

User fees expected to increase following budget shortfalls

By Brock Weir

If Aurora's financial picture stays on track through the balance of the year, the Town can expect an operating budget surplus of over \$230,000.

But, lingering shortfalls in the Parks and Recreation department when it comes to Town-run programs could see user fees increased for next year.

Council considered a report from Municipal Treasurer Dan Elliott which outlined budget surpluses and shortfalls according to Town Hall departments. While significant budget surpluses are reported in areas ranging from Council and the CAO's office to Corporate Revenue thanks to an influx of cash attributed to the ongoing development in 2C, the Parks and Recreation Department has posted a shortfall of \$319,200.

The Parks and Recreation Services Department is anticipating an overall unfavourable budget variance of 10.9 per cent on a net operating budget of \$2,917,900, said Mr. Elliott in his report. The key contributors to this identified deficit are contract costs that are required in order to operate the Town's various community programs, which have historically been underfunded and require adjustment, an increase in summer bussing contract costs, and lower than anticipated fitness program user fees, attributable to delays in the move back into the renovated [Aurora Family Leisure Complex].

During Council talks, Al Downey, Director of Parks and Recreation, told Councillors his department hopes revenues pick up in the near future.

It is the control of our expenditures that gives me the greatest concern and I believe we do have a hold on that, he said. The unknown in this is generating revenues. I can't anticipate revenues until the end of the year, so we do hope those revenues are met, and if not exceeded, so this unfavourable number gets better as opposed to worse.

Presently, we bring in about \$5.3 million in user fees each year. In the future we are looking at an increase this year as part of the budget process of 1.1 per cent, bringing in approximately \$60,000 in additional user fees. Last year's budget, we also had the pressures with regards to the expenditures with premium programs. However, it came within \$1,500 of our overall budget.

Community programs, he noted, remain a very good revenue stream and, more often than not, revenues exceed expenditures.

To cancel these programs would be a greater negative impact on the budget, said Mr. Downey. My concern is I don't like spending more than my budget is allocated. We are certainly looking at good revenues in a number of programs, but we certainly have raised a red flag with regards to our fitness revenues. We hope to be able to re-adjust those numbers for the 2016 budget for a more appropriate forecast, but we may be coming in with some suggestions on how we can better utilize our resources and maximize revenues within the fitness area and that would include not only the fitness club itself and the aerobics area, but aquafit as well.

While Councillors sought more information on just how much revenue was lost due to the delays in getting the AFLC up and running once again after extensive delays, they also expressed concern over shortfalls in the infrastructure department, which posted a \$110,900 unfavourable.

The report attributed this to utility costs related to power traffic and street lights, as well as municipal facilities. The recent approval to switch Aurora's traffic lights over to a new LED system was supposed to realise savings like this, so Councillors questioned just what happened along the way.

I think the unfortunate aspect of the 2015 marketplace is [energy] has actually come down, so that has been a benefit for us, said Ilmar Simanovskis, Aurora's Director of Infrastructure. We still do have a gap on the electrical side and that is a piece we still need

to continually close off. My hope from an operational budget perspective was the conversion to LED streetlights would have resulted in a reduction of our overall consumption but then there would still need to be payments set aside for basically retiring any debt we would assume from the conversion of those streetlights.

?At the end of the day, we still need additional funds for the electrical component of our operating budget.?