

Service levels will be maintained through 2018 budget ? but no room for expansion: CAO

By Brock Weir

There will be little wiggle room when Council begins deliberating the 2018 Operating Budget this Saturday.

With a firm budget established so far resulting in a 2.9 per cent increase to the municipal portion of your tax bill, there will be just \$94,800 for Council to work with in addressing budget pitches made by community groups if they want to stay within their forecasted final budget increase of 3.1 per cent.

It is a lean budget, according to CAO Doug Nadorozny, one which will allow Aurora to maintain existing service levels in a rapidly growing community, but it doesn't leave any room for added services.

‘Like any municipal budget, we have had to deal with some challenges,’ said Mr. Nadorozny at last week's General Committee meeting. ‘We have maintained service levels despite growth and demands on services in many of our frontlines.’

Along with these challenges, there is a decrease in Aurora's reliance on supplemental tax revenues to shoulder any of the pressures on the tax rate and a driver to ensure tax increases are pegged to inflation.

‘In June this year it was established the GTA inflation rate was 2.1 per cent, so added to the one per cent for the fiscal strategy (contributions to reserves, a decrease in reliance on supplementary taxes, and the interest from Hydro Reserves), this resulted in an operating budget direction of up to 3.1 per cent as a starting point for staff,’ he said. ‘Throughout the process, we have been constantly pushing for more accurate financial reporting which, in turn, leads to more accurate budgets and we have seen some gains as we have gone through the budget this year where things are a little tighter or a little easier to bring accurate budgets.’

‘As CAO, I did a line by line review with each of the directors and we have had some discussions about six weeks ago on the details of the individual budgets. We continue to work on KPIs (Key Performance Indicators) and I will be the first to admit that more work is needed in this area to make sure we are tracking KPIs that are relevant, accurate and clear. We have fallen short of where I had hoped we'd be last year when I was talking about KPIs, but that remains our target list to improve significantly for the last budget.’

In addition to the above challenges, Aurora is anticipating another hit where it comes to salaries. Changes to employment standards, particularly wages, making their way through the Ontario Legislature, is expected to result in a \$600,000 tax pressure going into next year which is now accounted for in the 2.9 per cent tax hike.

Building on an introduction from the CAO, Town Treasurer Dan Elliott said Aurora continues to move down the road from a suburban to urban community, one which is dependant not on greenfield builds but rather intensification.

‘[Within] our 2C Secondary Plan, the residential build is progressing much more rapidly than we anticipated,’ said Mr. Elliott, noting the Aurora Promenade Plan, already in place, will help guide the infill slated to take place within the Yonge and Wellington corridors. ‘That is driving the future for us as we move towards this intensification stage. In the economic realm, it's pretty stable. We have some slowly increasing interest rates as the powers that be try to manage that inflation.’

‘We have an additional one per cent for fiscal strategies. This year, for 2018, this is the first time since 2005 when Aurora sold its hydro that we are not relying on interest from the hydro sale proceeds. We have reduced that reliance on supplementary revenues as part of our fiscal strategy and we are increasing our cash to capital contributions. We are doing what we said and I think we're on the right track.’

‘When we take the new revenues and we deduct all the pressures, truly there was nothing left for our departments to increase their spending, so they ended up with zero as their targets for their expenditure. The budget does not provide new services that we haven't had before. But it does provide an extension of our current service to our new and growing community.’

‘You get well maintained infrastructure, you get sustained community service levels, you get award-winning community events, we have a great variety of recreational and cultural opportunities for all ages and all abilities, and at the end of the day I believe we have a well-managed and fiscally sustainable community.’