



 CORPORATE  
**ITEMS**

As adopted December 12, 2023

# Corporate Items

The Corporate Items Budget includes items which cannot be easily associated with specific departments or are corporate-wide in nature including corporate management assumptions/contingencies, user rate recoveries, Fiscal Strategy and non-levy tax items.

## Corporate Items support the implementation of the strategic and other key plans

### Strategic Plan

Corporate Items supports the “Leadership in Corporate and Financial Management” guiding principal of the plan as the corporate budgets for Fiscal Strategy elements are included in this Budget.

This Budget includes the contributions of asset management capital reserves supporting the strategic objective to “invest in sustainable infrastructure.”

### Fiscal Strategy

The four pillars of the Fiscal Strategy are: Capital Planning, Reserve Management, Debt Management and Revenue Management. This Budget includes items that support the last three through contributions to capital reserves, budget for debt repayment and funding and investment income.

### Asset Management Plan

Corporate Items includes the budget for contributions to capital reserves with the largest portion going towards supporting asset management. These contributions are then used in the Capital Budget to fund projects and some reserves are being built up over the long-term to support significantly higher asset management needs in the future. More information about reserves can be found in Tab 5 Reserves and Debt Management.

## 2023 Accomplishments

In 2023 Aurora became a Prudent Investor by joining the ONE joint investment board. This means that monies not required in the next 24 months will be invested in a more diverse, professionally managed portfolio.

# Operating Budget

## Overview

The operating budget for corporate items includes an increase of \$408,400 in 2024. The main drivers of the increase includes increased contributions to asset management and increased recoveries from user rate for overhead costs.

The multi-year budget includes an increase of \$480,600 in 2025 and \$1.7 million in 2026. This increase in both years include the one percent increase to the levy for contributions to capital reserves, a multi-year budget contingency and increases to the user rate recovery for corporate overhead. In 2026, the increase also includes higher contributions to capital reserves by redirecting part of the savings from the move to producer responsibility for waste and converting the tax-funded debt repayment costs for the LED conversion project to asset management reserve contributions.

## Operating financial summary

\$000's	Net Actual Results		2023	2023	2024	2025	2026
	2021	2022	Net Fcst*	Budget	Budget	Budget	Budget
Expenditures		6,448.7	10,072.8	6,391.1	6,108.2	6,605.3	7,662.2
Non-Tax Revenues		(4,920.6)	(8,413.2)	(4,684.0)	(3,992.7)	(4,009.2)	(3,335.2)
<b>Net Tax Levy</b>	<b>2,843.5</b>	<b>1,528.1</b>	<b>1,659.5</b>	<b>1,707.1</b>	<b>2,115.5</b>	<b>2,596.1</b>	<b>4,327.0</b>
% Tax Funded		24%	16%	27%	35%	39%	56%
Net Budget Change	\$	(1,315.4)	131.5	47.5	408.4	480.6	1,730.9
	%	(46.3%)	8.6%	2.9%	23.9%	22.7%	66.7%

\*Net forecast as of August 31, 2023

Note: The reporting method for corporate items changed in 2022, so 2021 details are not shown

## Multi-year operating budget priorities

The Corporate Items budget is broken down into four key areas: Corporate Management, Recovery from Rate, Fiscal Strategy and Non-levy Tax Items.

### Corporate Management

Corporate Management includes corporate accounts, salary management and contingency. Corporate accounts include items which typically don't fit in other budgets, in 2024 the tax stabilization draw from the 2023 budget is removed. Salary management includes retiree benefits, adjustments and actuarial consulting to determine benefits costs once every three years. The contingency includes the multi-year contingency of \$100,000 in 2025 and 2026. This is to help manage any unexpected costs which may arise.

### Recovery from User Rate

This reflects the recovery for corporate overhead from water, wastewater, stormwater and building services operations.

## Fiscal Strategy

This section includes three of the pillars of the Fiscal Strategy:

- Reserve management includes the contributions to capital reserves
- Revenue management includes investment income earned on reserve balances in accordance with the Investment Policy Statement
- Debt management includes the principal and interest costs associated with the active or completed construction of capital projects and partially offset by any applicable non-tax levy funding including development charge revenue

The fourth pillar of the Fiscal Strategy is capital planning which is reflected by the 10-Year Capital Plan.

## Non-Levy Tax Items

This section includes additional tax revenues and costs which are not part of the Town's regular tax levy. They include:

- Business Improvement Area (BIA) Levy which applies only to a specific area in the Town. The funds collected through this special levy are remitted to the BIA for them to implement their programs
- Supplemental Taxes reflect additional taxes for growth that reflect changes to the tax roll typically for growth. Aurora includes \$150,000 per year of income in the budget annually. The excess revenue collected will be contributed to the Growth and New Reserve as these funds are additional tax funds relating to growth
- Payments-in-Lieu of Tax are payments made by the provincial and federal government in lieu of paying property taxes
- Tax Adjustments/Losses arise from notices and decisions relating to assessments and reassessments of properties within the Town's borders. The adjustments are approved by the Municipal Property Assessment Corporation (MPAC), as part of the Ontario Assessment Review Board appeal process. These losses can fluctuate as they may span multiple years
- Penalties on Taxes are charges of penalties and interest on late or unpaid tax installments. These revenues can fluctuate based on the amount of outstanding tax bills which also includes past due water account balances which are moved to the tax account for collection

## Corporate Items budget changes

\$000's	2023 Budget		2024 Budget		Net Change	
	Gross	Net	Gross	Net	\$	%
<b>Corporate Management</b>						
Corporate Accounts	1.0	(72.8)	1.0	(16.5)	56.3	(77.3%)
Salary Management	66.6	66.6	82.8	81.8	15.2	22.8%
Contingency	-	-	-	-	-	-
	67.6	(6.2)	83.8	65.3	71.5	(1153%)
<b>Recovery from Rate</b>	(2,450.3)	(2,450.3)	(2,689.8)	(2,689.8)	(239.5)	9.8%
<b>Fiscal Strategy</b>						
Reserve Management	6,866.9	6,866.9	7,443.3	7,443.3	576.4	8.4%
Investment Management	-	(1,600.0)	-	(1,600.0)	-	-
Debt Management	1,466.5	510.0	830.5	510.0	-	-
	8,333.4	5,776.9	8,273.8	6,353.3	576.4	10.0%
<b>Non-Levy Tax Items</b>						
Business Improvement Area Levy	40.4	-	40.4	-	-	-
Supplemental Taxes	400.0	(150.0)	400.0	(150.0)	-	-
Payments-in-Lieu of Tax	-	(348.0)	-	(348.0)	-	-
Tax Adjustments/Losses	-	280.0	-	280.0	-	-
Penalties on Taxes	-	(1,395.3)	-	(1,395.3)	-	-
	440.4	(1,613.3)	440.4	(1,613.3)	-	-
<b>Total</b>	<b>6,391.1</b>	<b>1,707.1</b>	<b>6,108.2</b>	<b>2,115.5</b>	<b>408.4</b>	<b>23.9%</b>

\$000's	2025 Budget		Net Change		2026 Budget		Net Change	
	Gross	Net	\$	%	Gross	Net	\$	%
<b>Corporate Management</b>								
Corporate Accounts	1.0	(23.0)	(6.5)	39.4%	1.0	-	23.0	-
Salary Management	108.0	97.0	15.2	18.6%	113.2	112.2	15.2	15.7%
Contingency	100.0	100.0	100.0		200.0	200.0	100.0	100.0%
	209.0	174.0	108.7	166.5%	314.2	312.2	138.2	79.4%
<b>Recovery from Rate</b>	(2,921.9)	(2,921.9)	(232.1)	8.6%	(3,038.8)	(3,038.8)	(116.9)	4.0%
<b>Fiscal Strategy</b>								
Reserve Management	8,047.3	8,047.3	604.0	8.1%	9,756.9	9,756.9	1,709.6	21.2%
Investment Management	-	(1,600.0)	-	-	-	(1,600.0)	-	-
Debt Management	830.5	510.0	-	-	189.5	510.0	-	-
	8,877.8	6,957.3	604.0	9.5%	9,946.4	8,666.9	1,709.6	24.6%
<b>Non-Levy Tax Items</b>								
Business Improvement Area Levy	40.4	-	-	-	40.4	-	-	-
Supplemental Taxes	400.0	(150.0)	-	-	400.0	(150.0)	-	-
Payments-in-Lieu of Tax	-	(348.0)	-	-	-	(348.0)	-	-
Tax Adjustments/Losses	-	280.0	-	-	-	280.0	-	-
Penalties on Taxes	-	(1,395.3)	-	-	-	(1,395.3)	-	-
	440.4	(1,613.3)	-	-	440.4	(1,613.3)	-	-
<b>Total</b>	<b>6,605.3</b>	<b>2,596.1</b>	<b>480.6</b>	<b>22.7%</b>	<b>7,662.2</b>	<b>4,327.0</b>	<b>1,730.9</b>	<b>66.7%</b>

## Incremental budget changes

	2024		2025		2026	
	FTE	\$000's	FTE	\$000's	FTE	\$000's
<b>Starting Budget</b>		<b>1,707.1</b>		<b>2,115.5</b>		<b>2,596.1</b>
<b>Base</b>						
Retiree benefits, market adjustments and other corporate wages assumptions	-	16.2	-	15.2	-	15.1
Tax levy stabilization including reversal of draw from 2023 Budget	-	55.3	-	(6.5)	-	23.0
Recovery from user rate for operating overhead	-	(209.1)	-	(201.7)	-	(86.5)
	-	<b>(137.6)</b>	-	<b>(193.1)</b>	-	<b>(48.4)</b>
<b>Capital Operating Costs</b>						
Recovery from user rate for financial system	-	(30.4)	-	(30.4)	-	(30.4)
	-	<b>(30.4)</b>	-	<b>(30.4)</b>	-	<b>(30.4)</b>
<b>Fiscal Strategy</b>						
Fiscal Strategy annual increase of one percent for contribution to capital reserves	-	576.4	-	604.1	-	630.8
Allocation of a portion of producer	-	-	-	-	-	895.2
Savings from LED debt completion to asset management reserves	-	-	-	-	-	183.7
Multi-year budget contingency	-	-	-	100.0	-	100.0
	-	<b>576.4</b>	-	<b>704.1</b>	-	<b>1,809.6</b>
<b>Budget Change</b>	-	<b>408.4</b>	-	<b>480.6</b>	-	<b>1,730.9</b>
<b>Total Budget</b>	-	<b>2,115.5</b>	-	<b>2,596.1</b>	-	<b>4,327.0</b>