

Budget planning will address financial fallout from COVID-19

The COVID-19 pandemic has left many people facing financial uncertainty and this same uncertainty is being felt at Town Hall as staff lay the groundwork for the 2021 Budget.

As part of the 2020 Budget process, Aurora completed its first-ever multi-year operating budget, which not only provided concrete plans for this year, but a financial blueprint for 2021 and 2022.

While this was seen at the time to be prudent financial planning, one which would provide taxpayers with a degree of certainty, the COVID-19 outbreak has significantly muddied the waters.

"We are working on bringing forward a projection of what [impacts] COVID-19 will have for 2020," Town Treasurer Rachel Wainwright-Van Kessel told Council members at the latest virtual General Committee meeting where Council considered a detailed schedule of the 2021 Budget process going forward. "A few of the things that are going to [have an] impact is the way we look at penalties on taxes for unpaid taxes [and we have] a report coming forward in June to see how we're going to manage that for the rest of the year. The other thing that is going to impact [the plan] is the growth. Right now, growth on residential that is already underway can continue for now, but any new growth has been stalled and has not started. That could impact our assessment growth, which will probably have more of an impact in 2022 over what would happen next year. These are some of the things we're starting to look at, the bigger items, and what we can do over the next couple of years to keep the tax levy at a palatable level."

The 2021 Budget Process will kick off on Tuesday, June 2, with a public session allowing residents at large to have their say. As it is unclear yet if physical distancing measures currently in place will be loosened in any way by that point, members of the public will be invited to weigh in digitally.

"We have just started to consider what some of those options could be," said Ms. Wainwright-Van Kessel. "The Finance Department will probably be working very closely with communications to look at ways we can engage the public virtually because it looks like we're probably going to have to go down that route rather than having an open public session. We might have to look at ways to gather feedback through social media, through email, or some other method rather than an open session."

Responding to this tentative plan, Councillor Rachel Gilliland asked whether these additional options would impact the timing of the rest of the schedule, which is expected to take place in earnest around the Council table by October.

"Generally, a lot of the feedback we get is from some of our cultural partners and organizations," the Treasurer said. "This year, with it being a very different year with the impact from COVID-19, we're probably going to get more feedback from some of the public, but we can probably predict what some of that feedback is going to be in advance. We do need to get started with a budget process and start looking at what the impact is going to be for 2021 and 2022 and see how we manage this going forward."

Should Council approve the budget schedule this week, the formal kickoff will take place on Tuesday, October 20, with additional sessions taking place on November 9, 16, 21, 23 and 30, with Council approval targeted for Tuesday, December 15.

This year, however, the Town's Operating Budget, which includes the Town's tax levy as well as water and wastewater charges, and the Capital Budget will be considered together.

Operating and Capital Budgets include elements which impact each other with the most important being reserve management, said the Treasurer in her report. Water and tax reserves are funded accordingly from the Town's tax levy and rate funded operating budgets. These reserves are used to fund capital projects in current and future years. A change to how much is contributed to capital reserves will have a material impact on long-term reserve health.

Staff are proposing to aim for a December budget approval. This timing ensures that a budget is in place prior to the start of 2021 and also ensures the budget can include the latest assessment growth information.

By Brock Weir