

EXECUTIVE SUMMARY

As adopted December 7, 2025

Message from the Mayor



Mayor Tom Mrakas

I am pleased to present the Town of Aurora's 2026 Operating Budget and 10-Year Capital Plan. This Budget maintains service levels and makes strategic investments that sustain Aurora's very high quality of life.

This year, I'm calling it "The People's Budget" for a simple reason: It keeps the tax-levy increase moderate – keeping more money in people's pockets – while ensuring we can meet the needs of both current and future residents.

The 2026 tax-levy increase is 2.2 percent – made up of a 0.6 percent increase for Town operations, 0.6 percent for Central York Fire Services, and a one percent annual increase to capital reserve contributions, ensuring long-term financial

stability for major projects. For a home assessed at 800,000, this translates to an annual increase of \$56.94.

It was important to me to keep this increase as low as possible without risking the Town's long-term financial health. I know how quickly the cost of living has been rising and how inflation has strained families, made worse by U.S. tariffs and ongoing trade disputes. Over the last few months, I worked closely with our CAO, Finance team, and department directors to contain costs without cutting programs and services. That meant reducing discretionary spending, implementing a temporary hiring freeze, pausing non-essential projects and focusing more on grant opportunities and improving efficiencies.

Some have called for a zero per cent increase. It may sound appealing, but the truth is, a zero increase is not fiscally responsible. Municipalities that take that approach often struggle to maintain basics like roads and streetlights and important projects get deferred or cancelled. In the end, residents pay the price for those short-term decisions.

This budget takes the opposite approach. It's a forward-looking plan that keeps Aurora strong today while preparing us for tomorrow. It includes visible community benefits: playground upgrades, new pickleball courts, trail expansions, facility enhancements, replacing aging Town vehicles, expanding trail network, and moving ahead with the Yonge Street streetscape redesign. Just as importantly, it funds the maintenance of critical infrastructure like roads, sewers and water systems.

Aurora is recognized as one of the best places in Canada to live, work, and raise a family. That doesn't happen by accident. It's the result of steady, responsible investment and collaboration year after year. This budget reflects that commitment, and I want to thank Council, staff, residents, and local businesses for all the input that shaped it.

The tax increase is lower than presented last year

0.6% Town Operations + 0.6% Central York Fire Services + 1% Fiscal Strategy

The Town of Aurora's 2026 Operating Budget reduces the tax increase presented in the budget last year. The Budget includes a levy increase of 0.6 percent for Town operations plus 0.6 percent for Central York Fire Services and one percent for fiscal strategy. Combined, this is 0.7 percent less than the 2.9 percent which was included in last year's budget for 2026.

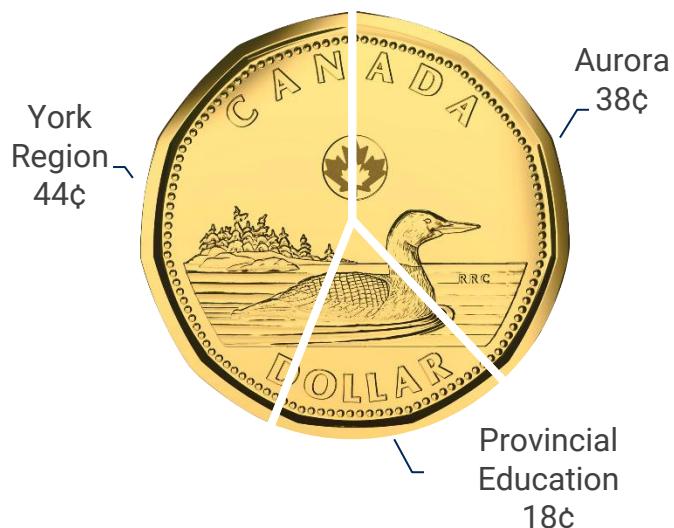
The operating budget helps fund the Town's capital projects. Each year, a one percent increase from the annual fiscal strategy is directed to the capital reserves. In addition, savings from the completed LED project debt repayments and from the transition to producer responsibility for waste are also redirected to support the Town's Asset Management Plan and 10-Year Capital Plan.

The annual gross spending in the operating budget increases from \$126 million in 2025 to \$131.7 million in 2026. Most of the funding to support the operating budget in each year comes from the tax levy. However, Aurora's levy only represents 38 cents on the residential tax dollar in 2026. The tax bill also includes property taxes for York Region, at 44 cents, and the school boards at 18 cents on the dollar.

The Budget also includes user rates that pay for water, wastewater and stormwater services. The rates include purchased wholesale water and wastewater costs from York Region. These rates remain the same as presented in the 2025 to 2026 Budget. The combined water and wastewater rate increases from \$5.80 to \$6.06 in 2026.

The Capital Budget includes planned capital spending of \$67.8 million in 2026 with multi-year Capital Budget Authority of \$208.5 million to manage capital contractual commitments. The 10-Year Capital Plan totals \$372 million.

Aurora's share of the tax dollar



The operating budget mitigates most of the impact of inflation

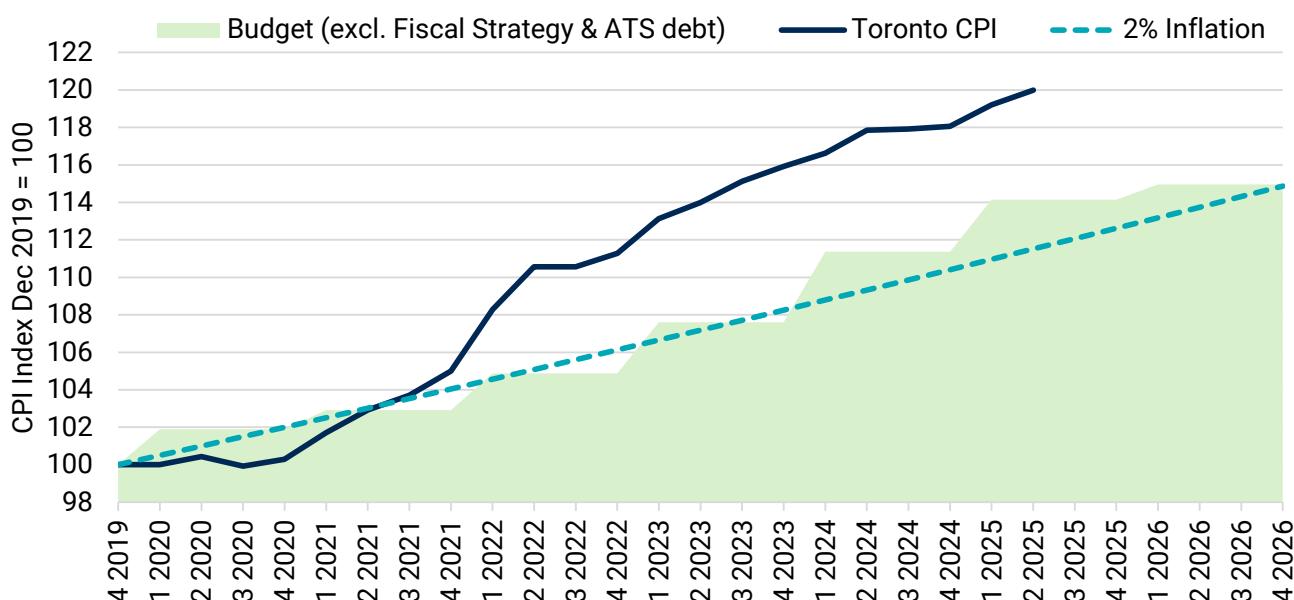
Inflation over the past few years has increased significantly. The Town has been able to maintain tax increases below the level of inflation through savings and through multi-year contractual commitments with vendors.

The higher post-pandemic inflation is still impacting the Town as multi-year contracts issued before the pandemic continue to be replaced with new contracts at today's pricing using a competitive bid process.

The inflationary portion of the tax levy remains lower than the Consumer Price Index (CPI). As shown below, inflation has increased significantly over the economic two percent standard. Aurora continues to strive to keep the levy in-line or below the level of inflation.

The multi-year operating budget includes elements which mitigate the impact of inflation. These factors included increases to non-tax revenues and an internal review of the budget in detail for savings.

Inflation trend compared to tax levy increases



CPI Source: Statistics Canada. Table 18-10-0004-12 Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, provincial cities

The Asset Management Plan has a significant influence on this budget

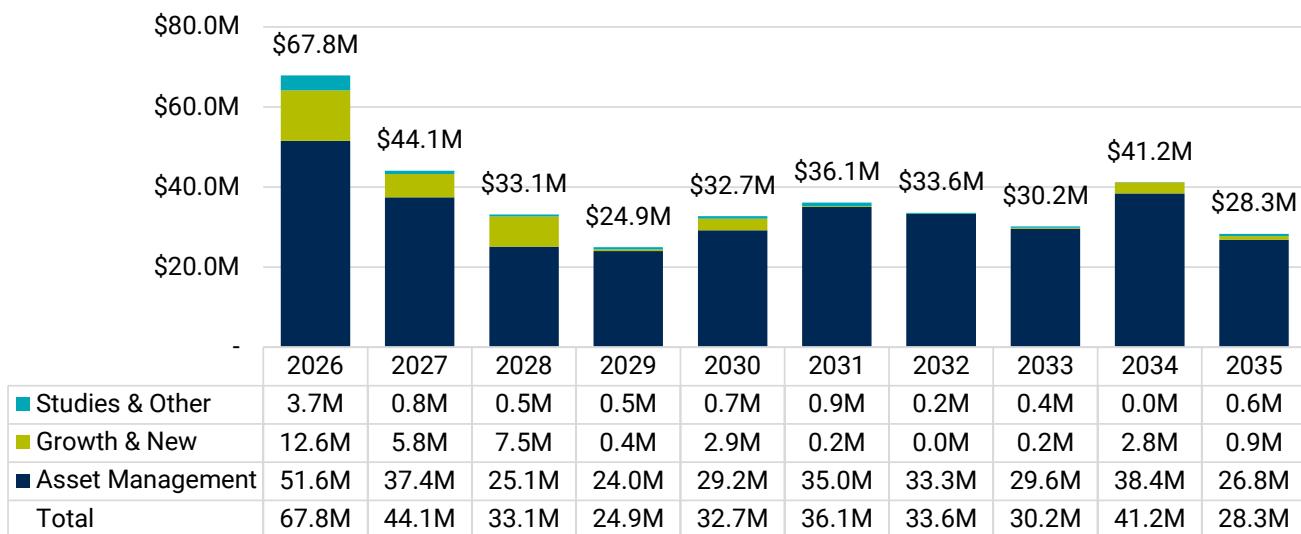
The Asset Management Plan influenced both operating and capital budgets through the reserve contributions in the operating budget and the projects included in the 10-year capital plan.

Asset management projects represent the largest portion of the 10-year capital plan. In 2024, Council approved service level measures for the remaining non-core assets and service levels for all assets. In 2026, the Budget includes increased contributions to asset management without putting further pressure on the tax levy. In addition to the one percent fiscal strategy component of the levy, the budget also leverages two additional sources: savings from the move to producer responsibility for waste management and converting the debt repayment costs for the completion of the debt payments on the LED conversion project

The 10-year plan includes more asset management projects

This year's 10-year capital plan includes an additional \$25.9 million in asset management projects over the 10 years included in the 2025 to 2026 Budget. This was achieved through the increased investments into capital reserves through tax and user rate sources. However, since the increase to capital funding is being phased in over multiple years, some asset service levels will decline in the short-term until the funding levels increase over the next 15 years.

10-Year Capital Plan project profile



Changes to the Development Charge Act continued in 2025

On June 5, 2025, provincial government approved Bill 17 – “Protect Ontario by Building Faster and Smarter Act”. Bill 17 includes significant residential development rebates/incentives for the developers. Some of the key amendments of Bill 17 are as follows:

- Exemption of development charges for all non-profit residential development
- Exemption of development charges for for-profit long-term care homes
- Deferral of development charges for five years, interest free, for for-profit institutions and purpose-built rentals
- Deferral of development charge payments from first building permit to occupation for all non-rental residential development

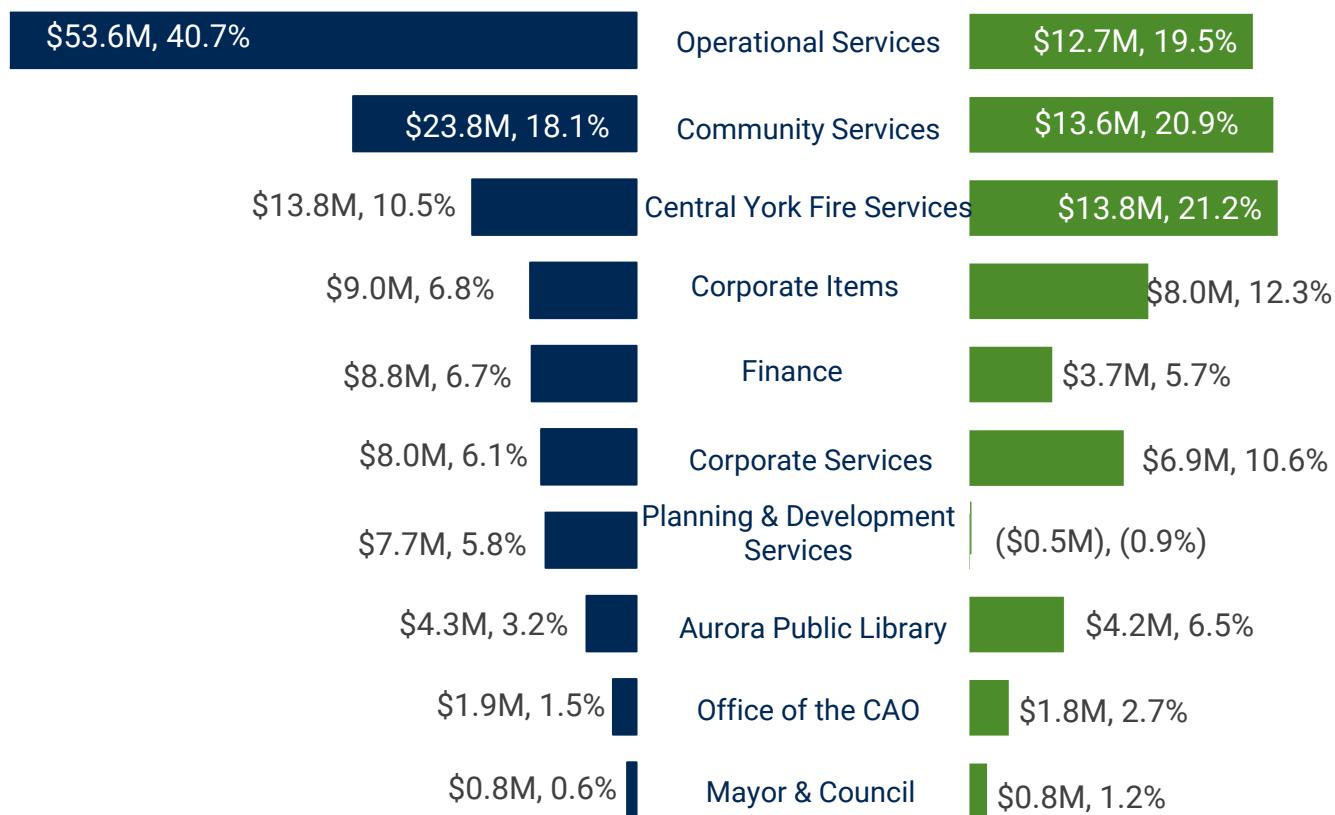
A reduction in development charges, or other growth funding tools such as parkland dedication and community benefit charges, will hinder the Town’s ability to finance growth-related infrastructure. Without additional funding from higher levels of government this could result in the delay of building growth capital projects or increase the number of projects that will need debt financing to provide time for the deferred development charges to be collected.

The reliance on the tax levy varies across departments

The Town of Aurora provides a wide variety of services that depend on tax-levy funding. Some services are more reliant on taxes than those that generate revenues through user fees or user rates like water, wastewater and stormwater in Operational Services.

The Operational Services budget has the highest share gross expenditures at 40.7 percent. However, on a net tax-levy basis, it is the third highest at 19.5 percent after Central York Fire Services at 21.2 percent and Community Services at 20.9 percent. The reason for this shift is because Operational Services includes water, wastewater and stormwater which are fully funded through user rates where the costs for Aurora’s share of Central York Fire Services are fully tax funded.

2026 Budget departmental share of gross spending and the tax levy



Impact on the average resident's tax and water bills

The tax increase is applied to the assessed value of a property. The Municipal Property Assessment Corporation's last assessment was completed in 2016 which results in an average assessed value of just over \$800,000 for residential homes in Aurora. This is why there is such a significant difference between the assessed value of a home and the market value.

For a home assessed at 800,000, the tax increases in this budget will result in average annual increases of \$56.94 in 2026, increasing the Town's share of the average bill from \$2,587.97 in 2025 to \$2,644.90 by 2026.

On average, each resident consumes 54 cubic metres of water per quarter which results in a total bill of \$363.03 in 2025. The rates in this budget for water, wastewater and stormwater will increase this average bill by \$19.26 to \$382.29 in 2026.

Impact on the average tax bill and quarterly water bill

Annual Tax Increase
For house assessed at \$800,000



Quarterly Water Bill Increase
Average consumption of 54 m³



The Fiscal Strategy continues to inform the development of the budget

The Fiscal Strategy was approved by Council in 2021. The Fiscal Strategy provides a long-term view of financial sustainability through the balancing of the four strategic pillars: Revenue Management, Capital Planning and Reserve Management and Debt Management.

This budget supports the Fiscal Strategy through the following:

- **Capital Planning:** The 10-Year Capital Plan identifies future asset management needs over the long-term as informed by the Asset Management Plan
- **Reserve Management:** Increasing contributions to asset management reserves to support the service levels in the Asset Management Plan
- **Debt Management:** Managing the timing difference between growth revenues and growth capital construction through planning for debt
- **Revenue Management:** Proposing a tax levy increase below inflation by managing budget pressures through expenditure savings and revenue adjustments and continuing to reduce the budget reliance on supplementary taxes