

Councillor calls for 0% tax increase to help residents, but others say it will hurt in the long run

Should Aurora residents get a tax break next year amid significant economic uncertainty, or would a zero percent tax increase cause greater hardship down the line?

That's the question lawmakers will have to consider ahead of 2026 Budget deliberations following a motion from Ward 5 Councillor John Gallo last week calling on Mayor Tom Mrakas to deliver a one-time budget for 2026 with a zero per cent tax hike.

The motion was given tentative approval at last week's General Committee meeting on a vote of 4 ? 3. Those against the motion, however, said that going down this route will cause greater financial challenges for taxpayers in 2027 and beyond.

?Many residents and small businesses in the Town of Aurora continue to face significant financial challenges due to inflation, rising interest rates and cost-of-living pressures,? said Councillor Gallo in his motion. ?Municipalities have a responsibility to support their communities during difficult economic times by practicing fiscal restraint and ensuring affordability.

?A 0% tax increase for the 2026 fiscal year would provide much-needed relief to households and help local businesses stabilize in a still-recovering economy. It is essential to maintain core services and infrastructure while finding innovative ways to reduce costs, defer non-essential capital projects, and increase operational efficiency.?

The motion calls on the Mayor to prepare the 2026 Budget on a 0 per cent basis without reducing service levels to residents, while taking \$630,000 from the Aurora's tax rate stabilization reserve to continue the Town's commitment to building capital reserves on a one per cent basis each year.

Achieving this, said Gallo, would require municipal staff identifying a number of cost-saving measures, including deferring capital projects, pursuing grant opportunities, and reviewing existing reserves.

Mayor Mrakas said he wouldn't oppose the motion if it called on staff to continue doing what they already do to find ?efficiencies? and ?savings? rather than take a zero per cent approach, but he said a zero per cent increase is ?fiscally irresponsible.?

?All you're doing is taking from Peter to pay Paul, and we all know Paul is going to come back the next year with interest,? said Mayor Mrakas. ?The people that are going to foot the bill are the residents of our community.?

A zero per cent increase wouldn't be new for Aurora. Mayor Mrakas cited a number of budgets in the late 1990s that kept taxes status quo, but said it ultimately resulted in tax increases year over year of eight or nine per cent as the Town caught up financially.

?It doesn't matter whether it is going to be long-term or not. If it happens once, you have to double up the next year to get caught up, because money is not going to just magically come from somewhere,? the Mayor continued. ?Until there's more increased funding, which [is] what we're asking from the Provincial and Federal governments to provide sustainable, predictable funding for municipalities so, therefore, we do not need to continuously increase property taxes, that's how we can get that to zero. But without that predictable funding coming from the other levels, we can't do that, because it's irresponsible to our residents, to the community, and to the future of this Town.?

Among the Council members who wanted to see the Town stay the course on its multi-year budgeting plan was Ward 4 Councillor Michael Thompson.

?COVID is a good example in that during the COVID years there were a number of municipalities in the GTA that looked to reduce their property tax increases. One did zero per cent, some of them did less than one per cent. In every instance, they had multiple years of high rates,? he said. ?In one case, it was six per cent; another it will be five per cent. Just because you have zero per cent in

one year, there will be catch up. We saw it many years ago in Aurora and you've seen it time and time again in other municipalities that have tried to do zero percent. It's not sustainable and it just forces higher rates down the road.?

Ward 6 Councillor Harold Kim, who comes to the table with a banking background, did some further number-crunching, stating a zero per cent increase for 2026 would lower the tax base for 2027.

?It will have a long-lasting impact,? he said. ?Just like any kind of budgeting, if you want to decrease revenues, you have to decrease expenditures, which means service?. Whether it's Central York Fire, the Library, the Cultural Centre, they're going to be subjected to the same zero per cent because we're not going to have anything further to give them. It will have a drastic impact on services and that on a single detached property, that their property taxes might increase \$240 year, \$20 a month, I suspect that the lack of service or less service that they might receive will be more impactful to them than the \$10, \$20, \$30 a month they might be saving.

?Although I am not minimizing the financial impact that that could have on a household, but I suspect that the less service is going to be more impactful to them than the benefit of [the] savings].?

Still, the majority of Council said they believed doing this for just one year would be beneficial to Aurora residents.

?The unknowns are what's happening in the economic circumstances we're in and?when I have spoken to other residents, they are concerned about taxes and the continual increase in tax,? said Ward 1 Councillor Ron Weese. ?I think Councillor Gallo has come up with a pretty good resolution here. Tax Stabilization is there to stabilize our taxes and our tax levy, so I think that is a good use of that. Our tax stabilization fund is built and based on additional funds that we levy every year, and it goes into the tax stabilization fund, and since 2018, that has grown 36 per cent. We still have room to wiggle, and I believe our senior staff has every capability in taking a look at the budget, and being able to take things out of the budget yet not seriously affect our service standards. I have every confidence in that.?

The motion was also supported by Ward 2 Councillor Rachel Gilliland who said the Town has had conversations about deferring money matters in other areas, including a potential deferral in Development Charges that very evening.

?We're deferring all over the place because people are struggling. So, whether it's got to do with DC or wages or staffing or servicing, it's just got to come from somewhere. But I don't think that the intent of this is long term,? she said. ?I do understand that what Councillor Gallo is suggesting is that maybe we don't spend so much money on A, B, C and this is like an opportunity to look and see where we can save some money on whether it's a project or let's not hire an extra staff member this year. Many, many people in the private sector right now, I've heard of many colleagues and friends that their jobs are lost, and a lot of it is high level because everybody's trying to cut the fat a little bit. That job's not being replaced. In fact, that other people are being dispersed all those responsibilities, and maybe it's time people need to pick up their socks and take on a little bit more.

?I find it very hypocritical that we talk about not having an increase in one place, but increase in other places. I think we have to not make this political and just look at the fact that we're just trying to create some relief, and if there's a way to do it genuinely, then let's find that relief. I think there's some genuine sincerity to this and that's how I want to look at this.?

Ward 3 Councillor Wendy Gaertner was of a similar viewpoint, adding that the motion is ?telling us it's time to really pay attention to how we're spending money.?

?[Town Treasurer] Rachel Wainwright-van Kessel does an awesome job with the budget and has been acknowledged for that by others than our Council, but I think that there are still ways, and I believe that's what Councillor Gallo is talking about,? she said. ?There are ways we can save money, and we've got to dig deep and think hard and do it, because this is the time. The zero per cent for one year ? this was a hard decision for me, but I agree with doing this if the rest of the motion is carried forward. Hopefully we will approve the motion and it won't be doom and gloom; it will just be a breath of fresh air for residents.?

Ultimately, under Strong Mayor powers handed out by the Province, the Budget is the Mayor's purview and is presented to Council

as the Mayor's budget.

?I have no intention of reducing service levels [in] 2026,? concluded Mayor Mrakas. ?In 2026, my full intention through this Budget is to make sure that our residents continue to have the best service at the best price. We'll continue that because we're not going to do any shortcuts. We're just going to have results that work for our community and for our residents.?

HAVE YOUR SAY ? Should Aurora target a 0% tax increase in 2026, or are the risks not worth it? Send your thoughts to brock@lpcmedia.ca.

By Brock Weir