

Council approves 1.96% tax increase for 2021

The average Aurora homeowner can expect to see an increase of approximately \$47 on the municipal portion of their tax bill next year, following Council's approval of the 2021 Budget last Tuesday night.

Local lawmakers signed off on a tax increase of 1.96 per cent, more than a full percentage point lower than the 3.4 per cent forecasted last year as part of the Town's multi-year budgeting program.

"The approved Operating Budget includes a 1.96 per cent tax increase in 2021 and 2.9 per cent in 2022," said the Town in a statement following last week's Council meeting. "The 2021 tax increase is 1.44 per cent lower than what was initially approved by Council in 2020, which, for an average home assessed at \$800,000 will mean an increase of \$47 per year or \$4 per month. Of that, only 0.5 per cent or \$1 per month is required to sustain municipal services and programs at their current levels. One per cent is allocated to the financing and operation of Library Square, and the final 0.46 per cent is dedicated to the Town's Capital program. The budget also results in smaller required increases to the Town's water, wastewater and stormwater rates that were previously approved."

While the Operating Budget has the most direct impact on the tax rate, the newly-approved Capital Budget allocates funds for several big-ticket projects including \$30 million for Library Square, \$9.9 million for the new fire hall, and \$3.7 million to build baseball diamonds on the Hallmark Lands.

Councillors were initially eyeing a 2.9 per cent tax increase going into the December 15 Council meeting, after a series of meetings dedicated to budget deliberations. But several amendments presented at the table at the eleventh hour, coupled with emails from residents asking Council to bring things down to a zero per cent increase in light of the global pandemic, helped whittle this number down even further.

"At the time [of the multi-year budget] the intended rate for 2021 was going to be 3.4 per cent, however no one really understood at that time what the impact of COVID could be," said Councillor Michael Thompson. "Perhaps if this was an ordinary year, this might be acceptable to Council, but it is certainly anything but an ordinary year and 2021 will not be an ordinary year either."

Among the proposals made by Councillor Thompson and ultimately accepted by Council were to increase the net revenue from supplementary taxes (new builds) from \$200,000 to \$275,000, and a reduction in the proposed cash to capital increase by \$200,000.

"Part of our fiscal strategy has been the long-time reduction or removal of reliance on supplementary taxes and each year we have tried to reduce that amount over and over," Councillor Thompson explained. "In 2020, that amount was \$275,000 and, as we know from our Budget materials, the idea was to reduce it down to \$200,000 this year. I think in a normal year, absolutely this is a sound fiscal strategy and we should continue on with that practice, but given the impact COVID has had, we start to look at those things that are essential and those are not. Pushing this out an additional year will not have a huge impact in the long-term for us and I think this is one thing we should put on pause for 2021."

A top-up of Cash to Capital should also be put on pause, he said, pending the Town's revised Asset Management Plan to get a better picture of what is needed in the years ahead.

"We are trying to balance things as best we can," said Councillor Thompson. "We're trying to minimize the impact to our residents. We're all cognizant and empathetic to the situation at hand but, at the same time, we're trying to ensure we're meeting the fiscal needs of the organization and the community as a whole and my thought was this was a nice way to balance that, further reduce the tax rate, and still meet the obligations that we have."

These amendments were seconded by Councillor Harold Kim and also received support right out of the gate from Councillor Sandra Humfries, who referenced emails she had received from residents pushing for a zero per cent tax increase.

This, however, was not a road she said Council should go down, citing instances of the Town adopting zero per cent increases in the 2000s, leaving subsequent Councils to catch up with larger tax hikes.

In speaking to the motion, Councillor Kim underscored the importance of waiting for the new Asset Management strategy.

“Given the opportunity that that presents, it gives us the option to lower the tax rate, given the COVID environment,” he said. “I think some people financially need it. I think this is a great way to show faith in our system, show service to our residents, and, looking at all the other avenues to get this right down, this is the best strategy.”

Similar sentiments were expressed by Councillor Rachel Gilliland, who said, “it is an interesting way to find those efficiencies” and, so far, we are still in a good position where we can get what we need to move the services of the Town forward and still give that service level expectation. I am confident that your recommendation this will be a good way to reduce taxes this year and [next year] we’ll see where we can find more efficiencies from there.”

While Councillor John Gallo sought assurances that these recommendations, particularly the reduction in Cash to Capital, would not have an adverse impact on capital projects going forward, he too ultimately supported the reduction.

“They are good ideas,” he said.

Following the meeting, Mayor Tom Mrakas issued a statement in support of the 2021 Budget.

“I want to thank Council and staff for their hard work throughout this budget process,” he said. “2020 has been a difficult year for many individuals and businesses in Aurora and Canada-wide and the team has worked to balance this harsh reality with our responsibility to provide appropriate levels of municipal services.”

By Brock Weir Editor Local Journalism Initiative Reporter