

2021 - 2022 BUDGET

CHANGES TO THE MULTI-YEAR OPERATING BUDGET

Budget Committee
November 9th, 2020

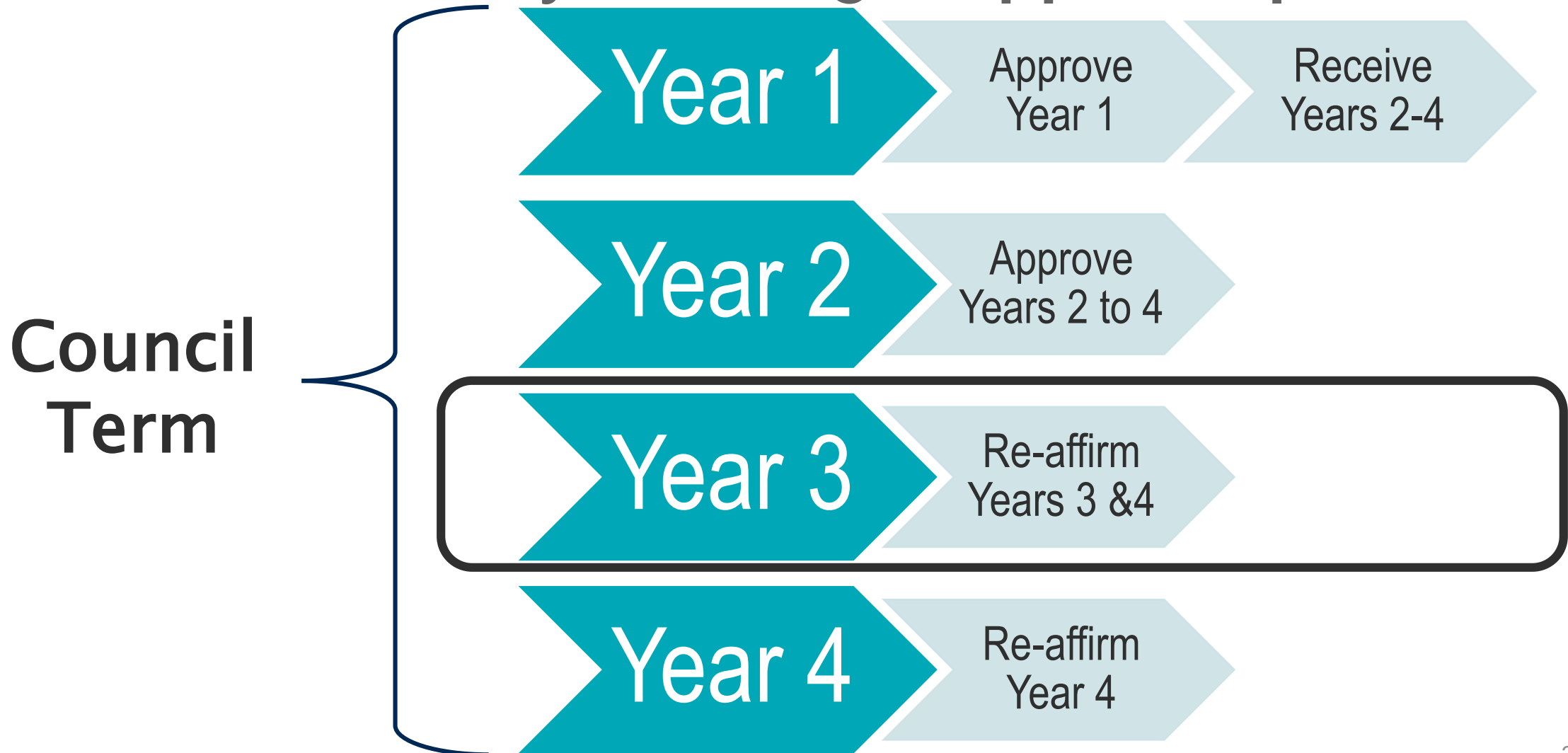


Agenda

- Overview
- Rate funded budget change
- Tax funded budget changes
 - Assessment growth
 - Non-COVID
 - COVID impact
- Departmental budget changes



Aurora's multi-year budget approval process



2021 to 2022 proposed budget to outlook

| | 2021 | | | 2022 | | |
|-----------------------------|----------|----------|---------|----------|----------|---------|
| | Outlook | Proposed | Change | Outlook | Proposed | Change |
| Gross Expenditures (\$000s) | 105,428 | 102,579 | (2,849) | 109,181 | 107,558 | (1,623) |
| Non-Tax Revenues (\$000s) | (52,358) | (49,971) | 2,387 | (53,350) | (52,203) | 1,147 |
| Net Tax Levy (\$000s) | 53,070 | 52,608 | (461) | 55,831 | 55,355 | (476) |
| Assessment Growth | 2.4% | 2.0% | (0.4%) | 2.2% | 2.2% | - |
| Tax Increase | 3.4% | 2.9% | (0.5%) | 2.9% | 2.9% | - |
| New Permanent FTE | 8.0 | 8.0 | - | 5.0 | 5.0 | - |

Budget impact for the average household

Annual 2.9% tax increase

Quarterly water bill increase* with average consumption of 54m³/quarter

Average house assessed at \$800,000



*Includes water, wastewater and stormwater charge

A close-up photograph of a chrome kitchen faucet pouring water into a clear glass. The background is a blurred kitchen scene with a window showing greenery outside.

Rate funded budget changes

Changes to rate funded budget

| \$000s | 2021 | 2022 |
|---|------------------|-----------------|
| Starting Budget - Rate Revenue | 28,805.4 | 28,353.4 |
| 2020 Budget Approved Changes | 1,669.2 | 1,029.9 |
| Proposed Changes to Multi-Year Budget: | | |
| Reduction to wholesale cost for water and wastewater from York Region in 2020 | (1,631.4) | (61.9) |
| Adjustment to correct billing volume for storm water rates | (439.8) | 439.8 |
| Reduction of maintenace contracts | (50.0) | - |
| | (2,121.2) | 377.9 |
| Revised Budget Change | (452.0) | 1,407.7 |
| Proposed Net Budget | 28,353.4 | 29,761.1 |
| 2020 Approved Budget | 30,474.6 | 31,504.4 |

Proposed rates

| | 2020 | | 2021 | | | 2022 | | |
|---|---------|----------|-----------|--------|----------|-----------|--------|--|
| | Current | Outlook | Proposed | Change | Outlook | Proposed | Change | |
| Water and Wastewater (\$/m³): | | | | | | | | |
| Water Rate | \$ 2.18 | \$ 2.45 | \$ 2.34 | (4.5%) | \$ 2.48 | \$ 2.34 | (5.6%) | |
| Wastewater Rate | \$ 2.77 | \$ 3.11 | \$ 2.89 | (7.1%) | \$ 3.15 | \$ 2.90 | (7.9%) | |
| Combined Rate | \$ 4.95 | \$ 5.56 | \$ 5.23 | (5.9%) | \$ 5.63 | \$ 5.24 | (6.9%) | |
| Stormwater Rate (\$/month): | | | | | | | | |
| Residential | \$ 7.09 | \$ 8.01 | \$ 9.18 | 14.6% | \$ 9.32 | \$ 11.69 | 25.4% | |
| Non-Residential | \$90.07 | \$101.73 | \$ 116.64 | 14.7% | \$118.31 | \$ 148.51 | 25.5% | |

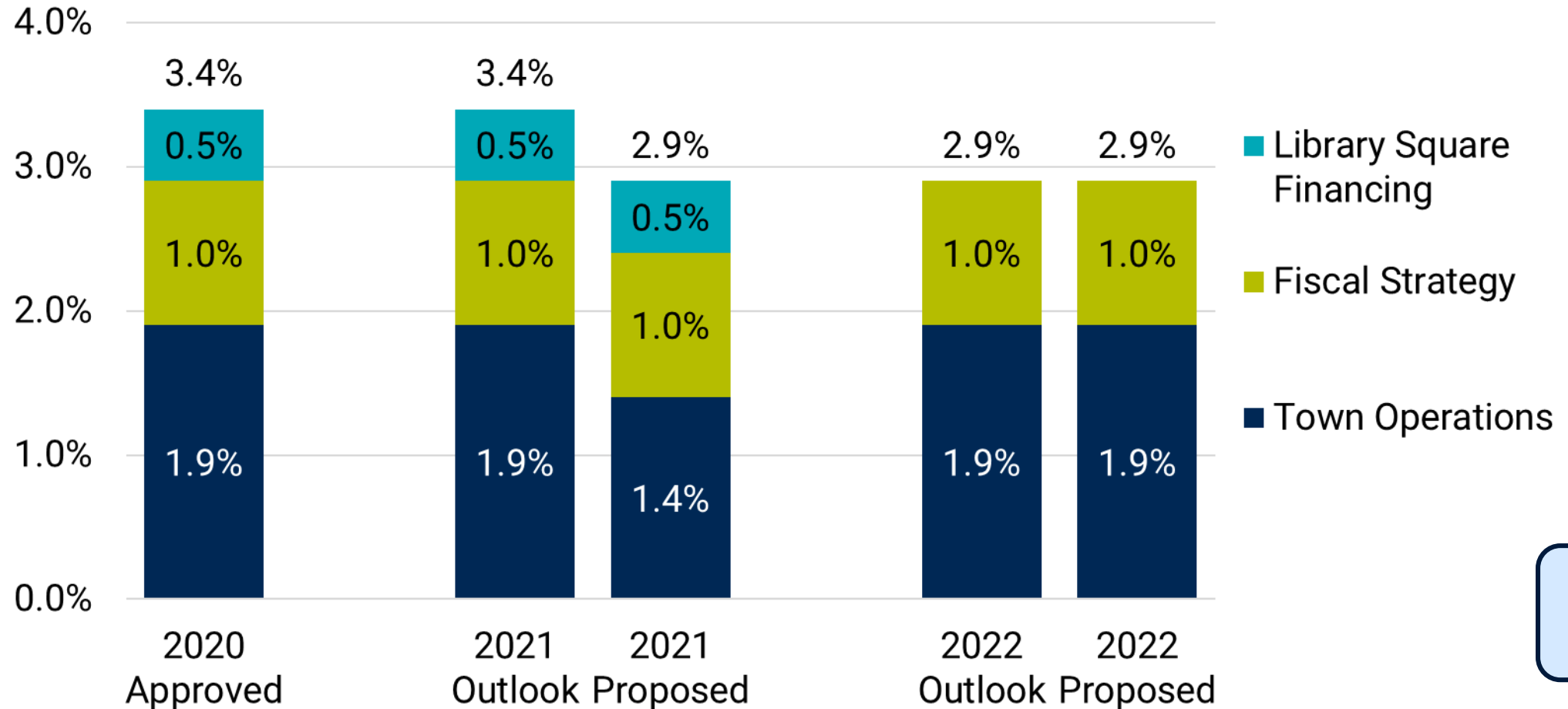
Average residential bill

| | 2020 | | 2021 | | 2022 | | |
|-------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| | Revised | Outlook | Proposed | Change | Outlook | Proposed | Change |
| Water 54m ³ | \$117.72 | \$132.30 | \$126.36 | (\$5.94) | \$133.92 | \$126.36 | (\$7.56) |
| Wastewater 54m ³ | \$149.58 | \$167.94 | \$156.06 | (\$11.88) | \$170.10 | \$156.60 | (\$13.50) |
| Stormwater 3 months | \$21.27 | \$24.03 | \$27.54 | \$3.51 | \$27.96 | \$35.07 | \$7.11 |
| Average Quarterly Bill | \$288.57 | \$324.27 | \$309.96 | (\$14.31) | \$331.98 | \$318.03 | (\$13.95) |
| Average Annual Bill | \$1,154.28 | \$1,297.08 | \$1,239.84 | (\$57.24) | \$1,327.92 | \$1,272.12 | (\$55.80) |

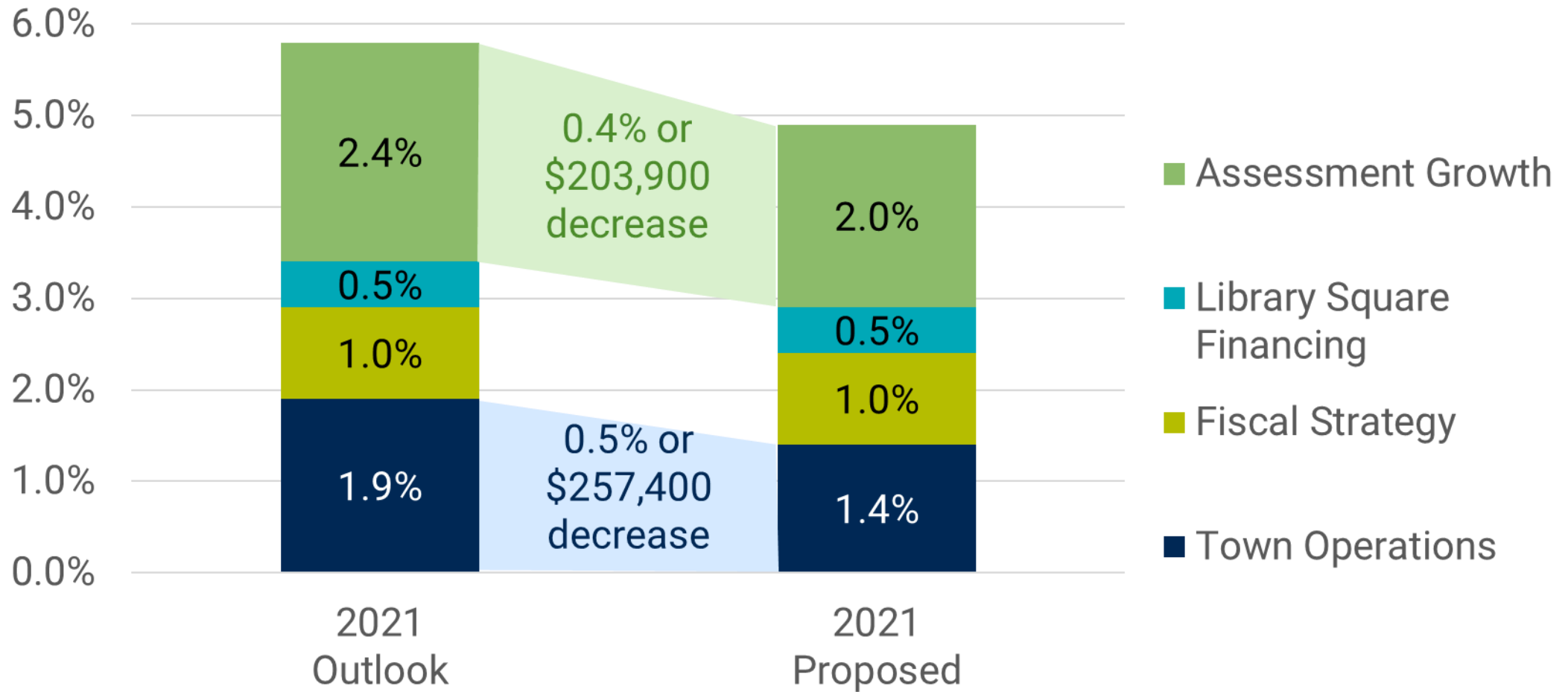


Tax funded budget changes

Reductions focused on operational savings



A net reduction of \$461,300 to get to 2.9%



Changes to the tax funded budget

| (\$000s) | 2021 | 2022 |
|----------------------------------|----------|----------|
| Approved Outlook | 53,069.5 | 55,831.0 |
| Non-COVID related changes | (461.3) | (476.0) |
| COVID-19 related pressues | 783.3 | - |
| One-time Savings & COVID Funding | (783.3) | - |
| Proposed Budget | 52,608.2 | 55,355.0 |

Non-COVID changes to budget

| | 2021 \$000's | 2022 \$000's |
|--|-----------------|-----------------|
| Compensation adjustments including benefits savings | (223.4) | (40.5) |
| IT licensing and other service fees | (70.0) | (70.0) |
| Operational Services contract adjustments: streetlights, crossing guards and waste collection | 18.4 | (73.2) |
| Parks building repair and maintenance, less fleet savings | 14.4 | 65.6 |
| Roads revenues adjustment | (22.0) | (22.7) |
| Remove the increase to penalties on taxes revenue | 61.7 | 61.7 |
| Assessment software offset by reduced tax assessment losses, consulting and delayed reassessment by MPAC | (12.0) | (42.0) |
| Insurance premiums and bank charges | 17.6 | 17.6 |
| Other adjustments | (7.6) | (16.4) |
| Central York Fire Services - Aurora shared service with Newmarket | (238.5) | (356.1) |
| | (461.3) | (476.0) |

COVID-related pressures and funding

| | 2021 \$000's | 2022 \$000's |
|---|-----------------|-----------------|
| Reduced development planning revenues | 70.7 | - |
| Community programs reduced revenues and contract savings | 90.0 | - |
| Fitness programs reduced revenues | 165.0 | - |
| Aquatics programs reduced revenues and part-time salaries | 132.5 | - |
| Youth programs reduced revenues, contracts and part-time salaries | 12.5 | - |
| Seniors programs reduced revenues, contracts and part-time salaries | 54.0 | - |
| Facility rentals including ice rental | 253.6 | - |
| Marriage fees | 5.0 | - |
| | 783.3 | - |
| One-time savings and funding for COVID-19 impact: | | |
| Contribution from tax stabilization reserve / Smart Restart Funding | (668.3) | - |
| Deferral of subscription fees for HRIS project delay | (115.0) | - |
| | (783.3) | - |
| Net COVID impact | - | - |

Community Services COVID assumptions

Facility Rentals:

- Cancellation of some hockey leagues and reduced registration winter
- Some improvement in Spring, but not a full return to previous ice rental levels until Summer
- Reduced meeting room capacities decrease room rentals in Winter, easing of restrictions would increase room rentals but we would not see a return to normal levels until Summer
- Increased cleaning and screening protocols

Community Services COVID assumptions

Programs:

- Anticipate lower registration Winter/Spring/Summer (incrementally rising each season) due to:
 - Continued physical distancing and capacity limits
 - Public cautious to participate
 - Pre-booking/registration requirement for typical drop-in programs
 - Limited access to changerooms
- No access to schools for camps, fewer camps offered
- Increase staff supervision/cleaning requirement



Departmental budget changes

Budget changes by department

| \$000's | 2021 | | Net Change | | 2022 | | Net Change | |
|-----------------------------------|-----------------|-----------------|----------------|---------------|-----------------|-----------------|----------------|---------------|
| | Outlook | Proposed | \$ | % | Outlook | Proposed | \$ | % |
| Council | 587.6 | 587.6 | - | - | 597.2 | 597.2 | - | - |
| Office of the CAO | 1,402.8 | 1,402.8 | - | - | 1,427.8 | 1,427.8 | - | - |
| Community Services | 10,208.3 | 10,914.2 | 706.0 | 6.9% | 10,535.0 | 10,533.4 | (1.6) | (0.0%) |
| Corporate Services | 9,577.0 | 9,408.0 | (169.0) | (1.8%) | 9,957.6 | 9,890.4 | (67.2) | (0.7%) |
| Finance | 2,160.3 | 2,216.8 | 56.5 | 2.6% | 2,334.7 | 2,390.6 | 55.9 | 2.4% |
| Operational Services (Tax funded) | 11,033.3 | 11,044.2 | 10.8 | 0.1% | 11,556.8 | 11,526.5 | (30.3) | (0.3%) |
| Planning & Development Services | 786.8 | 850.5 | 63.7 | 8.1% | 854.7 | 847.7 | (7.0) | (0.8%) |
| Corporate Revenues & Expenditures | 1,217.3 | 326.4 | (890.9) | (73.2%) | 2,019.4 | 1,949.7 | (69.7) | (3.5%) |
| Total Departmental Budget | 36,973.3 | 36,750.5 | (222.8) | (0.6%) | 39,283.3 | 39,163.4 | (119.9) | (0.3%) |
| Central York Fire Services | 12,200.1 | 11,961.6 | (238.5) | (2.0%) | 12,613.6 | 12,257.5 | (356.1) | (2.8%) |
| Library | 3,896.1 | 3,896.1 | - | - | 3,934.1 | 3,934.1 | - | - |
| Total Proposed Budget | 53,069.5 | 52,608.2 | (461.3) | (0.9%) | 55,831.0 | 55,355.0 | (476.0) | (0.9%) |

Community Services

| (\$000s) | 2021 | 2022 |
|---|-----------------|-----------------|
| Starting Budget | 9,628.3 | 10,914.2 |
| 2020 Budget Approved Change | 580.0 | 326.8 |
| Proposed Changes to Multi-Year Budget: | | |
| COVID-19 net impacts: | | |
| - Community programs reduced revenues and contract savings | 90.0 | (90.0) |
| - Fitness programs reduced revenues | 165.0 | (165.0) |
| - Aquatics programs reduced revenues and part-time salaries | 132.5 | (132.5) |
| - Youth programs reduced revenues, contracts and part-time salaries | 12.5 | (12.5) |
| - Seniors programs reduced revenues, contracts and part-time salaries | 54.0 | (54.0) |
| - Facility rentals including ice rental | 253.6 | (253.6) |
| Other minor adjustments | (1.6) | (0.0) |
| | 706.0 | (707.6) |
| Revised Budget Change | 1,286.0 | (380.8) |
| Proposed Net Budget | 10,914.2 | 10,533.4 |
| 2020 Approved Budget | 10,208.3 | 10,535.0 |

Corporate Services

| (\$000s) | 2021 | 2022 |
|--|----------------|----------------|
| Starting Budget | 8,767.2 | 9,408.0 |
| 2020 Budget Approved Changes | 809.8 | 380.6 |
| Proposed Changes to Multi-Year Budget: | | |
| Insurance adjustor cost increase | 10.0 | - |
| Bylaw vehicle supplies | 1.9 | (1.1) |
| COVID-19 - Reduced marriage fees | 5.0 | (5.0) |
| Other adjustments | (0.9) | (7.0) |
| Deferral of subscription fees for HRIS project delay | (115.0) | 115.0 |
| IT licensing fees adjusted for final HRIS agreement | (60.0) | |
| Adjustment to telephone service agreement | (10.0) | - |
| | (169.0) | 101.9 |
| Revised Budget Change | 640.8 | 482.5 |
| Proposed Net Budget | 9,408.0 | 9,890.5 |
| 2020 Approved Budget | 9,577.0 | 9,957.6 |

Finance

| (\$000s) | 2021 | 2022 |
|--|----------------|----------------|
| Starting Budget | 2,073.7 | 2,216.8 |
| 2020 Budget Approved Change | 86.6 | 174.5 |
| Proposed Changes to Multi-Year Budget: | | |
| Restatement of audit fees from Corporate Revenues & Expenditures | 40.9 | - |
| Assessment analysis software offset by reduction to tax assessment losses and consulting | 8.0 | - |
| Bank Charges | 7.6 | - |
| Other minor adjustments | - | (0.7) |
| | 56.5 | (0.7) |
| Revised Budget Change | 143.1 | 173.8 |
| Proposed Net Budget | 2,216.8 | 2,390.6 |
| 2020 Approved Budget | 2,160.3 | 2,334.7 |

Operational Services – tax funded only

| (\$000s) | 2021 | 2022 |
|---|-----------------|-----------------|
| Starting Budget | 10,505.2 | 10,900.7 |
| 2020 Budget Approved Changes | 384.6 | 402.7 |
| Proposed Changes to Multi-Year Budget: | | |
| Contract increases streetlights | 28.4 | 8.4 |
| Contract increases crossing guards | 20.0 | - |
| Parks building repairs and maintenance | 18.0 | 59.0 |
| Waste collection contracts | (30.0) | (100.0) |
| Roads revenues | (22.0) | (0.8) |
| Other savings-fleet | (3.6) | (7.8) |
| | 10.8 | (41.2) |
| Revised Budget Change | 395.5 | 361.5 |
| Proposed Net Budget | 10,900.7 | 11,262.2 |
| 2020 Approved Budget | 11,033.3 | 11,556.8 |

Planning & Development Services

| (\$000s) | 2021 | 2022 |
|---|--------------|---------------|
| 2020 Budget Approved Change | (1.2) | 68.0 |
| Proposed Changes to Multi-Year Budget: | | |
| COVID-19 Reduced development planning revenues | 70.7 | (70.7) |
| Adjustment to printing, office supplies and other items | (7.0) | - |
| | 63.7 | (70.7) |
| Revised Budget Change | 62.5 | (2.7) |
| Proposed Net Budget | 850.5 | 847.8 |
| 2020 Approved Budget | 786.8 | 854.7 |

Corporate Revenues & Expenditures

| (\$000s) | 2021 | 2022 |
|---|----------------|----------------|
| Starting Budget | 762.2 | 326.4 |
| 2020 Budget Approved Changes | 455.1 | 802.1 |
| Proposed Changes to Multi-Year Budget: | | |
| Compensation adjustments including benefits savings | (223.4) | 182.8 |
| Audit fees moved to Finance | (40.9) | - |
| Adjusted tax losses for reassessment timing and analytical software | (20.0) | (30.0) |
| Contribution from tax stabilization reserve / Smart Restart Funding | (668.3) | 668.3 |
| Remove the increase to penalties on taxes revenue | 61.7 | - |
| | (890.9) | 821.1 |
| Revised Budget Change | (435.8) | 1,623.3 |
| Proposed Net Budget | 326.4 | 1,949.7 |
| 2020 Approved Budget | 1,217.3 | 2,019.4 |

A photograph of a dirt path winding through a dense forest of green trees. The path is covered in fallen leaves and leads into the distance. A semi-transparent teal banner is overlaid across the middle of the image, containing the text "Looking Ahead & Next Steps".

Looking Ahead & Next Steps

Budget process next steps

