

Budget talks begin at 2.9% tax increase for 2021

Aurora homeowners could see an increase of \$70.13 on their 2021 tax bills, if Council sticks to a revised forecast expected to come up for review next week.

Local lawmakers are set to begin deliberations on the 2021 Budget this Monday, November 9.

As presented at last week's Council meeting by Rachel Wainwright-van Kessel, Director of Finance for the Town of Aurora, staff are targeting a 2.9 per cent increase for the municipal portion of residents' tax bills in both 2021 and 2022.

For the average Aurora homeowner with a property assessed at \$800,000, this comes out to approximately \$70.13 for 2021 and \$72.16 in 2022.

"The budget this year for Operating includes a tax levy increase of 2.9 per cent in both years," said Ms. Wainwright-van Kessel. "In 2021, that is half a per cent lower than what was approved in Budget last year, as requested by the Mayor and the Finance Advisory Committee."

The average quarterly water bill is expected to increase by \$21.39 for 2021 and \$8.07 in 2022, she added.

Council approved a multi-year budget last year, but COVID-19 has forced a re-think of the numbers.

"Our net tax levy is decreasing by \$461,000," she said. "This equates to a .9 per cent decrease overall, but 4.4 per cent of that is due to a lower than forecasted assessment growth revenue that we're seeing come in. As the Finance Advisory Committee had mentioned we're trending towards 1.9 per cent. We managed to get to 2.0 per cent for assessment growth revenues, so we did get a little bit higher than what we were expecting."

The 2021 Budget, as presented, maintains current levels of service offered by the Town, while also addressing the realities of the global pandemic.

Aurora is facing an expected tax pressure of \$783,000 related to COVID-19 which will be funded through additional savings expected to come in next year, as well as the Safe Restart funding received from the Federal and Provincial Government.

"That will carry forward into next year to manage some of these pressures," said Ms. Wainwright-van Kessel. "We're currently anticipating COVID-19 pressures will continue into 2021 and not 2022."

The 2.9 per cent includes a 1 per cent contribution to financial reserves, a 0.5 per cent increase for Library Square financing, and a 1.4 per cent increase for operating costs to maintain current service levels.

As presented to Council on October 27, the budget is balanced in both 2021 and 2022, she added, and initiatives approved in last year's multi-year budget will continue as planned.

In addition to COVID-19, however, there are other concerns on the horizon pertaining to the Town's Capital budget.

Growth reserves, for instance, are expected to take a dip in 2024, she said.

"One of the things we need to do is get a better handle on the timing of our growth projects and making sure we insert them into the Capital plan early enough so we can plan our reserve requirements over the term of the Capital plan. We also see this problem as part of the development charge reserves as well."

This plan recommends issuing debt for three Capital projects. We still have some challenges starting in 2025, but we have some work to do particularly on growth capital as we move forward and fiscal strategy work that is coming will help with that. One of the things we need to do is get better at planning our growth capital and the timing of our future growth projects. DCs (Development Charges) are there to help us pay for the growth portion and maintain our existing service levels. By inserting those in early enough, we can ensure they get inserted into the DC charge study and bylaw every five years.

Over the coming weeks, the Budget forecast is subject to change as talks begin around the Council table.

Talks will include discussions around the Capital Budget, and the Town's 10-year plan which currently totals \$296.4 million.

This 10-year capital plan continues to focus its investments in asset management with repair and replacement projects representing 46 per cent of the capital plan, growth and new 52 per cent which includes the construction of Library Square and studies and other at 2 per cent, said the Town. The proposed capital budget includes a significant investment of \$30 million in Library Square. This represents just over one-third of the \$85.7 million planned for 2021 making growth and new projects the largest share of the 2021 planned capital spending at 69 per cent. As well, starting this year, Council is able to see a complete picture of Aurora's capital plan including new projects, active projects, conditionally approved projects, and projects to be closed.

From the perspective of Aurora CAO Doug Nadorozny, the 2021 Budget is very much in line with what was approved last year and many changes reflect the changed environment that 2020 has brought.

This has been a challenging year, but one where we have worked together as an organization to identify solutions in service of our community, he said in a statement. The 2021 Budget reflects that work.

By Brock Weir Editor Local Journalism Initiative Reporter