

3.4 per cent tax hike gets Council approval

Council had approved a 3.4 per cent increase on the municipal portion of your tax bill, factoring in a 0.5 per cent increase to help fund the redevelopment of Library Square.

This week, local lawmakers signed off on the 2020 Operating Budget as well as the budget related to water and wastewater services.

Council began the budget process sitting at a proposed tax increase of 2.9 per cent, leaving a half-a-percent on the table to manage debt related to Library Square.

Budget talks have continued throughout November and into December, resulting in the final figure up for consideration and approval this week. If the 2020 Budget gets the green light, projected budget figures for 2021 and 2022 will get a tentative green light as well, estimated to be at 3.4 and 2.9 per cent respectively.

The Budget Committee is recommending that Council approve total tax increases of 3.4, 3.4, and 2.9 per cent for 2020, 2021 and 2022 respectively, said Jason Gaertner, Manager, Financial Management. Each of these recommended annual increases include 1.9 per cent for inflationary pressures and 1 per cent for fiscal strategies. The 2020 and 2021 increases include a further 0.5 per cent as per the Town's planned phase-in of debt carrying costs relating to its new Library Square development.

The one per cent tax increases in 2020, 2021, and 2022 for the Town's fiscal strategies will primarily support its ongoing strategy of increasing its contributions to infrastructure reserves in support of infrastructure renewal and the reduction in the Town's reliance on supplementary tax revenues.

Library Square is not the only initiative that provided a new funding pressure on the 2020 budget. Another factor was increasing operating costs related to the Aurora Cultural Centre, which asked for an increase in funding over the next three years.

The total required investment for the Library Square project is presently estimated to be \$47.9 million, said Mr. Gaertner. The Town's proposed investment strategy for this project includes the use of debt as a source of funding. The debt's tolerance for this project was defined as the debt principle cannot exceed a point where its annual carrying costs exceed an equivalent value to a 1 per cent tax rate increase being 484,700 in 2020. The investment strategy for this project plans to use this maximum defined debt threshold. The debt is expected to be required in late 2020 or early 2022. This provides the Town time to phase in the annual carrying costs, principal and interest, of this debt. The Budget Committee agreed to phase in these planned

requirements over 2020 and 2021 in two equal tax rate increases of 0.5 per cent.

?The Aurora Cultural Centre (ACC) operating pressures in each of the next three fiscal years totalling \$67,000, \$19,000 and \$21,400 in 2020, 2021, and 2022 respectively. Upon the application of the Town's already budgeted incremental amounts in support of the ACC, its net remaining funding requirements were \$58,700, \$10,500 and \$12,800 for the next three years. The Budget Committee agreed to fund these net remaining pressures out of existing Library Square operating budget funding already included in the recommended operating budgets for the next three years, thus avoiding the need for any further incremental tax rate increases.?

By Brock Weir