

Council eyes 3.9 per cent tax increase for 2024:

Aurora residents could see a 3.9 per cent increase on the municipal portion of their tax bill, according to a preliminary budget before Council this week.

Local lawmakers are expected to receive the proposed municipal budget at this week's General Committee meeting before deliberations begin in earnest this fall.

Deliberations could prove contentious this time as the process has been changed due to the so-called Strong Mayor powers granted Aurora in October by the Provincial Government and the ongoing challenges related to inflation.

Mayor Tom Mrakas, who now wields these powers, has stated the salary raise approved last month by four of seven Council members, a topic which dominated the October Council cycle, would not be included in the budgets despite the votes from Ward 1 Councillor Ron Weese, Ward 2 Councillor Rachel Gilliland, Ward 3 Councillor Wendy Gaertner, and Ward 5 Councillor John Gallo.

In a report from Rachel Wainwright-van Kessel, the Town's Director of Finance, proposed tax increases in 2025 and 2026 could be 3.5 per cent and 2.9 per cent respectively.

In 2023, the Province extended Strong Mayor powers to several municipalities across Ontario, including Aurora, said the Director. With Strong Mayor powers, the Mayor is required to prepare and provide a proposed budget no later than February 1, or else it becomes the Council's budget. The budget process starts when the Mayor provides their budget to Council and the Clerk. After that, there are specific timelines which must be followed for adoption of the budget. These timelines specify the maximum number of days for each defined process stage. Each stage may be shortened but cannot be extended. The report also recommended shortening the review period to 27 days. This budget was provided to Council and the Clerk on November 1, starting the review period.

The proposed increases include a 1 per cent contribution to capital reserves to support the Town's 10-year capital plan.

Total gross operating expenditures of \$118.7 million, \$124.4 million, and \$128.5 million are proposed for 2024, 2025, and 2026 respectively, said Wainwright-van Kessel. These planned expenditures are partially offset by non-tax revenues such as water, wastewater and storm rate revenue, investment income, user fees, grants, fines and penalties. All rate-funded services are fully offset through rate revenues. The remainder is raised through property taxes.

Water, wastewater and stormwater rates are also funded through user rates, i.e.: the water bill and these rates, set by the Region of York, are holding at 3.3 per cent for 2024 through 2026.

Similar to residents and businesses, the Town's goods and service prices continue to be subject to significant inflationary pressures, says Wainwright-van Kessel. To a certain degree, the Town's operating budget has not yet experienced the full impact of the past year's inflationary pressures due to the shelter offered by its existing fixed rate contracts. As these contracts have been renewed over the course of 2023, the Town has started to experience the full impact of this past inflation. Consequently, the Town's 2024 and ongoing operating budgets must catch up for the delayed inflationary impacts of past years as well as keep pace with continued inflationary pressure. Overall inflation for all goods and services in Canada remains above the Bank of Canada's two per cent target, averaging three to four per cent. More specifically, the Town's typical basket of goods and services have been subject to higher inflationary pressures well in excess of the Town's historical average of two per cent.

The Town's proposed tax increases of 3.9, 3.5, and 2.9 per cent for 2024, 2025 and 2026, respectively, would add approximately \$11.88, \$11.09, and \$9.54 per year to the Town's share of the (residential) tax bill for each \$100,000 of assessment [for the respective year]. For an average home in Aurora assessed at \$800,000, the Town's share of the tax bill in 2023 is \$2,411. If the proposed tax increases of 3.9, 3.5, and 2.9 per cent are approved, this tax bill will increase by \$95 to \$2,506 for 2024. The tax bill

would increase by a further \$88.72 to \$2,595 for 2025, and then grow by \$76.29 to \$2,671 in 2026.?

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