

Budget targets could create problem down the road: Gaertner

By Brock Weir

Councillor Wendy Gaertner offered remaining concerns on the Operating Budget before talks began on Saturday.

Pegging the potential 3.1 per cent tax rate increase at the level of inflation might keep numbers down for taxpayers in the short term but it could lead to larger issues down the road, she contended.

"I know we want to keep the budget down for our taxpayers, and it is an election year, but to me it is short sighted because that means we will be adding extra budget pressure for whatever Council sits at that time, so I object to that," she said.

These words were objected to by Councillor Michael Thompson who chairs Aurora's Finance Advisory Committee (FAC).

"This Council has unanimously adopted a Budget Principles document that clearly gave staff direction to go out and deliver a budget that is limited to the cost of inflation plus one per cent for capital strategy and that is what has been done. It was done last year, it was done this year, and those budget principles will hold true regardless of whether it is an election year or not. It is the direction of this Council and agreed upon by everyone on this Council and so staff has gone out and done it.

"At no time has [Town Treasurer Dan] Elliott, or our CAO Doug Nadorozny said to the FAC that meeting these targets year over year is going to create a service level deficit. They feel quite confident that they can deliver on those budget principles. That is also why we are looking at multiyear budgeting to ensure that we are managing those ongoing pressures in a fiscally responsible way." Councillor Gaertner backtracked on her choice of phrase, but remained committed in her concerns.

"I appreciate your response and it is the truth," she responded to Councillor Thompson, adding that departmental budgets should also be pegged to inflation. "I am sorry if I offended the Committee. I am just trying to point out that we are going to be putting extra stress on the budget for next year because for staff not to be able to do any of their services, in keeping with using the rate of inflation, I don't understand how it is even possible and I think it is going to leave us in a vulnerable position."

Her words were prompted over a budget item which will see additional costs from Aurora's growing waste and garbage budget be shouldered by a tax rate stabilization fund, a use for which, she said, it was not intended.

"It is not a surprise that our community is larger and the contract, therefore, is going to be more expensive. I do not think it is appropriate that we use a stabilization fund for a waste management contract. I know we're trying to hold the use increase for the taxpayer at a certain level but I think that is a completely inappropriate use."

According to Mr. Nadorozny, the hit in the waste contract will only be spread over two years.

"We had a 10 year contract, it expired, and this increase was far larger than anyone anticipated in relation to the increase and is much bigger than just the new service area," he said of growth in newer parts of Aurora, particularly 2C. "Some think that perhaps the previous contract operated almost at a break even and now market forces have come to bear."