

# 2023 Budget and 10-Year Capital Plan

Council

December 13, 2022



# Agenda

- Budget overview
- Operating budget
- Capital budget
- Reserves and debt management
- Next steps



# Multi-year budget process



**Council  
Term**



# Proposed budget at a glance



<b>Operating budget:</b>	<b>2022</b>	<b>Proposed</b>	<b>Change</b>
Gross expenditures	\$104.7M	\$112.5M	\$7.8M
Net levy	\$54.2M	\$57.0M	\$2.8M
Tax levy increase	2.9%	3.5%	
<b>Capital budget:</b>			
2023 expenditures		\$73.9M	
New: capital budget authority		\$29.9M	
10-year capital plan		\$347.1M	
New: 2023 debt authority		None	

# Average household impact



Annual 3.5% tax increase  
Average house assessed  
at \$800,000



Quarterly water bill  
increase\* with average  
consumption of 54m<sup>3</sup>/quarter



\*Includes water, wastewater and stormwater charge

# ■ Operating budget



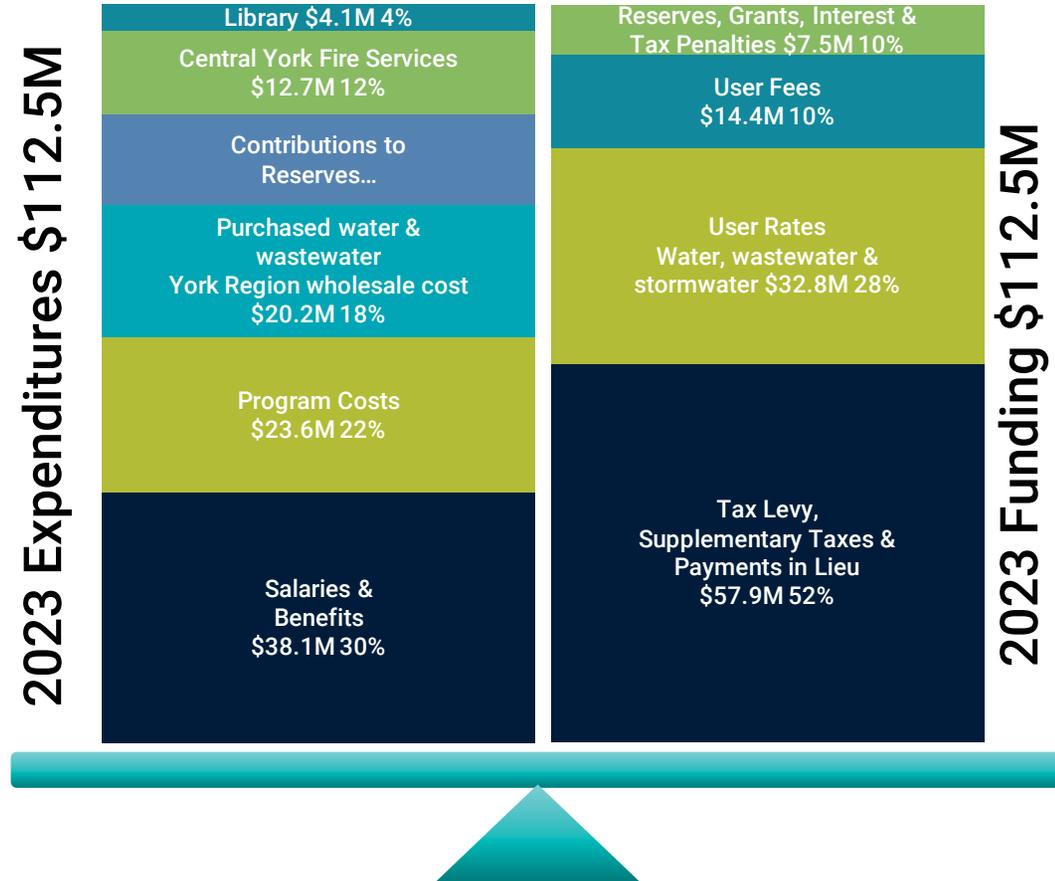
# 2023 proposed operating budget



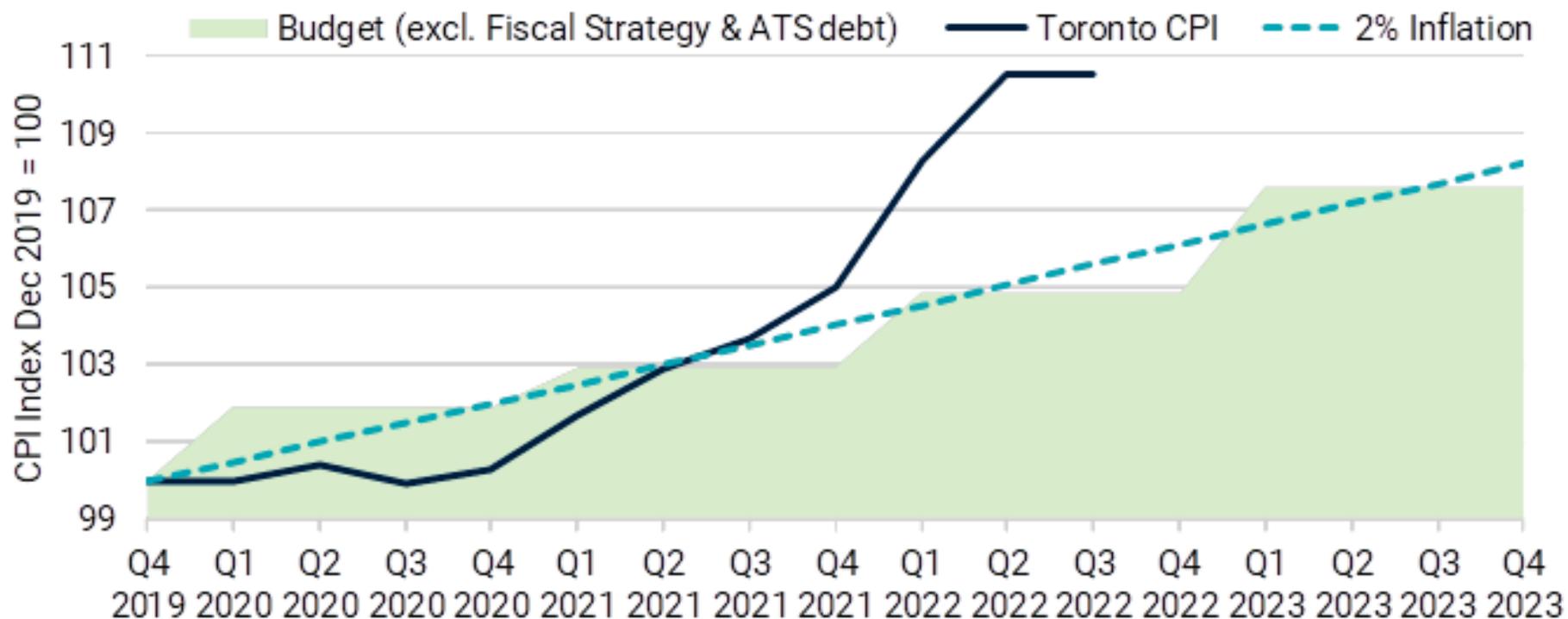
\$000's	Net Actual Results		2022 Net Fcst*	2022 Budget	Budget 2023
	2020	2021			
<b>Aurora Departments:</b>					
Expenditures	99,012.5	109,034.5	88,241.7	88,419.9	95,645.8
Non-Tax Revenues	(64,621.2)	(72,928.5)	(52,655.0)	(50,444.4)	(55,463.3)
<b>Subtotal</b>	<b>34,391.3</b>	<b>36,106.0</b>	<b>35,586.7</b>	<b>37,975.5</b>	<b>40,182.5</b>
Central York Fire Service	11,749.3	11,955.6	12,294.9	12,294.9	12,722.9
Aurora Public Library	3,868.1	3,896.1	3,934.1	3,934.1	4,052.1
<b>Total Proposed Budget</b>	<b>50,008.7</b>	<b>51,957.7</b>	<b>51,815.7</b>	<b>54,204.5</b>	<b>56,957.5</b>
<b>Assessment Growth</b>	\$			<b>553.5</b>	<b>807.8</b>
	%			<b>1.1%</b>	<b>1.5%</b>
<b>Tax Increase</b>	\$			<b>1,544.7</b>	<b>1,945.2</b>
	%			<b>2.9%</b>	<b>3.5%</b>

\*Net forecast as of October 31, 2022

# Budget is balanced



# Inflation is trending much higher than budget increases

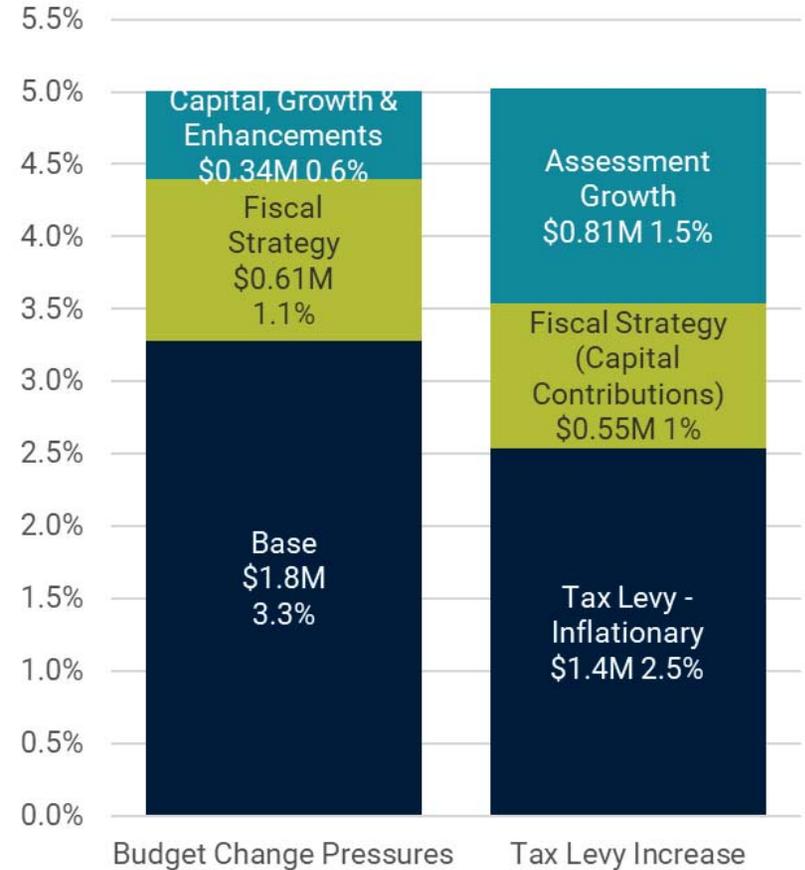


CPI Source: Statistics Canada. Table 18-10-0004-12 Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, provincial cities

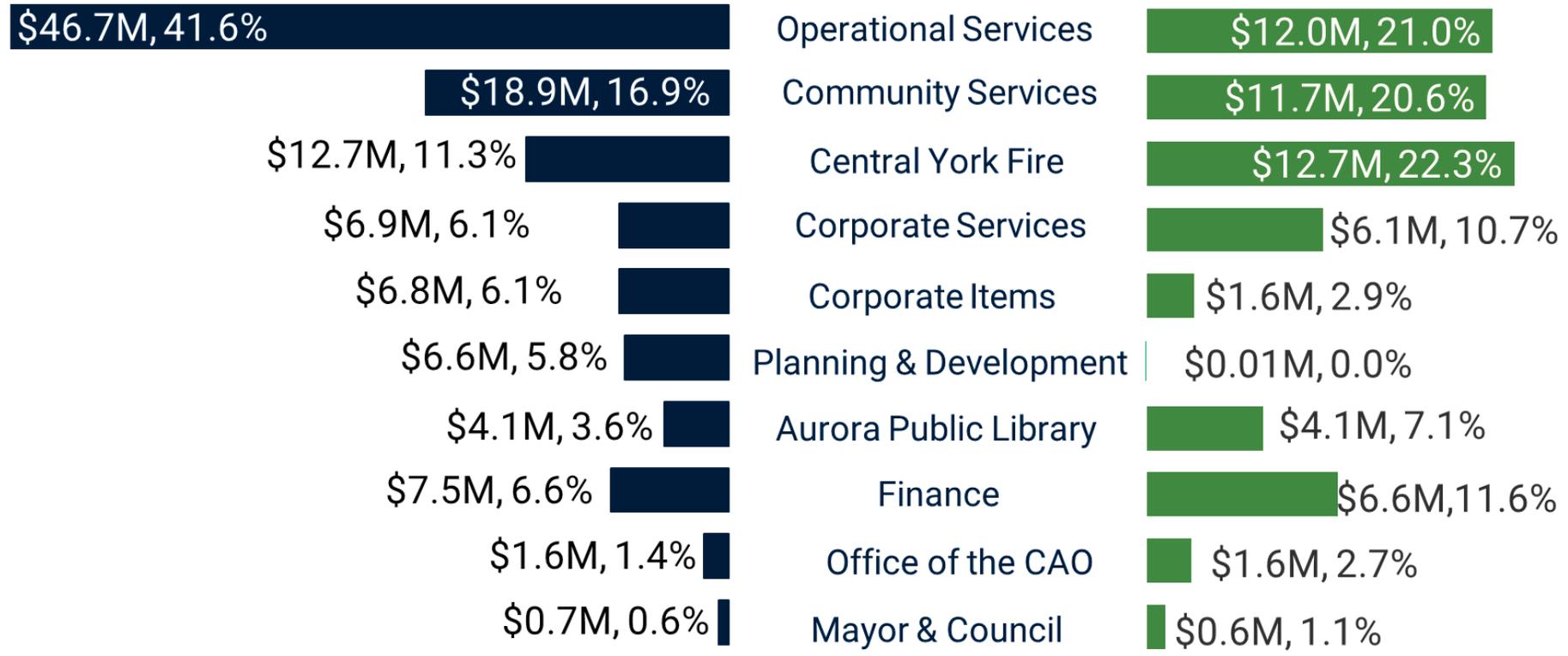
# Changes to the tax funded budget



(\$000s)	2023
Approved 2022 Budget	54,204.5
Base budget changes	1,804.2
Capital operating costs	41.9
Fiscal strategy	612.9
Maintaining service levels for growth	183.1
Enhancements & transformation	110.9
<b>Proposed Budget</b>	<b>56,957.5</b>



# Gross spending vs.... Net budget



# Proposed permanent full-time positions



	#	Gross	Gapping	Net
	Staff	\$000	\$000	\$000
<b>Opening Permanent Full Time Positions</b>	<b>255.0</b>			
<b>CAO</b> : Communications Coordinator (conversion temporary to permanent)	1.0	91.6	(45.8)	45.8
<b>CMS</b> : Special Events Assistant (uplift from part-time to full-time)	1.0	28.0	(14.0)	14.0
<b>FIN</b> : Revenue Administrator - Tax	1.0	96.9	(48.5)	48.5
<b>OPS</b> : Roads Technician	1.0	108.8	(54.4)	54.4
<b>PDS</b> : Traffic Analyst	1.0	108.8	(54.4)	54.4
<b>Total</b>	<b>260.0</b>	<b>434.1</b>	<b>(217.1)</b>	<b>217.1</b>

# Proposed user rates

	2021 Rates	2022 Budget	2023 Proposed	Rate Change	
				\$	%
<b>Water and Wastewater (\$/m<sup>3</sup>):</b>					
Water Rate	\$ 2.34	\$ 2.27	\$ 2.41	\$ 0.14	6.2%
Wastewater Rate	\$ 2.89	\$ 2.87	\$ 2.89	\$ 0.02	0.7%
Combined Rate	\$ 5.23	\$ 5.14	\$ 5.30	\$ 0.16	3.1%

<b>Stormwater Rate (\$/month):</b>					
Residential	\$ 9.18	\$ 11.69	\$ 13.41	\$ 1.72	14.7%
Non-Residential	\$ 116.64	\$ 148.51	\$ 170.41	\$ 21.90	14.7%

# Average residential water bill

	2021	2022	2023	Rate Change	
	Rates	Budget	Proposed	\$	%
Water 54m <sup>3</sup>	\$126.36	\$122.58	\$130.14	\$7.56	6.2%
Wastewater 54m <sup>3</sup>	\$156.06	\$154.98	\$156.06	\$1.08	0.7%
Stormwater 3 months	\$27.54	\$35.07	\$40.23	\$5.16	14.7%
<b>Average Quarterly Bill</b>	<b>\$309.96</b>	<b>\$312.63</b>	<b>\$326.43</b>	<b>\$13.80</b>	<b>4.4%</b>
Average Annual Bill	\$1,239.84	\$1,250.52	\$1,305.72	\$55.20	4.4%

# Key operating budget assumptions



- Inflation will continue to be a budget pressure
- York Region will increase water rates by 3.3% in 2023
- Assume six months of gapping for new positions
- 1% of tax levy for fiscal strategy
- Assessment growth revenue of 1.5% for 2023

# ■ Capital budget



# Proposed Capital Budget Authority



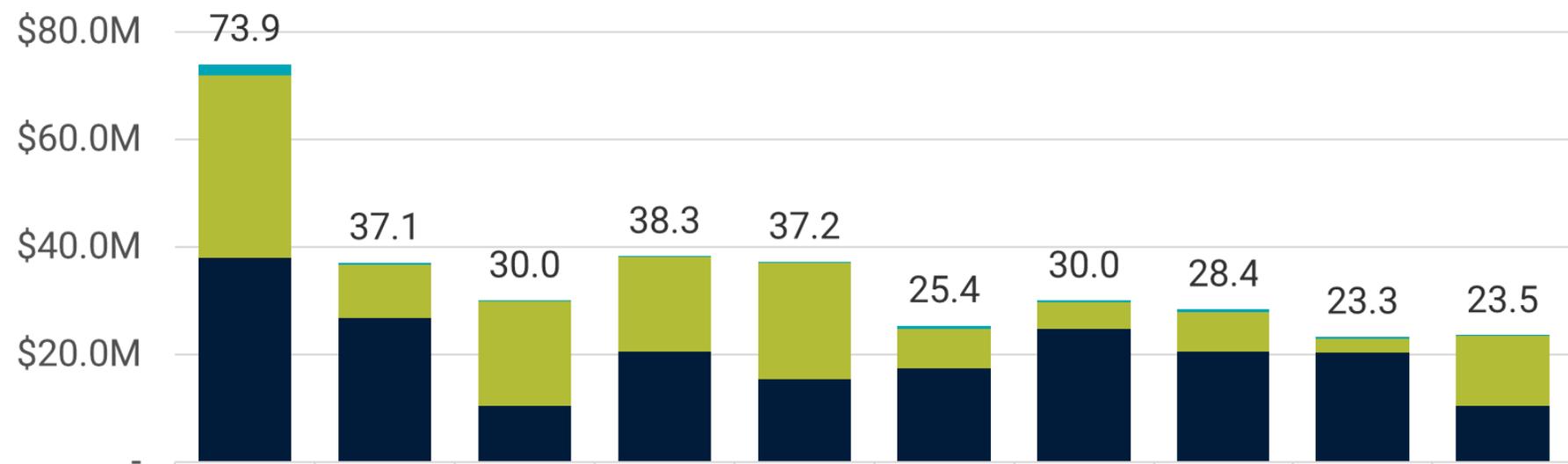
(\$000s)	Previously Approved Budget	2023 Budget		Capital Budget Authority Cash Flow			
		Capital Budget Authority*	Budget Change	Actuals to Dec/21	2022 Forecast	2023	2024+
Asset Management	55,988.5	78,213.5	22,225.0	23,818.2	12,473.8	37,991.9	3,929.6
Growth & New	113,882.1	119,816.5	5,934.4	49,318.6	28,965.3	33,786.0	7,746.7
Studies & Other	2,895.9	4,653.9	1,758.0	1,508.4	700.1	2,164.5	280.9
<b>Proposed Budget</b>	<b>172,766.5</b>	<b>202,684.0</b>	<b>29,917.5</b>	<b>74,645.2</b>	<b>42,139.3</b>	<b>73,942.4</b>	<b>11,957.1</b>

\* Includes all active project budgets, adjustments to project budgets and new budget commitments

# Asset management and growth make up most of the 10-year capital plan

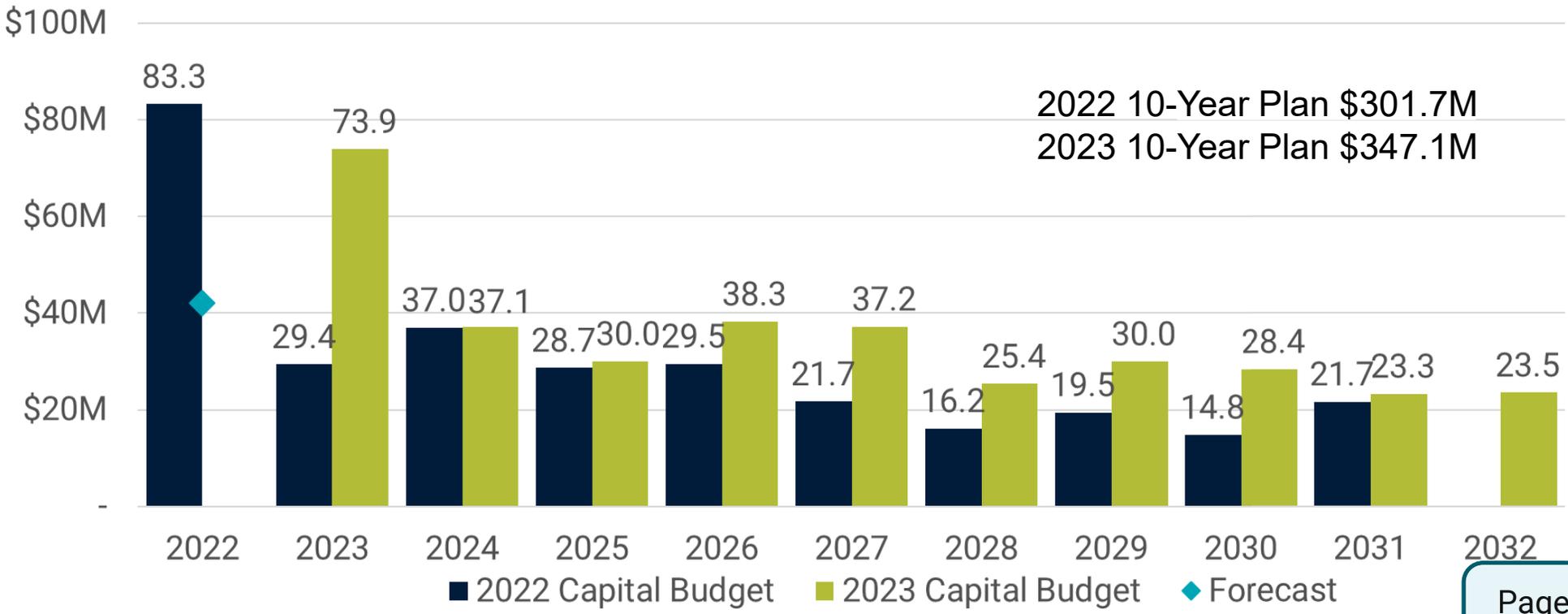


Page 4-6



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
■ Studies & Other	2.2	0.4	0.1	0.2	0.2	0.5	0.4	0.5	0.4	0.1
■ Growth & New	33.8	10.0	19.4	17.6	21.7	7.4	5.0	7.4	2.4	13.0
■ Asset Management	38.0	26.7	10.5	20.5	15.3	17.4	24.7	20.5	20.4	10.4
<b>Total</b>	<b>73.9</b>	<b>37.1</b>	<b>30.0</b>	<b>38.3</b>	<b>37.2</b>	<b>25.4</b>	<b>30.0</b>	<b>28.4</b>	<b>23.3</b>	<b>23.5</b>

# The plan is \$45.4M higher this year

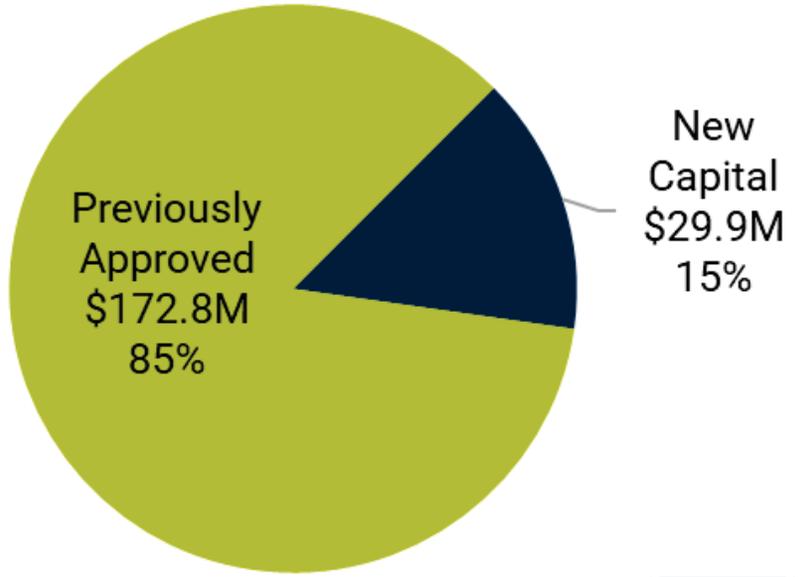


# Capital budget authority is by \$29.9M more this year



Larger projects with capital budget authority include:

- \$51.9M Aurora Town Square
- \$11.1M Sarc Gym
- \$1.5M artificial turf at G.W. William
- \$18.9M roads program



# Projects deferred from the 10-year plan to ensure affordability



\$19.9M of roads projects removed from the 10-year capital plan:

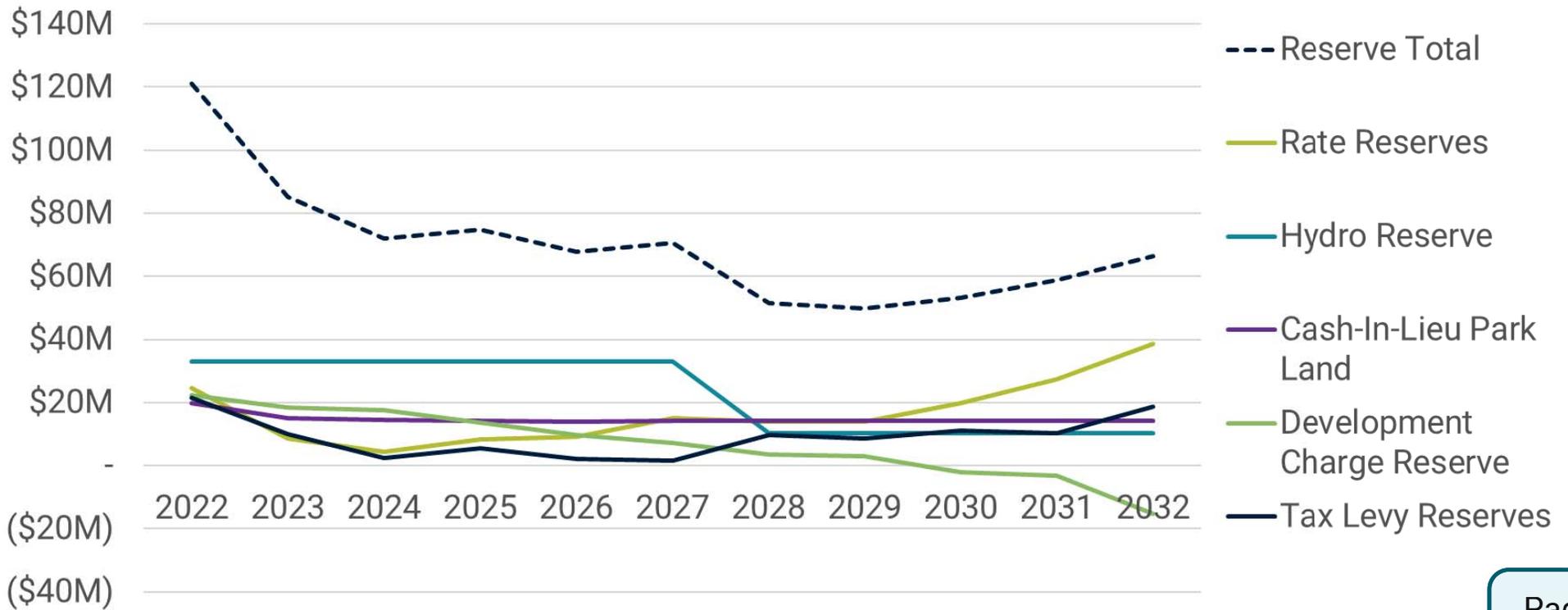
- \$6.87M Reconstruction of Aurora Heights (PQI = 30)
- \$1.46M Reconstruction of Cousins Dr, Dunning Ave and Kennedy Street
- \$5.52M Vandorf Reconstruction from Leslie to 404 (PQI = 35.4)
- \$2.26M Ridge Road Reconstruction (PQI = 30.8)
- \$1.06M Parking lot reconstruction Victoria and Temperance
- \$2.68M Reconstruction of Candac Valley, Alms Crt, Jarvis Ave. (PQI = 38.6)

One-time levy increase of 3.7 percent would be required to add them back in the 10-year capital plan

# ■ Reserve and debt management



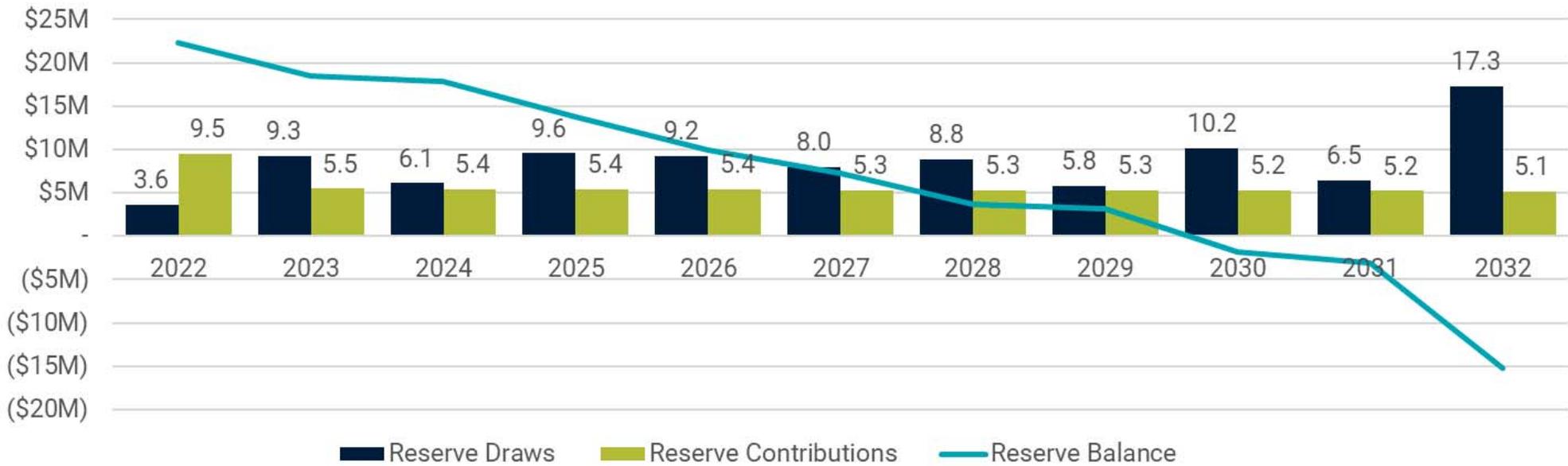
# 10-year capital reserve balances



- Impacts on development charges and cash-in-lieu parkland includes:
  - Exemptions for the creation of affordable homes
  - Reduced revenue from rental housing
  - Removal of eligible capital cost such as studies
  - Requirement to commit revenues
- Equivalent estimated one-time tax levy impact to replace revenues:
  - Development charges minimum 3%
  - Cash-in-lieu parkland 3%
  - Community benefit charges TBD

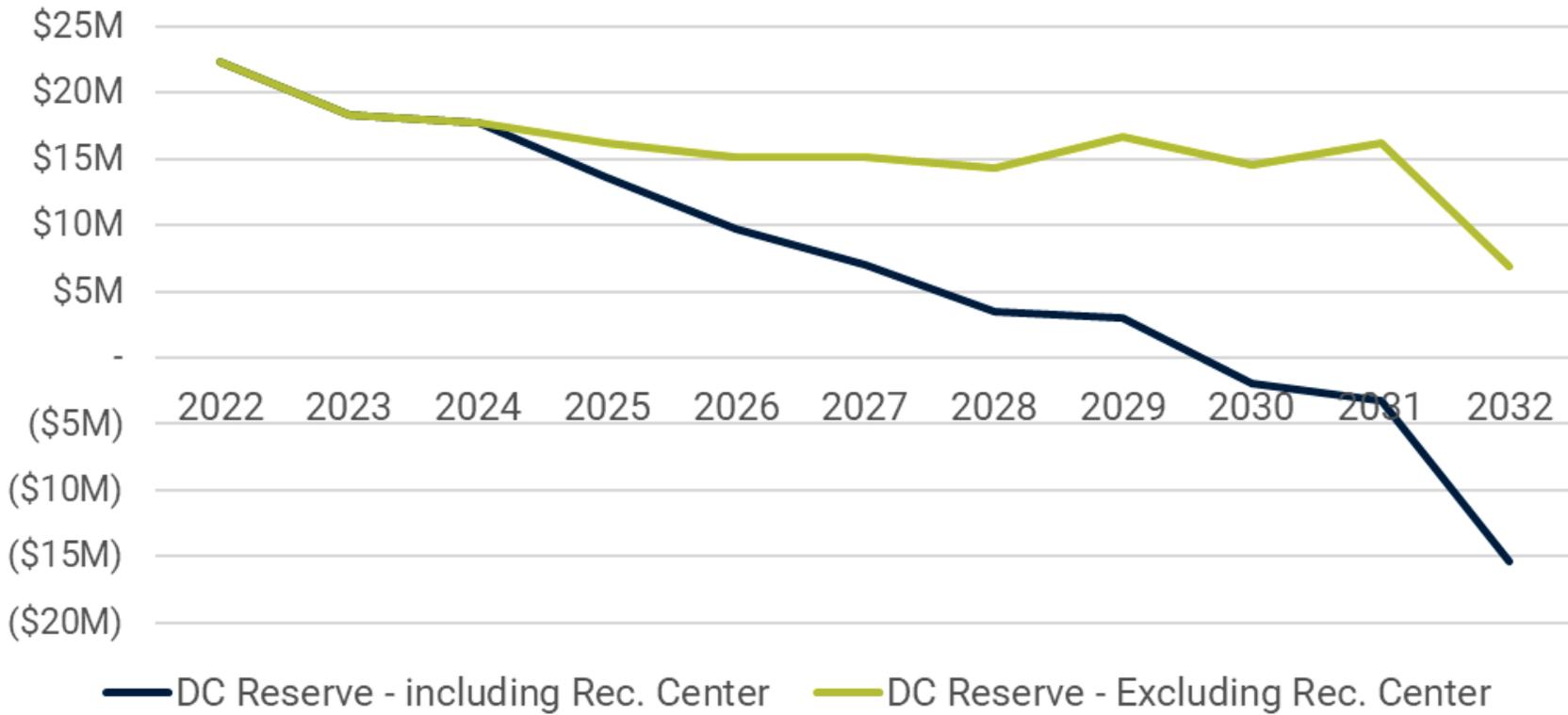
**Aurora's current development charge bylaw expires March 2024**

# Development charge forecast\*

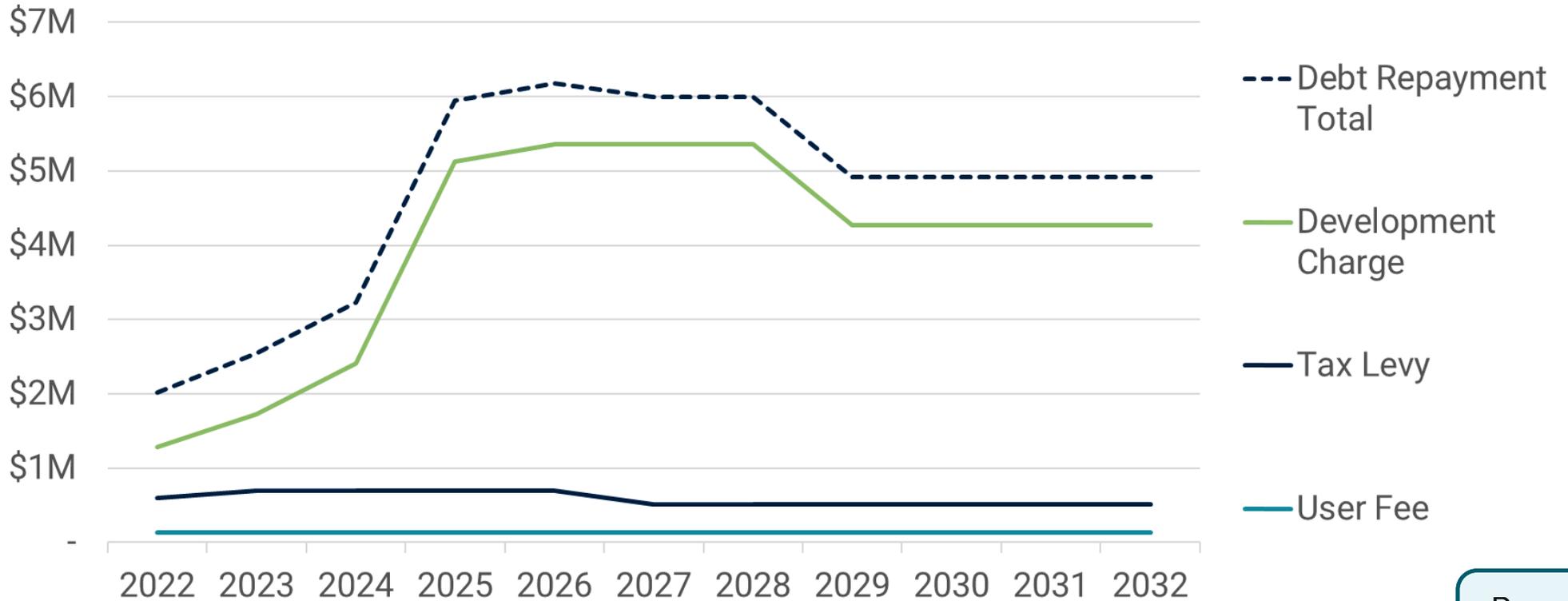


\* Does not include impact of Bill 23

# Recreation centre impact on development charge reserves



# Debt repayment in the 10-year plan



# Fiscal Strategy and the budget



## Capital planning

- Identifying future asset management needs over the long-term

## Reserve management

- 1% fiscal strategy levy
- Capital reserve forecast

## Debt management

- Identifying debt projects in the 10-year plan
- Debt policy

## Revenue management

- Levy increase below inflation
- Reducing budget reliance on supplementary taxes

# ■ Next steps



# Budget process next steps

