



**FINANCE
ADVISORY COMMITTEE
MEETING AGENDA**

TUESDAY, JANUARY 19, 2016

5:30 P.M.

**LEKSAND ROOM
AURORA TOWN HALL**



**TOWN OF AURORA
FINANCE ADVISORY COMMITTEE
MEETING AGENDA**

DATE: Tuesday, January 19, 2016

TIME AND LOCATION: 5:30 p.m., Leksand Room, Aurora Town Hall

1. DECLARATION OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

2. APPROVAL OF THE AGENDA

RECOMMENDED:

THAT the agenda as circulated by Legal and Legislative Services be approved.

3. RECEIPT OF THE MINUTES

Finance Advisory Committee Meeting Minutes of August 11, 2015 pg. 1

RECOMMENDED:

THAT the Finance Advisory Committee meeting minutes of August 11, 2015, be received for information.

4. DELEGATIONS

5. CONSIDERATION OF ITEMS

1. 2016 Budget Process Debrief

RECOMMENDED:

THAT the Finance Advisory Committee comments of the 2016 Budget Process Debrief be referred to staff for consideration.

2. Memorandum from Director, Corporate & Financial Services – Treasurer pg. 4

Re: Update on Council Budget Principles and Council Budget Process Documents

RECOMMENDED:

THAT the memorandum regarding Update on Council Budget Principles and Council Budget Process Documents be received and referred for discussion at the next meeting of the Finance Advisory Committee.

3. Discussion of Process/Expectations for Detailed Department Budget Reviews for 2016 for Parks & Recreation Services and Infrastructure & Environmental Services

Discussion: Possible formats/areas of focus:

- i. 2016 department business plan*
- ii. MPMP results history*
- iii. 5-year account histories*
- iv. Line by line review: by work group/section vs whole department*
- v. Challenges from the Director's perspective*
- vi. Future forecasts*
- vii. Revenue review: rates/charges/recovery rates/subsidy rates*
- viii. Identification of other areas or materials of interest*

RECOMMENDED:

THAT the necessary and appropriate agenda materials be provided to support the Committee's detailed Budget review of the Parks & Recreation Services department in the following areas:

- a.
- b.
- c.

THAT the necessary and appropriate agenda materials be provided to support the Committee's detailed Budget review of the Infrastructure & Environmental Services department in the following areas:

- a.
- b.
- c.

4. Proposed 2016 Work Plan for Finance Advisory Committee pg. 21

RECOMMENDED:

THAT the Proposed 2016 Work Plan for Finance Advisory Committee be received; and

THAT the Proposed 2016 Work Plan for Finance Advisory Committee be approved.

5. Next Meeting Dates/Time/Duration and Setting of Dates

RECOMMENDED:

THAT the Financial Advisory Committee shall normally meet at Town Hall once per month, except for the months of July and August, from 5:30 p.m. to 6:45 p.m. on the Tuesday of the second General Committee meeting of that month; and

THAT the Town Clerk be directed to amend the Terms of Reference for the Financial Advisory Committee.

6. Extract from Council Meeting of September 15, 2015 pg. 22
Re: Finance Advisory Committee Meeting Minutes of August 11, 2015

RECOMMENDED:

THAT the Extract from Council Meeting of September 15, 2015, regarding Finance Advisory Committee meeting minutes of August 11, 2015, be received for information.

6. NEW BUSINESS

7. ADJOURNMENT



**TOWN OF AURORA
FINANCE ADVISORY COMMITTEE
MEETING MINUTES**

Date: Tuesday, August 11, 2015

Time and Location: 5:30 p.m., Leksand Room, Aurora Town Hall

Committee Members: Councillor Michael Thompson (Chair), Councillor Harold Kim, and Mayor Geoffrey Dawe (departed 6:32 p.m.)

Member(s) Absent: None

Other Attendees: Councillor Tom Mrakas, Councillor Paul Pirri, Patrick Moyle, Interim Chief Administrative Officer, Dan Elliott, Director of Corporate and Financial Services/Treasurer, and Linda Bottos, Council/Committee Secretary

The Chair called the meeting to order at 5:36 p.m.

1. DECLARATION OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

There were no declarations of pecuniary interest under *the Municipal Conflict of Interest Act*.

2. APPROVAL OF THE AGENDA

**Moved by Mayor Dawe
Seconded by Councillor Kim**

THAT the agenda as circulated by Legal and Legislative Services, with the following addition, be approved:

- Item 2 – CFS15-029 – Council Budget Process, Policies and Directives

CARRIED

3. RECEIPT OF THE MINUTES

Finance Advisory Committee Meeting Minutes of May 26, 2015

**Moved by Councillor Kim
Seconded by Mayor Dawe**

THAT the Finance Advisory Committee meeting minutes of May 26, 2015, be received for information.

CARRIED

4. DELEGATIONS

None

5. CONSIDERATION OF ITEMS

1. CFS15-033 – Updated Investment Policy – Final Draft

Staff presented the proposed final draft of the updated Investment Policy – Policy No. 61, and highlighted some of the most recent revisions, including the addition of limits with respect to equity investments in the ONE Investment Program, as well as limits on the protected principle notes (PPNs) and the proportions of the portfolio. The Committee provided feedback and staff agreed to incorporate the stipulation that no purchase of PPNs would exceed a ten-year term. Staff noted that the updated Policy allows for O.Reg. 438/97 to set the limits with the exception of the “Additional Local Limitations on Investments” of the Policy. Staff confirmed the intent to provide an annual report during the budget process, which would include investment performance during the last fiscal year, rates of return, change from opening balance, and benchmark indexes.

**Moved by Councillor Kim
Seconded by Mayor Dawe**

THAT Report No. CFS15-033 be received; and

THAT the final draft of the revised Investment Policy – Policy No. 61 be referred to a future Council meeting for its review and approval; and

THAT a ONE Investment Program enabling participation bylaw be brought to a future Council meeting for its review and approval.

CARRIED

**2. CFS15-029 – Council Budget Process, Policies and Directives
(Added Item)**

Staff presented a draft framework of high level guidelines for budget development for discussion in the context of balancing the need for detail and transparency with

expediting the budget approval process. Staff provided a brief overview of the proposed Council Budget Principles, Council Budget Review and Approval Process, and Directives of Council to Staff for Preparing 2016 Budget and Forecasts. The Committee discussed elements of the documents in further detail, provided feedback, and expressed its support of the guidelines. The Committee inquired about alternative budgeting concepts, such as performance-based budgeting, and staff discussed another municipality's recent transition from traditional to service-based budgeting and results-based accountability. Staff further discussed the advantages of Council providing principle-based direction early in the process. The Committee suggested that, in order to advance the budget review process, staff prepare a separate report for the September 8, 2015 General Committee meeting with the information needed, including tax pressure range, for Council to provide staff with direction in the preparation of the 2016 Operating and Capital Budgets.

**Moved by Councillor Kim
Seconded by Councillor Thompson**

THAT Report No. CFS15-029 be received; and

THAT Finance Advisory Committee comments and discussion be referred to staff for preparation of an updated Council Budget Process, Policies and Directives report for *consideration* at a future meeting of the *General* Committee.

CARRIED AS AMENDED

6. NEW BUSINESS

The Committee referred to the Notice of Motion on the Council meeting agenda of August 11, 2015, regarding "Town of Aurora Financial Health Status." Staff noted that a financial report card was currently in progress, as requested by Mayor Dawe following the adoption of the audited financial statements for the year ended December 31, 2014, and any enhancements required by Council could be added to that document or reported separately.

7. ADJOURNMENT

**Moved by Councillor Kim
Seconded by Councillor Thompson**

THAT the meeting be adjourned at 6:46 p.m.

CARRIED

COMMITTEE RECOMMENDATIONS ARE NOT BINDING ON THE TOWN UNLESS ADOPTED BY COUNCIL AT A LATER MEETING.



Town of Aurora
Corporate & Financial Services

MEMORANDUM

DATE: January 19, 2016

TO: Chair Thompson, Members of Finance Advisory Committee

FROM: Dan Elliott, Director, Corporate & Financial Services - Treasurer

RE: Update on Council Budget Principles and Council Budget Process Documents

RECOMMENDATIONS

THAT the memorandum regarding Update on Council Budget Principles and Council Budget Process Documents be received and referred for discussion at the next meeting of the Finance Advisory Committee.

BACKGROUND

In August 2015, the Committee reviewed and approved the two Budget guidance documents, Council Budget Principles, and Council Budget Process. These were advanced to General Committee and Council. At that stage, a couple of suggested changes were proposed by Council, with the documents referred back to staff for updating, and to be brought back to Council.

In the process of updating the documents to reflect Council's suggestions, staff identified some areas for minor amendments to the balance of the document which would improve the flow.

Attached are a marked up version and a clean version with all changes reflected. The yellow highlighted sections are those additions/changes suggested by Council. The other mark-ups are the minor changes undertaken by staff.

Given the late agenda circulation, staff recommend that discussion on these two documents be deferred to the next Finance Advisory Committee meeting.

ATTACHMENTS

Attachment #1 – Council Budget Principles
Attachment #2 – Council Budget Review and Approval Process

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Attachment #1

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Council Budget Principles

The Council of the Town of Aurora is responsible for two key elements in carrying out their duties. Council must represent ~~and advance the interests, needs and actively plan for the future,~~ and serve the residents and businesses of the community ~~by of the Town of Aurora,~~ advancing their interests and needs, while also actively planning the community for the future. Secondly, Council must ~~while also r~~ responsibly managing a large municipal corporation, including its future, ~~assets, resources~~ resources, assets, needs and interests. The funding raised and used by the corporation comes primarily from within the community, and must be used wisely, obtaining good value and cared for responsibly. Within the context of annual corporation budgets, Council is committed to remain engaged with the community and continually strengthen the municipal corporation's overall fiscal sustainability, balanced with the need for Aurora's property taxation levels and water rates to remain comparable and affordable within the context of the Greater Toronto Area.

In exercising its budget setting duties, Council should be mindful that the primary funding source for the Town's operations is from taxpayers, and it is Council's duty to be responsible in this regard, making fiscally responsible decisions with respect to services offered, the levels of those services offered, and other uses and application of the taxpayers' funding; while being mindful of the long term and short term impacts to both the corporation and the taxpayer.

Council recognizes that there are many different external influences which have impacts to the Town's budgets, costs and services. ~~The following items each cause tax increase pressures upon the budgets of the Town.~~ Council is committed to address each of these ~~issues~~ in a manner which respects the taxpayer, the financial health of the municipal corporation and our staff serving Aurora. The following items each cause tax increase pressures upon the budgets of the Town:

- ~~• New and emerging legislative compliance requirements increasing demand on municipal resources and staffing~~
- Growth of the community, and the resultant ~~volumetric~~ increase in demand for services and facilities provided and available. ~~Such costs are normally offset by growth in base revenues arising from the new residents and businesses.~~
- Community expectations for newer, ~~evolving~~ and additional services and facilities ~~beyond over and above~~ today's existing service levels
- Aging and deteriorating infrastructure requiring the need to develop the financial capacity to meet current and future capital infrastructure replacement needs to provide reasonable service levels in a sustainable manner. ~~Infrastructure sustainability funding has historically been a low priority for municipal governments across the country. Aging and deteriorating infrastructure requiring urgent repair or replacement has now brought this issue to the forefront for all levels of government.~~
- Economic pressures such as interest rate fluctuations and inflationary pressures
- Cost increases in some supply sectors which exceed inflation, such as electricity
- Pressures on wage and benefits costs, including collective agreements

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- New and emerging legislative compliance requirements increasing demand on municipal resources and staffing
- Service and supply contract renewals and existing committed multi-year contracts

Council recognises that during every budget debate, various perspectives and interests are represented and raised at the Council table. To assist in these prospective discussions, Council has reviewed and agreed on a consensus basis that the following principles will guide the development, review and approval processes of each budget for the Town. These Budget Principles will be reviewed by Council in the first year of each Council term, and at any other time as requested by Council.

The following principles will guide the preparation, review and evaluation for approvals of the Annual Operating, Capital and Utility budgets for the Town:

Open and Transparent Process

1. The Annual Budget Process shall include opportunities for input from members of the public and community groups. All feedback, comments and suggestions received through solicitation tools such as email, website, social mediasurveys or others, will be conveyed to General Committee – Budget (Budget Committee) as they are received throughout the budget review process.
2. The Annual Budget Process should include a formalized system or survey for community input, as determined by the Finance Advisory Committee.
3. All meetings of the Budget Committee shall be open to the public, except those aspects which are permitted and appropriate to be held in closed session, such as but not limited to discussions regarding collective agreement negotiation provisions, personnel matters, or litigation.
4. Budget materials, presentations, disclosures and Budget Committee review processes shall be open and transparent. All materials will be prepared with the intended audience being a member of the general public where reasonable and practical. A specific section of the Town's website will contain all relevant budget materials, presentations, summaries and reports throughout the process, and updated to reflect the final approved budgets.
5. Council will undertake to complete the review and approval of the annual operating budgets prior to the commencement of the new budget year. For a budget in respect of the year following a municipal general election, the budget review process will begin early in the new budget year, as required by statute.

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6. In making comparisons to other municipalities in respect to processes, performance, service levels, cost, revenue rates or any other basis, the Town shall have regard to, at minimum, the following municipalities:
 - a. All other lower tier municipalities of York Region.
 - b. Municipalities in the Durham Region, Peel Region, and Region of Halton Hills which have populations within 30% of the Town's population.
 - c. York Region where applicable.
 - d. Ontario Municipal Benchmarking Initiative materials where applicable.

Budgets to be Fiscally Responsible

7. The Town will prepare a traditional municipal balanced budget for review. Ontario Regulation 284/09 allows for exclusion from such budget certain accounting estimates such as amortization, and post-employment benefit liabilities. The impact of these excluded items will be presented separately as part of the budget submission as required of the Regulation.
8. The Town will not use or rely upon prior year operating surpluses to fund or balance the Operating Budget.
9. The Town will not rely on one-time or short-term temporary funding sources to fund or balance the Operating Budget, unless directly associated with corresponding temporary expenses for events or special purpose programs.
10. Council and staff will continually look to implement changes in technique, tools or approaches to delivering all services and functions which will reduce costs, or improve the efficiency or effectiveness of our work and programs. ~~Where necessary, e~~Capital investments required to achieve such improvements will be prioritized.
11. The annual operating budget will not be impacted by year to year fluctuations of the actual capital budget approval. Rather a singular, stable and predictable funding transfer to Infrastructure Sustainability Reserves will be included.
12. Council is committed to adequately fund infrastructure repair, replacement and improvements through annually evaluating the future funding needs, and when indicated, increase annual contributions to infrastructure sustainability reserves. Such increases will be included in the Fiscal Strategy budget area. Additionally, the Town will ensure the planned capital program attempts to replace assets at the optimal point in time for efficient and effective use of scarce capital funding in accordance with the Ten Year Asset Management and Investment Plan, balancing this with meeting community expectations, and the need for maintaining reliable services.

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13. Council recognizes that budget decisions made in one year may have ripple-type impacts to future budget years. To ensure open and public awareness, for each annual operating budget presented for tax funding, an accompanying forecast of the next three budgets and related tax impacts shall also be presented. These forecasts will be updated as budget decisions are made during review. The forecasts presented will always include three or more years for consistency of vision. Using multi-year budgets and forecasts improves fiscal health and service delivery through:
 - a. better coordination of budgeting and strategic priorities,
 - b. greater certainty for departments in managing expenditures and service levels
 - c. improved fiscal discipline of the organization
 - d. streamline annual budget reviews to focus on key changes in assumptions and outlooks, and the reasons driving such changes
 - e. allow staff to develop budgets with fixed targets in place, allowing early response to circumstances and budget constraints of such targets.
14. A separate Special Phasing Budget will be used to address significant permanent tax pressures. These pressures will be mitigated through phase-in in over multiple years, using tax stabilization reserves where necessary. Foreseen pressures, such as the operating costs for a facility under construction, will be phased-in in advance where possible. Unforeseen pressures will be phased-in as promptly as appropriate. Phasing of such tax pressures may result in tax rate increases which are in excess of inflation so as not to adversely impact existing services and facilities provided. Where appropriate, growth revenues will be allocated towards the new costs.
15. In the event that previously established Operating Budget directives are sought to be reduced by Budget Committee or Council, a balanced approach will be used whereby roughly 50% of such amount will be through internal cost reductions which have minimal impact on service levels, with the remaining amount other 50% through new revenue streams, fee increases exceeding inflation, or definitive service or program reductions identified by Budget Committee.

Inflation is a Reality for both the community and the Corporation

16. Council and our taxpayers recognize that annual tax increases approximating inflation are necessary to support perpetuation of existing services, facilities and operations, while accommodating new growth in population and the demand for more of these same levels of services, facilities and operations such growth creates. For reference, Council will refer to the annual 12 month CPI index for the Toronto Area, as reported by Statistics Canada for the period July 1 to June 30, ending in the year prior to the budget under review.

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17. It is reasonable to expect administrative support overhead type costs are necessary, and should remain in a consistent ratio to the cost of core outward services and operations. The growth of the community and demand for services affects both outward and administrative functions of the corporation.

The Town will Advance Priorities

18. Council is committed to advancing strategic priorities set out in our Strategic Plan, balanced with affordable and coordinated advancements of the goals and objectives set out in our various Master Plans, including:
 - a. Communications Strategic Plan
 - b. Corporate Administrative Plan
 - c. Corporate Environmental Action Plan
 - d. Cultural Master Plan
 - e. Downtown Revitalization Plan
 - f. Economic Development Master Plan
 - g. Information Technology Strategic Plan
 - h. Long Range Asset Management and Investment Plan
 - i. Official Plan (community growth plan)
 - j. Parks Master Plan
 - k. Promenade Plan
 - l. Pursuit of Top 100 Employer status
 - m. Servicing Master Plan
 - n. Trails and Open Spaces Master Plan
 - o. Transportation Master Plan

It is recognized that it may not be financially possible to make advancement in all areas each year. Council will annually identify and prioritize such items during the annual budget review process.

19. Innovation, efficiencies, service excellence, maintaining public safety, and service level improvements come through the continuous learning and development of our staff. Training and development funding will be provided in the budget in the range of x% to x% (to be determined) of the Total Salaries and Benefits costs. In the first year of each term of Council, data from the comparator municipalities will be presented to confirm the Town's percentage allocation.

Historical Underfunding must be Addressed

20. A separate annual Fiscal Strategy budget is intended to:
 - a. Eliminate the infrastructure funding gap which exists for all municipalities. ~~arose from a long history of underfunding the costs of wear & tear on (consumption of) our infrastructure.~~

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- b. Reduce the reliance upon unsustainable revenue sources by the Operating budget, such as interest from the Hydro Investment Reserve Funds.

The driver for the need for current tax increases in this regard is a historical underfunding of contributions to infrastructure reserves, and the recently mandated detailed planning and forecasting taking place for the management of capital asset infrastructure. This situation is being experienced in virtually all municipalities across Canada, ~~particularly by those municipalities such as Aurora who implemented long periods without increasing taxes. The “no tax increase” years actually made matters worse for each of these municipalities, as the core operations experience inflationary pressures every year, as does the cost of rehabilitation and replacement of infrastructure.~~

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Current service levels of the base operating budget should not suffer due to the need to address this historical funding issue. Council is committed to increase property taxes in order to increase its contributions to reserves for funding necessary infrastructure rehabilitation and renewal. The Town's Ten Year Asset Management and Investment Plan outlines and updates this strategy each year.

It is understood that the Fiscal Strategy budget ~~could will normally~~ push the tax rate impact to the resident beyond inflation rates when combined with the Operating Budget.

21. The Province has quietly been providing “tax room” to municipalities since 1998: Since the substantial changes of property taxes with the introduction of Current Value Assessment in Ontario in 1998, the Province of Ontario has generally held education tax rates revenue neutral for existing properties each year, resulting in a decline of the portion of the property tax bill going toward education. Together with recent uploading from the Region of York and others of the Social Pooling allocation, and other social and provincial responsibilities, the Province has continually reduced their burden on the net property tax bill incrementally each year. Some of these reductions have been offset by increased regulatory compliance requirements which have directly or indirectly added costs to the municipalities. Overall, it needs to be recognized that due to the net zero tax increases for education taxes, the province annually opens “tax room” on the bill for municipalities to address funding pressures such as infrastructure and compliance costs.

Council and the community need to recognize that to access this tax room, the local Town taxes need to increase by more than general inflationary levels. Failing to access this tax room in one year is difficult to recapture in future years.

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Current service levels of the base operating budget should not suffer due to the need to address this historical funding issue. Council is committed to increase property taxes in order to increase its contributions to reserves for funding necessary infrastructure rehabilitation and renewal. The Town’s Ten Year Asset Management and Investment Plan outlines and updates this strategy each year.

It is understood that the Fiscal Strategy budget will normally push the tax rate impact to the resident beyond inflation rates when combined with the Operating Budget.

21. The Province has quietly been providing “tax room” to municipalities since 1998: Since the substantial changes of property taxes with the introduction of Current Value Assessment in Ontario in 1998, the Province of Ontario has generally held education tax rates revenue neutral for existing properties each year, resulting in a decline of the portion of the property tax bill going toward education. Together with recent uploading from the Region of York and others of the Social Pooling allocation, and other social and provincial responsibilities, the Province has continually reduced their burden on the property tax bill incrementally each year. Some of these reductions have been offset by increased regulatory compliance requirements which have directly or indirectly added costs to the municipalities. Overall, it needs to be recognized that due to the net zero tax increases for education taxes, the province annually opens “tax room” on the bill for municipalities to address funding pressures such as infrastructure and compliance costs. Council and the community need to recognize that to access this tax room, the local taxes need to increase by more than general inflationary levels. Failing to access this tax room in one year is difficult to recapture in future years.

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Council Budget Review and Approval Process

The annual budget review and approval process includes the following distinct components, each with their separate Council Review and Approval Process flow:

November/December each year (January to March following an election)

- Operating Budget
 - CAO controlled operations
 - Aurora Public Library Board funding request
 - Aurora Cultural Centre Board funding request
 - Aurora Historical Society funding request
 - Central York Fire Services Budget
 - Utilities Operations Budgets

- Annual Fiscal Strategy Budget

- Annual Special Phasing Budget

- Three Year Forecast Budgets

- Budget Directives for the next year's budget

October each year (January following an election)

- Capital Budget
 - Ten Year Asset Management and Investment Plan
 - Annual Capital Budget

March to September

- Annual Detailed Review – departmental detailed review (rotating)

Operating Budget

The annual operating budget will be reviewed by the General Committee – Budget (Budget Committee) in the fall period prior to each budget year, except budgets for the year following an election. All meetings of the Budget Committee are open to the public.

A multi-year budget approach is to be used by Aurora. The current year's budget, plus similarly detailed forecasted budgets of the subsequent three years are to be prepared and presented by staff, in accordance with directives from Council. The basic premise of the multi-year budget approach is that a current budget which meets the previously approved forecast and budget directives of Council will generally be approved by Budget Committee and Council. Staff can more effectively plan multi-year programs, revenue streams and staffing based on the presumption of having complying budget forecasts receiving approval. Any variations from forecast would need to be fully explained in the presentation of such budget. It is important to note that Committee or

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Council can still make amendments to those future approved forecasts based on new initiatives, new regulations, or changing economic circumstances.

Using this presumed approval and multi-year approach to developing budgets will give several advantages:

- improved coordination of budgeting for strategic priorities,
- greater certainty for departments in managing expenditures and service levels
- improved fiscal discipline of the organization
- streamline annual budget reviews to focus on key changes in assumptions and outlooks, and the reasons driving such changes
- allow staff to develop budgets with fixed targets in place, allowing early response to circumstances and budget constraints of such targets.

In conducting its annual operating budget review and approval process, the Budget Committee will consider the following components and their related three year forecasts:

- CAO controlled operations including Building Services Budget
- Aurora Public Library Board funding request
- Aurora Historical Society funding request
- Central York Fire Services Budget (as recommended by Joint Council Committee)
- Utilities Operations Budgets
- Annual Fiscal Strategy Budget
- Annual Special Phasing Budget

Once these budget components have been reviewed by Budget Committee, Committee will recommend adoption to Council.

Operating Budget – Aurora Cultural Centre Board funding request

To fulfil the requirements of the Cultural Services Agreement with the Aurora Cultural Centre Board, their annual report and budget request for funding of operations will be presented to Budget Committee. Budget Committee will deliberate on the funding request and make any adjustments to the Operating Budget as appropriate.

Budget Communications Strategy and Key Messages

Following recommendation for adoption of the annual operating budget and forecasts, Budget Committee will discuss and provide direction to staff regarding key messages and budget highlights, including any specific statements or strategies to be included in media releases, website and other communications regarding the approval of the budget.

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Budget Directives for Next Budget

Following resolutions regarding Communications Strategy Key Messages, the Budget Committee will turn its attention to reviewing the budget directives for the preparation of the subsequent budget. The directives presented by staff for consideration will be those of Council from the prior year, with any changes recommended being highlighted. Budget Committee will recommend a set of Budget Directives for adoption by Council.

Capital Budget

The annual review and approval of the Ten Year Asset Management and Investment Plan will be completed prior to the end of October prior to the budget year. This timing allows for pricing advantage of early tendering, as well as allowing integration of the capital plan into the operational plans, capacities and requirements of the affected business units within the Operating Budget as applicable. Budget Committee will recommend adoption to Council. Funding allocations approved in the annual capital budget will be effective January 1 of the budget year, unless otherwise specifically approved by Council.

Rotating Annual Departmental Detailed Budget Reviews

Separate from and completed subsequent to the annual final budget approval, a specific group of town budget areas will be examined in detail each year during the period of April to September or as otherwise determined by Committee. The Finance Advisory Committee (FAC) will review the operational budget details of each operating department on a rotating basis, so as to review all operating departments of the Town once each term. Recommended adjustments will be reflected by staff in the following year's operating budget submission.

This rotating approach balances the need to review the details of each departmental budget with the expectation of efficient and effective use of Committee time commitment for the annual budget process. Detailed review of every department every year is not practical. The rotational approach allows for ongoing assurance by Council, new members to Council, and the general public that all areas of the budget have been reviewed in extensive detail within the last few years by a committee of Council, and that such reviews continue on a regular basis on a fixed schedule. This approach ensures that the annual budget review of the overall corporate budget submission can remain at a higher level of consolidation, focusing on service levels, performance indicators and overall compliance with budget directives and prior forecasts, and the forecasts for the following years.

The rotation of detailed reviews will be as follows (calendar year of term):

Year 1	Parks, Recreation and Culture Services Infrastructure & Environmental Services Utilities Operation Budget
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Year 2 Building Services Division (fees funded budget)
 Building & Bylaw Services
 Planning & Development Services

Year 3 Council Administration
 CAO/ Administration
 Legal & Legislative Services
 Corporate & Financial Services
 Corporate Accounts

Year 4 None due to municipal election

The detailed review will include, but is not limited to:

- the current approved operating budget, with provided expanded details;
- all related fees and rates charged;
- activities, services and service levels provided by the department;
- open capital projects and status
- the area's related content details within the Ten Year Asset Management and Investment Plan
- adequacy of staffing and funding to meet mandatory activities, services, commitments, and approved non-mandatory services, activities and programs and general expectations of Council;

Proposed 2016 Work Plan for Finance Advisory Committee (for Discussion)

- a. February
 - i. Detailed Budget Review – Parks & Recreation Services (PRS) (45 minutes)
 - ii. Results of Citizen Budget Survey
 - iii. Discussion of future of Citizen Budget Survey
 - iv. Other Business

- b. March
 - i. Detailed Budget Review – Infrastructure & Environmental Services (IES) (45 minutes)
 - ii. Residential/Non-Residential Split of Assessment
 - iii. Review of BMA Study
 - iv. Other Business

- c. April
 - i. Detailed Budget Review – PRS (45 minutes)
 - 1. Incl. Aurora Cultural Centre/Aurora Public Library/Aurora Historical Society in discussions
 - ii. Review of Corporate Process for full-time Salaries and Benefits (incl. Human Resources)

- d. May
 - i. Detailed Budget Review – IES (45 minutes)
 - ii. Review of Multi-Year Budget Process
 - iii. Review of Budget Drivers
 - iv. Setting of Budget Development Directives 2017, 2018, 2019, 2020

- e. June
 - i. Detailed Budget Review – PRS (45 minutes)
 - ii. Continued discussion on Budget Development Directives – Recommendations to Council

- f. July (if required)
 - i. Detailed Budget Review – IES (45 minutes)
 - ii. Other Business

- g. August (if required)
 - i. Detailed Budget Review – PRS (45 minutes)
 - ii. Other Business

- h. September
 - i. Detailed Budget Review – IES (45 minutes)
 - ii. Other Business



**EXTRACT FROM
COUNCIL MEETING OF
TUESDAY, SEPTEMBER 15, 2015**

7. ADOPTION OF ITEMS NOT REQUIRING SEPARATE DISCUSSION

Items 1 (with the exception of sub-items 6, 7, 8, and 9), 2, 3, 4, and 6 were identified as items not requiring separate discussion.

**Moved by Councillor Humfryes
Seconded by Councillor Pirri**

THAT the following recommendations with respect to the matters listed as “Items Not Requiring Separate Discussion” be adopted as submitted to Council and staff be authorized to take all necessary action required to give effect to same:

1. General Committee Meeting Report of September 8, 2015

THAT the General Committee meeting report of September 8, 2015, be received and the following recommendations carried by the Committee be approved:

19. Finance Advisory Committee Meeting Minutes of August 11, 2015

THAT the Finance Advisory Committee meeting minutes of August 11, 2015, be received for information.

CARRIED