



 EXECUTIVE
SUMMARY

As adopted November 28, 2024

Message from the Mayor



Mayor Tom Mrakas

I am pleased to present the Town of Aurora's 2025 and 2026 Operating Budgets and 10-Year Capital Plan. This Budget maintains all current service levels and makes strategic investments in key areas that will sustain Aurora's very high quality of life.

The tax-levy increase for 2025 is 3.5 percent and 2.9 percent for 2026 – for a home assessed at 800,000, this translates to an annual increase of \$87.52 in 2025 and \$75.05 in 2026. This increase includes a one percent rise in capital reserve contributions, ensuring long-term financial stability for major community projects. It was extremely important to keep this tax increase as low as possible, as I

know that many people in our community continue to feel financially strained. The inflationary portion of the tax levy is lower than the Consumer Price Index, and the Town of Aurora continues to strive to keep the levy in-line or below the level of inflation.

This Budget ensures the Town of Aurora can continue offering all the exceptional services and programs that are important to so many community members, including our world-class recreational programs, Town-led special events, snow clearing, maintenance of our parks and trails, and so much more. Moreover, it enables us to support Central York Fire Services and other important community partners, including the Aurora Public Library and the Aurora Cultural Centre, organizations that all significantly improve the lives of Aurorans.

In 2025, we will also move forward on key capital projects in our 10-Year-Capital Plan that will significantly strengthen our community as we continue to grow. These include modernizing Town facilities, redeveloping playgrounds, and improving tennis and pickleball courts in several parks. We will enhance the Benjamin Pearson Park boardwalk, upgrade our technology to accommodate online tax and water billing for residents, conduct a Traffic Calming Study, and develop a Community Planning Permit By-law to streamline zoning and approval processes to accommodate our projected growth. Importantly, we will make needed improvements to local infrastructure, including numerous roads, stormwater ponds, sewers and pumping stations – projects that keep Aurorans healthy and moving, and that also ensures we're climate resilient.

This Budget is the result of a tremendous amount of teamwork, with staff, elected officials, residents and businesses all providing input on priorities during our pre-budget consultations. I want to thank everyone for their input and their commitment to helping make Aurora one of the best places to live, work and raise a family.

The Budget maintains the tax levy increases of 3.5 and 2.9%

The Town of Aurora’s 2025 to 2026 Operating Budget maintains the tax increases of 3.5 percent in 2025 and 2.9 percent in 2026 after assessment growth forecasted at 1.6 percent in 2025 and 1.2 percent in 2026. The annual increases includes a one percent annual increase to capital reserve contributions and redirection of savings from the completion of the LED debt repayments, reallocation of the Aurora Town Square debt carrying costs, and savings from producer responsibility for waste to support the asset management plan and the 10-year capital plan.

The annual gross spending in the operating budget increases from \$119.1 million in 2024 to \$130.1 million in 2026. Most of the funding to support the operating budget in each year comes from the tax levy. However, Aurora’s levy only represents 38 cents on the tax dollar in 2025. The tax bill also includes property taxes for York Region, at 44 cents, and the school boards at 18 cents on the dollar.

The Budget also includes user rates that pay for water, wastewater and stormwater services. The rates include purchased wholesale water and wastewater costs from York Region. These rates remain the same as presented in the 2024 to 2026 Budget. The combined water and wastewater rate increases to \$0.27 to \$5.80 in 2025 and \$0.26 to \$6.06 in 2026.

The Capital Budget includes planned capital spending of \$65.3 million in 2025 with multi-year Capital Budget Authority of \$213.9 million to manage capital contractual commitments. The 10-Year Capital Plan totals \$371.2 million.

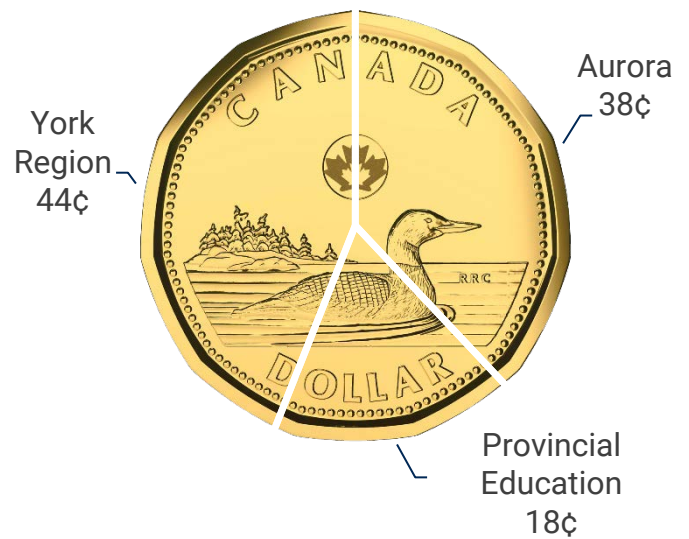
Inflation continues to have a significant impact on the budget

Inflation over the past few years has continued to increase significantly. The Town has been able to maintain tax increases below the level of inflation through savings and through multi-year contractual commitments with vendors.

Bids for procurement contracts are increasing to catch up with inflation

The higher post-pandemic inflation is still impacting the Town as multi-year contracts issued before the pandemic continue to be replaced with new contracts at today’s pricing using a competitive bid process. The largest operating budget impact is in Operational Services on roads maintenance and street light contracts.

Aurora’s share of the tax dollar

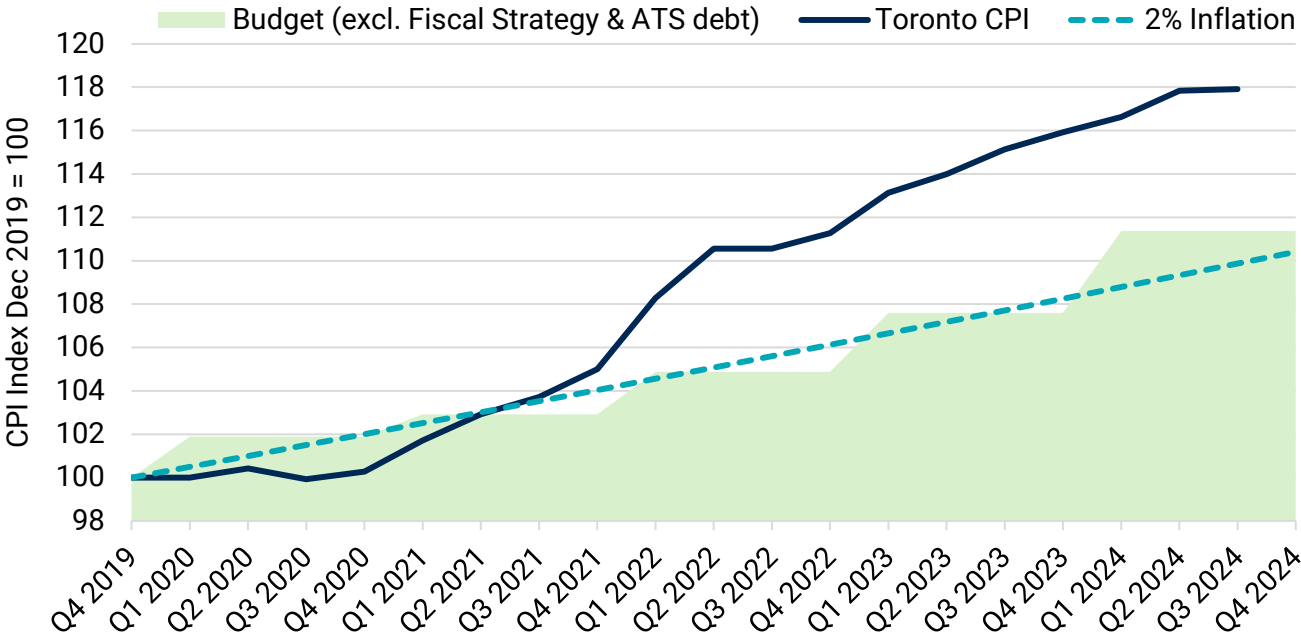


The inflationary portion of the tax levy remains lower than CPI. As shown below, inflation has increased significantly over the economic two percent standard. Aurora continues to strive to keep the levy in-line or below the level of inflation.

The Operating Budget mitigates some of the impacts of inflation

The multi-year operating budget includes elements which mitigate the impact of inflation. These factors included increases to non-tax revenues and an internal review of the budget in detail for savings.

Inflation trend compared to tax levy increases



CPI Source: Statistics Canada. Table 18-10-0004-12 Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, provincial cities

The Asset Management Plan has a significant influence on this budget

The Asset Management Plan influenced both operating and capital budgets through the reserve contributions in the operating budget and the projects included in the 10-year capital plan.

No further levy increase is needed to meet the Asset Management Plan recommendations

Asset management projects represent the largest portion of the 10-year capital plan. In 2024, Council approved service level measures for the remaining non-core assets and service levels for all assets. In 2025 and 2026, the Budget includes increased contributions to asset management without putting further pressure on the tax levy. These contributions meet the

funding needs identified in the Asset Management Plan. To achieve the increased contributions to support asset management, the Budget includes the funds from the one percent fiscal strategy component of the levy and also leverages three additional sources:

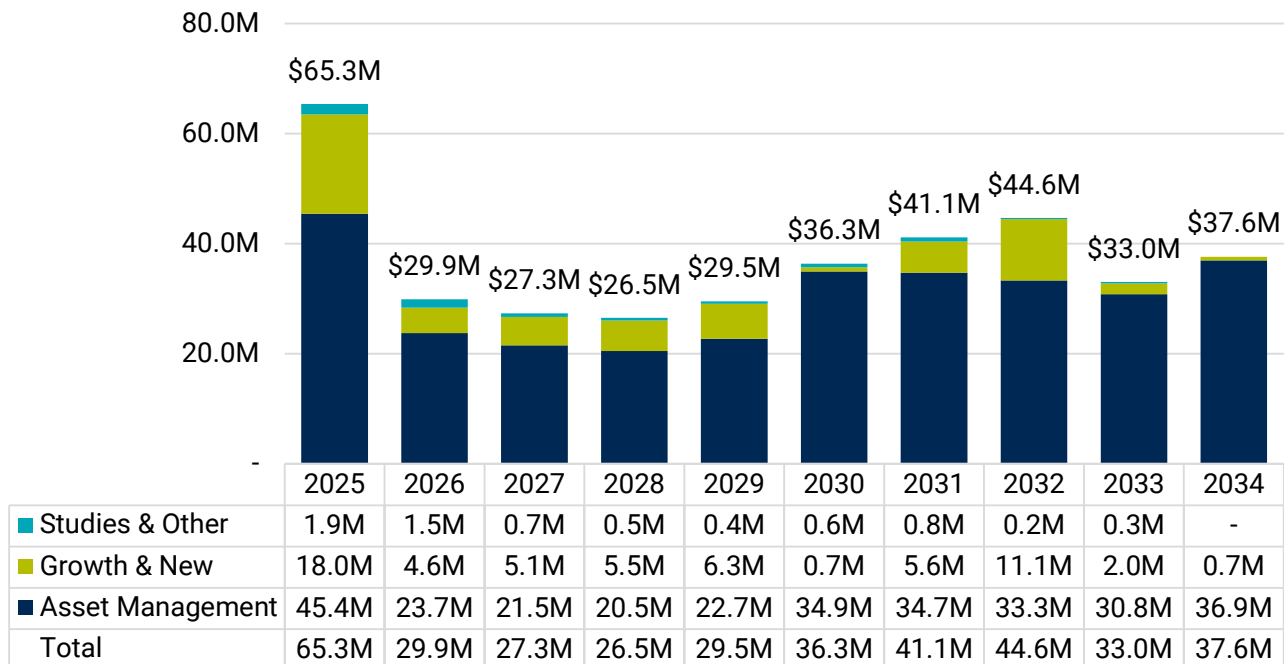
1. Savings from the move to producer responsibility for waste management
2. Converting the debt repayment costs for the completion of the debt payments on the LED conversion project
3. Converting the funds levied to repay tax-funded debt for Aurora Town Square after changing the funding from tax levy, supported by debt, to the Hydro Sale reserve

These actions begin to manage the gap in funding needed to support the Asset Management Plans. In 2025 and 2026, staff will continue to refine the asset management plan to develop a strategy for meeting the long-term needs in 2027 and beyond.

The 10-year plan includes more asset management projects, but does not fully address the backlog

This year’s 10-year capital plan includes an additional \$96.7 million in asset management projects over the 10 years included in the 2024 to 2026 Budget. This was achieved through the increased investments into capital reserves through tax and user rate sources. However, since the increase to capital funding is being phased in over multiple years, some asset service levels will decline until the backlog of projects can be addressed. Because of this \$32.2 million of roads, \$1.8 million of water, \$10 million of wastewater and \$9.5 million of stormwater asset management projects were excluded in the 10-year capital plan.

10-Year Capital Plan project profile



Development Charges continued to evolve in 2024 and the new bylaw reflects most of the recent changes

Over the past few years, the provincial government has made many changes to the Development Charge Act. In March 2024, Council passed a new Development Charge Study and Bylaw. Shortly after, the province made additional changes to the Development Charge Act which supported municipalities in being able to collect more development charge revenue including:

- Removal of the 20 percent discount that was to be phased in over five years
- Adding back growth studies as eligible services
- Reducing the minimum amount of time which municipalities could freeze development charge rates from 24 to 18 months

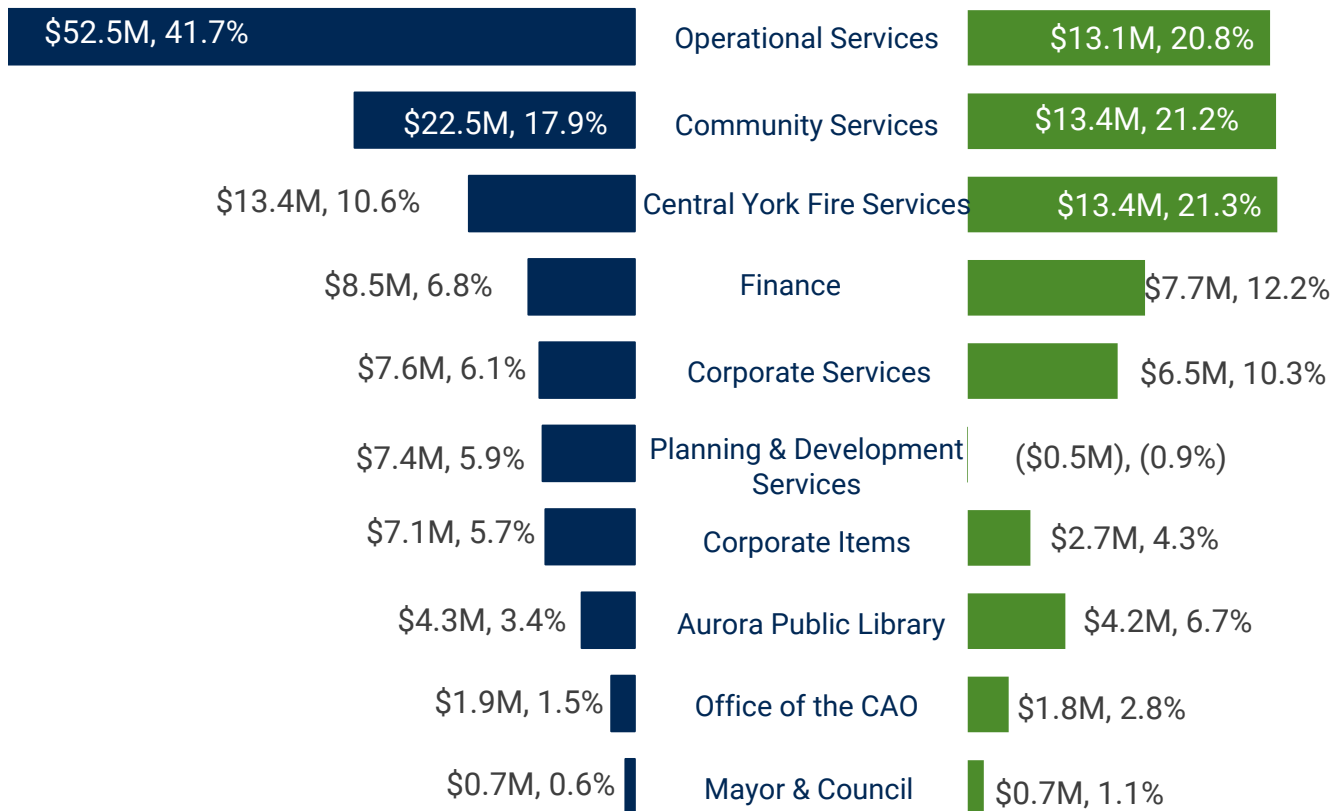
The Town amended the Development Charge Bylaw for the first two items in June as an administrative adjustment and the last item in October as it required a public process.

The 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 or user rates like water, wastewater and stormwater in Operational Services.

The Operational Services budget has the highest share gross expenditures at 41.7 percent. However, on a net tax-levy basis, it is the third highest at 20.8 percent after Central York Fire Services at 21.3 percent and Community Services at 21.2 percent. The reason for this shift is because Operational Services includes water, wastewater and stormwater which are fully funded through user rates where the costs for Aurora's share of Central York Fire Services are fully tax funded.

2025 Budget departmental share of gross spending and the tax levy



Impact on the average resident's tax and water bills

The tax increase is applied to the assessed value of a property. The Municipal Property Assessment Corporation's last assessment was completed in 2016 which results in an average assessed value of just over \$800,000 for residential homes in Aurora. This is why there is such a significant difference between the assessed value of a home and the market value.

For a home assessed at 800,000, the tax increases in this budget will result in average annual increases of \$87.52 in 2025 and \$75.05 in 2026, increasing the Town's share of the average bill from \$2,500 in 2024 to \$2,663 by 2026.

On average, each resident consumes 54 cubic metres of water per quarter which results in a total bill of \$343.41 in 2024. The rates in this budget for water, wastewater and stormwater will increase this average bill by \$19.62 to \$363.03 in 2025 and \$19.26 to \$382.29 in 2026.

Impact on the average tax bill and quarterly water bill

Annual Tax Increase
For house assessed at \$800,000



Quarterly Water Bill Increase
Average consumption of 54 m³



The Fiscal Strategy continues to inform the development of the budget

The Fiscal Strategy was approved by Council in 2021. The Fiscal Strategy provides a long-term view of financial sustainability through the balancing of the four strategic pillars: Revenue Management, Capital Planning and Reserve Management and Debt Management.

This budget supports the Fiscal Strategy through the following:

- **Capital Planning:** The 10-Year Capital Plan identifies future asset management needs over the long-term as informed by the Asset Management Plan
- **Reserve Management:** Increasing contributions to asset management reserves to support the service levels in the Asset Management Plan
- **Debt Management:** Managing the timing difference between growth revenues and growth capital construction through planning for debt
- **Revenue Management:** Proposing a tax levy increase below inflation by managing budget pressures through expenditure savings and revenue adjustments and continuing to reduce the budget reliance on supplementary taxes