

Budget talks begin with potential 6.1% tax hike

By Brock Weir

Aurora residents could be facing a tax hike of as high as 6.1 per cent on the municipal portion of their annual tax bill, as Council began budget deliberations Monday. This number, however, is expected to be whittled down as discussions continue.

Councillors went into this week's budget meeting expecting a municipal tax increase of 4.96 per cent as a starting point. This would have translated into an overall tax impact to Aurora residents of 3.42 per cent when combined with the Region of York's proposed tax increase of 3.78 per cent.

A proposed budget from the Central York Fire Services, the fire department serving Aurora and Newmarket, and jointly governed by Councillors from both municipalities in the form of the Joint Council Committee (JCC), threw a wrench into that plan, however. What was expected at Town Hall to be a tax rate pressure of .76 per cent on the budget increase has shot up to 1.9 per cent.

"I humbly suggest JCC has some work to do, and I suspect the members from Newmarket will not be impressed with the budget plan at this point either," said Aurora Treasurer Dan Elliott, anticipating discussions set to take place at the JCC next week. "There will be a lot of discussion on the impact of the Fire Master Plan. I can't predict the outcome. I know the Chief is prepared for a frank discussion about his budget and JCC will start that next week. In some ways, we are at 6.1 per cent and not 4.96."

Councillors expressed dismay at the numbers this week, confident that as talks progressed both at Town Hall and JCC the final number facing Aurorans would be considerably less than 6.1.

"All I am going to hear for the next three or four months is the 6.1 per cent increase," said Councillor John Abel. "It puts myself in a defensive posture immediately because I have to then explain historically we have always had higher [proposed increases] and Council has been able to fine tune and bring it down 40 per cent or 50 per cent, but the number still sticks."

This, he added, could lead to less engagement in the budget process.

The process of trimming the budget was already undertaken by Town Staff and it will be up to Council to carry the football the rest of the way. Mr. Elliott noted when staff came up with their first consolidated budget, 4.96 per cent was not the result.

"A lot of work has already been done in bringing forward 4.96 per cent and it will be interesting to see how much further that can change [while reaching] the goals and objectives we spoke of," he said. "We believe what we as staff have put forward is what we need to run a municipality as we're currently used to running it."

But what of those goals? Going back to the originally proposed tax pressure of 4.96 per cent, 3.69 per cent of that can be attributed to the cost of running Aurora as it is today, he said. This accounts to a .78 per cent increase in energy costs, a half a percent each for employee salaries and benefits, and software, .37 per cent for facility repair and maintenance, and a .16 per cent increase in insurance fees, among other factors.

Beyond this, a 1.63 per cent pressure is on the tax rate to account for growth, including three new staff positions at Town Hall, and .79 per cent to put money away to prepare for the future - including infrastructure funding while reducing Aurora's dependence on interest garnered from the Hydro Fund.

Tempering these pressures was \$782,000 in increased tax assessment, which will help the "extension and expansion" of existing services to account for growth.

"We are getting pressure to expand our services and our service offerings to include new things," said Mr. Elliott. "We also have a desire at Council, and within Finance, to reduce our reliance on [the interest of] Hydro proceeds. We have done that in the past and

we wish to continue to do that. This is pressure to incorporate into the budget. We need to continue to increase our Cash to Capital infrastructure renewal and we will see more details on that in the Capital Budget and in our discussions in our first meeting of the budget committee.?

The initially proposed tax rate increase planted Aurora firmly in the middle of the pack as far as York Region municipalities go, he added.

?It is difficult for people to look at these facts and say taxes are way out of control,? said Mr. Elliott. ?In some ways it indicates there is a little room to move. In other ways, it says we're right in line and we've got to be careful. We don't have a lot of room to play with, I don't think, but it suggests there may be room for some tax movement depending on our needs.?

As things stand now, a 6.10 per cent tax increase on the municipal portion of your tax bill would result in a \$106.19 annual increase for the average Aurora home assessed at \$500,000. Combined with a tax increase from the Region of York, as well as education taxes, this translates into a combined tax rate increase of 3.83 per cent ? or an overall increase of \$185.37 annually on a home assessed at the same value.

On the other end of the spectrum, if numbers end up closer to the previously forecasted 4.96 per cent on the municipal side, this average homeowner would expect an annual increase of \$86.34 per cent, or \$165.52 at a combined rate of 3.42 per cent.