of 0.5%.

Aurora Cultural Centre (ACC)

The ACC has identified operating pressures in each of the next three fiscal years totaling \$67,000, \$19,000 and \$21,400 in 2020, 2021 and 2022, respectively. These pressures are driven by a 2019 base salary funding catch-up of \$30,400, new required annual salary adjustments and rental income losses. The Town has budgeted inflationary increases of \$8,300, \$8,500 and \$8,700 for 2020 to 2022, respectively. Once these available amounts have been applied to the pressures, the net remaining ACC funding requirements become \$58,700, \$10,500 and \$12,800 for the next three years. Staff recommend that each of these net remaining pressures be funded out of existing Library Square operating budget funding that is included in staff's recommended draft budget thus avoiding the need for any further incremental tax rate increases.

Advisory Committee Review

The Financial Advisory Committee does not review the annual draft operating budget, however they review 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.

Legal Considerations

Section 291 of the Municipal Act provides that a municipality may prepare and adopt multi-year budgets. For the second and each subsequent year, Town Council will have the opportunity to re-review the budget, make any necessary changes and re-adopt the budget for the year to which the budget applies.

Financial Implications

Should the Budget Committee recommend to Council for its approval the above noted operating budget items, a further increase to the Town's tax levy rate of 0.5 percent in both 2020 and 2021 would be necessary. With these increases included, the Town's

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total required tax levy rate increase could become 3.4, 3.4 and 2.9 percent for 2020, 2021 and 2022, respectively.

If Council approves the additional tax increases for Library Square carrying costs, it is recommended that the Town also plan to allocate the funds to the Town's Tax Rate Stabilization Reserve until such time it is required for its intended purpose. The Tax Rate Stabilization reserve is used to stabilize or control the effects on the Town's annual required tax levy relating to a significant short-term positive or negative budget shock.

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.

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. The Committee may make recommendations for changes to the 2020, 2021 and/or 2022 draft operating budgets at any time during its review process.

Conclusions

Council established a budget target for the 2020, 2021 and 2020 operating budgets of inflation plus 1 percent in support of fiscal strategies, representing a maximum 3 percent tax increase.

Through careful review, staff have developed and presented to the Budget Committee for its review and recommendation to Council for approval draft operating budgets for the next three years requiring an annual tax rate increase of 2.9 percent that meets all of Council's criteria and goals as set out in their directives to staff.

Staff have also identified two pressures in addition to its recommended 2.9 percent increase each year along with recommendations for their mitigation. Should Council

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approve these items as presented, the Town's total required tax levy rate increase would become 3.4, 3.4 and 2.9 percent for 2020, 2021 and 2022, respectively.

Attachments

None

Previous Reports

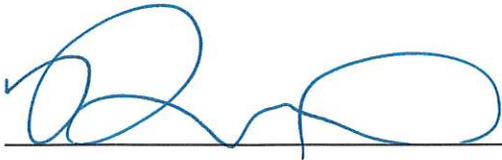
FS19-031: 2020-22 Operating Budget

FS19-020: 2020-22 Budget Development Direction

Pre-submission Review

The Agenda Management Team's review of this report was facilitated by e-mail on Monday, November 18th.

Departmental Approval



**Rachel Wainwright-van Kessel, CPA, CMA
Director, Finance
- Treasurer**

Approved for Agenda



**Doug Nadorozny
Chief Administrative Officer**