

3.1% tax increase considered as budget talks begin

By Brock Weir

Aurora residents could face a minimum 2.9 per cent increase on the municipal portion of their tax bill in 2018.

That is the starting point Council members will consider this week as they take a first sweep over next year's Operating Budget and it is likely that number has nowhere to go but up.

The proposed 2.9 tax hike is slightly less than the originally suggested 3.1 per cent tax increase floated around the Council table earlier this year and addresses pressures faced by a growing community, as well as allocating a further one per cent to top up reserves.

According to a report by Municipal Treasurer Dan Elliott, which will be before Council members sitting at the Committee level this week, one of the key pressures facing the operating budget is the proposed change set out by the Province increasing minimum wage.

This, he says, is estimated to account for a hit of \$605,000.

Increased costs are also coming from waste collection beginning next year, a focused increase to infrastructure reserves, reducing the Town's reliance on the interest from the Aurora's Hydro Reserves to mitigate tax significant tax increases, and the continued expansion of fire service shared between Aurora and Newmarket.

This year's Operating Budget outlines a number of initiatives municipal departments will focus on in the year ahead, including the implementation of the new Office of Economic Development, which will put an increased emphasis on business strategy across Aurora, bringing on board the new Economic Development Board to prepare a community-wide economic development strategy, continued work on Library Square and the Cultural Precinct, the Cultural Master Plan, a new three-year strategy for the Aurora Museum & Archives, the development of a new public art policy, detailed design work on the Aurora Wildlife Park (Ivy Jay Nature Reserve), and the implementation of internet voting ahead of next year's municipal election.

The tax increase budget adds \$9.82 per year to the Town's share of the tax bill for each \$100,000 of assessment, or less than \$50 for a home assessed at \$500,000, said Mr. Elliott. For the average Aurora home assessed at \$770,000, this budget will add \$76 per year for the Town's share of the tax bill. When combined with York Region's expected 2.35 tax rate and the revenue neutral education rate to be set by the Province (in April), the expected combined tax impact to a residential property is 2.07 per cent.

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 and penalties. The remaining \$44,454,900 requirement is to be raised through property taxes requiring a 3.1 per cent average tax increase.

With this in mind, service levels across Town are expected to increase, according to Mr. Elliott, with \$234,560 earmarked for service enhancements.

The list of budget options which have not been included in the current proposed operating budget includes all of the operating type requests which were received from community stakeholder groups at the Town's May 31 Community Budget Consultation meeting. These presentations included pitches from the Aurora Cultural Centre, Aurora Community Arboretum, the Aurora Public Library among other community partners.

Council established a budget target for the 2018 operating budget of inflation plus 1 per cent in support of fiscal strategies, representing a maximum 3.10 per cent tax increase, said Mr. Elliott. Staff have responded in developing a comprehensive budget producing a lower total required core tax increase of 2.9 per cent, making available .2 per cent 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 per cent is fiscal strategy driven. Through careful review, the 2.9 per cent 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 a number of new service level initiatives suggested by members of Council as well as from its public consultations. Where these are indeed new service levels or enhancements, staff have identified costs and details, however have not budgeted these in the 2.9 per cent draft budget. Funding requirements for any chosen by Council can firstly be funded with the remaining .2 per cent in tax rate increase room within [the defined maximum] with any remaining excess service requirements representing a required tax increase over and above 3.1 per cent.