



 **BUDGET
AND POLICY**

As adopted November 28, 2024

Budget and Policy

A budget for a municipality provides an overview of how the tax levy and user rates and fees are used to pay for the services that the community relies on, including waste collection, community recreation programs for all ages, snow plowing, safe drinking water, parks and trails, community planning and traffic safety. In addition to these services, the Town of Aurora also manages and maintains a significant number of diverse assets including recreation facilities, roads, water and sewer pipes, stormwater ponds and sidewalks.

The development of the Operating Budget and the 10-Year Capital Plan considers maintaining the services residents and businesses rely on and planning for the asset management of the Town's infrastructure.

The Budget must consider the needs of current and future residents

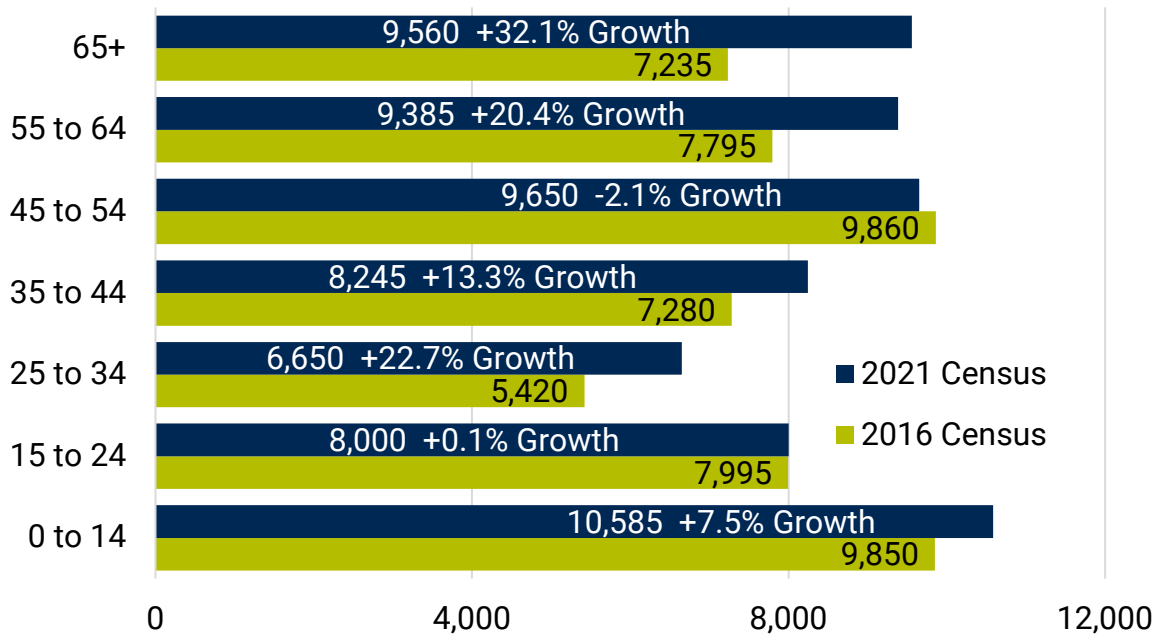
The Town of Aurora is centrally located in York Region and covers 49 square kilometres. Aurora is home to 62,000 residents (2021 Census) and includes 2,300 businesses covering more than 150 major industries and head offices for large corporations.

Income levels of Aurora residents are the highest in the nation with an average of \$147,000, well above York Region and Ontario averages of approximately \$110,000 and \$97,800 respectively.



The Operating Budget focuses on delivering the services based on the needs of current residents. The demand for senior and children’s programs is growing. Over the last five years, the age demographics of Aurora show that the over 65 group and the under 15 group are growing.

The number of older residents and children in Aurora is growing



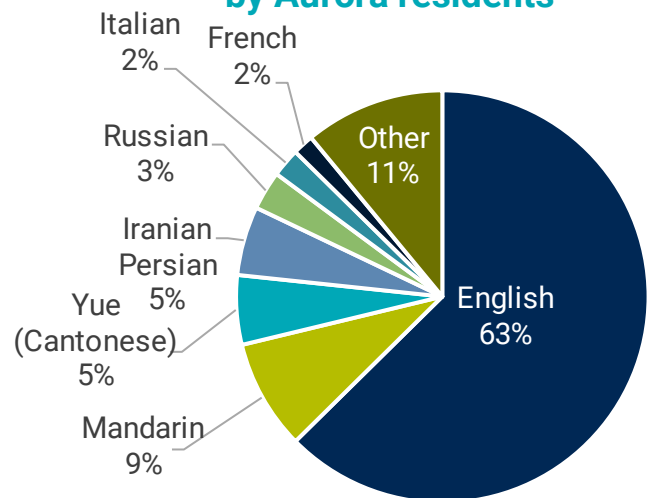
Diversity and inclusion are important for Aurora

Aurora’s community has diverse needs and is home to people that speak 100 different languages as their mother tongue. As per the 2021 Census, 35 percent of residents first language is not English or French. Their language is one of 98 others identified in the census. The chart to the right shows that after English, the five most common languages are Mandarin, Yue (Cantonese), Iranian Persian, Russian and Italian.

This broad range of languages speaks to a wide variety of cultures and customs celebrated by residents of Aurora.

On October 26, 2021, Aurora’s Council approved the Town’s first [Diversity, Equity &](#)

Diversity in mother tongue spoken by Aurora residents



Statistics Canada, Census of Population, 2021

[Inclusion Strategic Action Plan](#). This plan addresses key areas including employee recruitment, retention, training and development, marketing and advertising, partnerships, data collection and accountability. The work on diversity, equity and inclusion will continue into this term of Council.

This Budget includes initiatives to support diversity through celebrating Black History Month, continuing work towards Truth and Reconciliation with our Indigenous peoples and supporting culture through special event celebrations and our partnership with the Aurora Cultural Centre.

Strategic Plan

[The Town of Aurora's Strategic Plan](#) and the priorities contained therein, reflect the needs of the community and ensure that the Town is looking ahead, making thoughtful and prudent decisions that support the community, economy and natural environment. To further support the Town's strategic plan the administration with the support of Council held a series of strategic planning workshops to confirm and set nine strategic priority areas.

Strategic priorities

The nine strategic priorities are:

- Building a safe and healthy community
- Providing a great citizen experience
- Supporting a growing economy
- Practicing good governance
- Creating a connected community
- Managing taxpayer dollars efficiently
- Protecting the environment
- Investing in our people
- Live our values

Some examples of our strategic priorities in action include:

- **Revitalizing Downtown:** We are investing in the downtown area to create a vibrant hub for shopping, dining, and community events
- **Sustainable Development:** Our town is committed to sustainable practices, such as expanding green spaces, improving public transportation, and promoting energy-efficient buildings.
- **Community Programs:** We manage and deliver hundreds of community programs focused on health, education, and recreation.
- **Infrastructure Improvements:** Ongoing community improvements include upgrading our roads, expanding services and enhancing our ability to support evolving resident needs.

Measuring corporate performance

To further the professional management practices of the Town of Aurora and ensure that the Town's Strategic Plan is integrated into our key services, the Town of Aurora's leadership and management teams have implemented the Measure what Matters, Objectives and Key Results (OKRs) corporate performance methodology. Each manager has a portfolio of OKRs that they actively manage to progress the strategic priorities of the Town.

Examples of OKR's for key organizational areas

Department	Objective	Status
Community Services	Increase Customer Interaction with Digital Program Guide	On Track
Corporate Services	Manage corporate records	On Track
Finance	Provide uninterrupted IT network service to staff	On Track
Operational Services	Ensure Water Quality Compliance	On Track
Planning and Development Services	Increase Housing Availability (Build 8000 homes by 2035)	On Track

Financial polices

The development of the Town's budget is governed by multiple financial policies. These policies define how the budget is developed and the long-term objectives for financial sustainability.

Fiscal Strategy

The [Fiscal Strategy](#) sets the key strategic policy objectives for the development of the budget. The strategy includes four main pillars upon which the fiscal objectives for long-term financial sustainability are built: Capital Planning, Reserve Management, Debt Management and Revenue Management. These four pillars are explored in-depth in this budget in the next three chapters:

- **Operating Budget** addresses revenue management through the components making up the tax levy and the analysis of non-tax revenues
- **Capital Budget** outlines the key elements of the 10-year capital plan which is based upon the principles in the capital planning pillar
- **Reserve and Debt Management** provides the fiscal analysis that supports the development of the capital plan based on the reserve management and debt management pillars. This chapter also considers the revenue management pillar as Development Charge revenue is a key component of long-term planning

Strategic Asset Management Policy

The purpose of this [policy](#) is to provide leadership in and commitment to the development and implementation of the Town of Aurora’s asset management program. It is intended to guide the consistent use of asset management across the organization, to facilitate logical and evidence-based decision making for the management of municipal infrastructure assets and to support the delivery of sustainable community services.

This policy informed the development of the Town’s Second-Generation Asset Management Plan which is used to develop the asset management portion of the capital plan, which is discussed further in the Capital Budget chapter, and the contributions to asset management reserves from both tax and user rate funding sources.

Debt Management Policy

The [Debt Management policy](#) establishes financial guidelines and appropriate controls for the issuance and management of debt for the Town of Aurora. This policy establishes objectives, standards of care, authorized financing instruments, reporting requirements and responsibilities for the prudent financing of the Town’s infrastructure needs.

This policy was developed out of the actions recommended in the Fiscal Strategy. It focuses the use of debt for larger growth-related asset development where future repayment revenues are certain. This policy is used for identifying capital projects that are to be financed by debt and identified in the Reserve and Debt Management chapter.

Development Charge Study and Bylaw

The [Development Charge Study and Bylaw](#) provides the guidance for growth-related infrastructure investments within the Town and the ability for the Town to collect revenue from new developments to fund the growth-related infrastructure.

The Reserve and Debt Management chapter provides the development charge reserve forecast which considers the forecasted development charge revenues and the funding needs for growth capital projects which are included in the Development Charge Study.

Council Budget Principles Policy

The [Council Budget Principles](#) policy is a guiding document for the preparation, annual review, and approval of the operating and capital budget for the Town of Aurora along with the Fiscal Strategy. The policy outlines the objectives for the development of the multi-year operating budget and the 10-year capital plan to ensure that consistent service levels are maintained for the community.

The policy provides guidance on the tax levy including the inflationary and growth component. The Operating Budget and Capital Budget sections that follow in this chapter further outline some of the key elements of this policy used in the development of this Budget.

Operating Budget

The Town of Aurora develops the Budget on a modified-accrual basis of accounting, where the audited financial statements are prepared under a full-accrual basis of accounting following the Public Sector Accounting Standards. The modified-accrual basis balances the budget based on the timing of when the expense or revenue occurs, but expenses such as amortization are not included. This method is used for municipal budgeting as it enables the municipality to track all inflows and outflows of cash and reserves making it easier to calculate the annual tax levy to support current operations and reserve contributions.

Aurora follows a multi-year Operating Budget approval process

Multi-year budgets are more strategic and provide the following benefits to the Town:

- Better coordination of budgeting and strategic priorities
- Greater certainty for departments in managing expenditures and service levels
- Improved fiscal discipline of the organization
- Streamlined budget reviews that focus on key changes in assumptions and the reasons driving such changes
- Allowing staff to develop budgets with fixed targets in place, allowing early response to circumstances and budget constraints of such targets
- Reduced uncertainty about future year tax levies

Aurora's multi-year budget process aligns with the four-year term of Council. In the first year, Council is provided with a proposed operating budget for one year and an outlook for the next three, addressing upcoming pressures and risks. In the second year, Council is presented with a three-year proposed operating budget for consideration and approval. In the last two years of the Council term, the budget focuses on the changes to the approved budget from the previous year, for the remaining years in the term. In the following years the previous budget may be reaffirmed or adopted with changes to the budget. This meets the requirement in the Municipal Act for Council to review the budget on an annual basis.

The Operating Budget determines the tax levy and user rates

The year-over-year change in the Operating Budget determines the change to the tax levy and user rates for water, wastewater and stormwater.

The levy increase relates to inflationary pressures and capital asset management

The net tax-funded Operating Budget identifies the gross expenditures and is reduced by the non-tax revenues. The net value is the amount of taxes needed to be collected for the year. The year-over-year increase is made of two components:

- **Growth** which reflects growth in the assessment base, including new properties or changes to existing properties. These funds are used to pay for growth in the budget to maintain the existing service level.

- **Tax levy increase** which is made up of inflationary pressures, capital asset management and new services.

Annually, the Town increases the levy by one percent to achieve fiscal goals, including contributing to asset management reserves and reducing the reliance on supplementary taxes. The balance of the tax increase is normally driven by inflation.

The tax levy considers growth in the assessment base in determining the bill

An increase to the tax levy does not have the same percentage impact on every property. The amount of taxes to be collected is only one of three pieces of data used to determine the tax bill. The other two are the tax ratios which are determined by York Region and the current assessed value of the property. The Town takes the tax ratio and the current assessed value to create a weighted allocation of the levy to each type of property. The Municipal Property Assessment Corporation (MPAC) also provides reassessments to properties periodically and phases in the change over multiple years. In instances where the assessed value of property has increased at a faster pace than other properties in the Town, their tax levy impact could be higher.

The Town provides [videos on aurora.ca](https://www.aurora.ca) that explain in further detail how the assessed property value impacts the tax bill.

User rates are determined on a cost recovery basis

The Operating Budget also includes budgets specific to water, wastewater and stormwater services. These services have their own user rates and do not impact the tax bill.

Water and wastewater user rates are determined by distributing the budget over the estimated volume of water to determine a price per cubic metre. Stormwater is based on the type of property (residential and non-residential) and distributed based on the number of accounts. The user rate services are all included on the water bill which is billed every two months for non-residential and quarterly for residences.

Capital Budget

The Capital Budget is a project budget that includes capital asset management, developing new assets and other projects including studies.

Adopting the Capital Budget sets multiple spending approvals

The Capital Budget includes a complex set of approvals that ensure the total commitment for a project is accounted for while at the same time the planned cash outflows are managed.

Capital Budget Authority (CBA) is used to manage commitments to capital projects. CBA reflects the total spent on a project to date, plus the forecast for the current year and, the budget commitment needed for future years. The amount of future commitment needs to be approved to award multi-year procurement contracts.

When the Capital Budget is adopted, the budget is managed in the following ways:

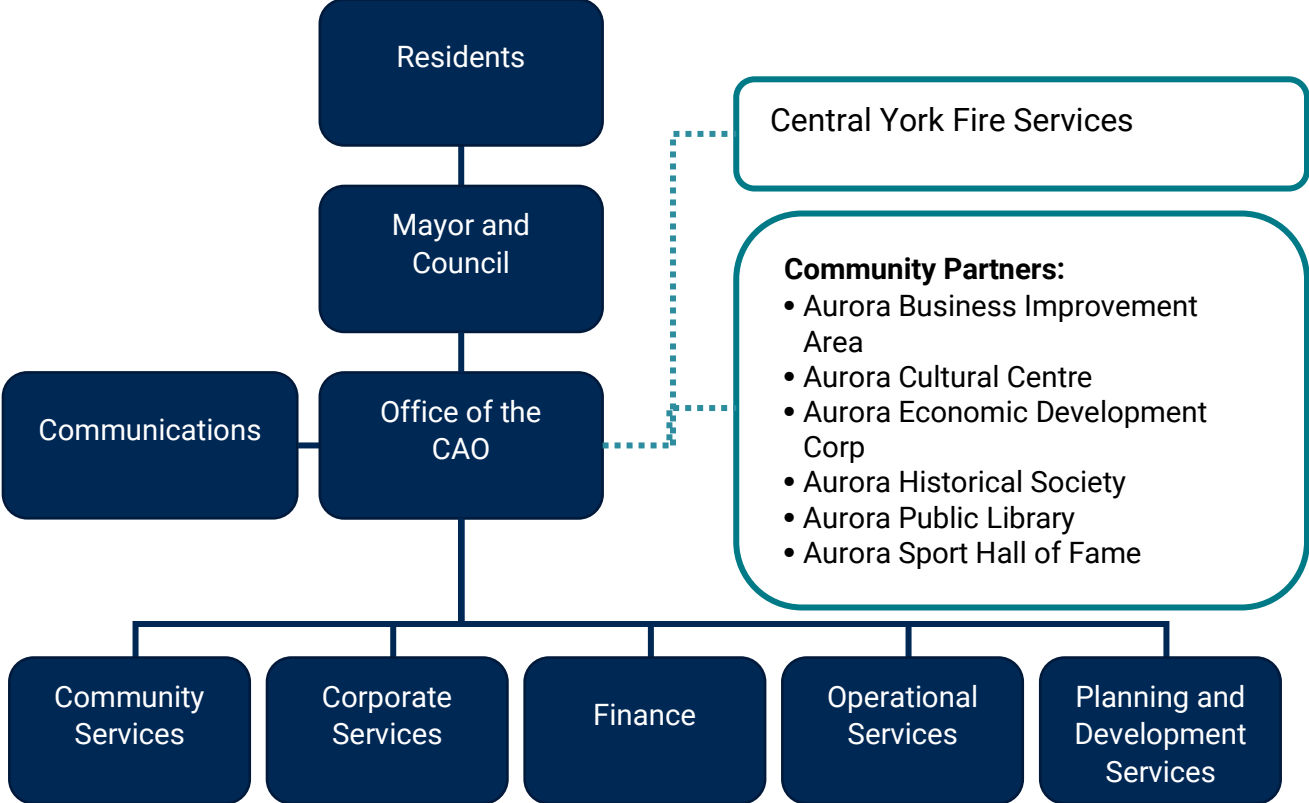
- Each new capital project and their requested CBA
- Changes to previously approved CBA by project
- The total planned 2025 spending subject to adjustments related to the variances carried forward from the 2024 forecast (both over and under spending)
- The capital program groups, subject to the rules outlined for their use
- Debt authority for specific projects

Note: Capital spending planned for the first budget year may be adjusted for the current year forecast variances.

The Budget includes Town departments and community partners

The Town delivers a number of services and some in partnership with other organizations, including community non-profit organizations and Central York Fire Services which is a shared service with Newmarket.

Organizational structure



Budget engagement and adoption

In June, the Town of Aurora holds a public session to gather input from the public on the budget. In addition, engagement is sought out online through surveys. Each year, staff strive to increase engagement over the previous year.

Strong mayor powers changed the way budgets are approved in Aurora

In 2023, the province introduced *Bill 3, Strong Mayors, Building Homes Act* for several municipalities across Ontario including Aurora. Strong mayor powers have an impact on the budget approval process. Under this new legislation, the Mayor may present their budget no later than February 1, of the budget year, if they do not it becomes Council's budget.

The budget process starts when the Mayor provides their budget to Council and the Clerk. After that there are specific timelines which must be followed for adoption of the budget. These timelines specify the maximum number of days, each stage may be shortened, but cannot be extended:

- Council will have up to 30 days to amend the budget after it is proposed by the Mayor
 - The amendments will be voted on at a Council meeting
 - If no amendments are made within 30 days, then the budget is deemed adopted
 - If the meeting occurs prior to the end of the 30 days, Council may waive the remaining time through a motion at the meeting
- The Mayor will then have up to 10 days to veto any amendments approved by Council
 - The Mayor can exercise the veto by using a Mayoral declaration and no Council meeting is required
 - If there is no veto within 10 days then the budget as amended is deemed adopted
 - The Mayor may choose to shorten their veto period through the declaration
- Council can override the Mayor's veto with a 2/3 majority vote up to 15 days after the veto is made
 - A Council meeting will be required to vote on overturning a veto
 - If no vetoes are overturned within 15 days then the budget including any amendments not vetoed is deemed adopted
 - If the meeting occurs prior to the end of the 15 days, Council may waive the remaining time through a motion at the meeting

This budget was provided to Council and the Clerk and Council on October 29, starting the Council review period for amendments.

2025 to 2026 Budget was adopted on November 28, 2024

The 2025 to 2026 Budget was provided to Council on October 29th and adopted by the Town on November 28th. The budget review process followed the meeting schedule outlined in the budget timeline summary that follows.

Budget timeline summary

October 29: Budget provided to Council and the Clerk

- Start of the up to 30 day review period for Council
- Budget details to be posted on the Town's website

November 5: Budget presentation at Committee

- Corporate overview presentation of the budget by the Mayor and Staff

November 11: Budget presentations at Budget Committee

- Departmental review of operating budget changes and capital projects

November 18: Budget Presentations at Budget Committee

- Community partner presentations of budgets
- Continuation of items not completed in the previous meeting

November 25: Special Council meeting

- Council to vote on amendments to the budget

Mayor may exercise veto - no meeting required

- The Mayor did not exercise his veto during this time
- If no veto is exercised within 10 days the budget is deemed adopted

Council override of veto (not required)

- If the Mayor exercises his veto, Council may vote on the items and overturn with 2/3 vote within 15 days

At the Special Meeting of Council on November 25th, there were 14 amendments considered by Council. Of the 14 amendments five were defeated, five were withdrawn, two carried and two were modified to conditionally approve the capital projects pending a report back to Council before proceeding.

The amendments that passed did not impact the capital budget and resulted in a \$600 increase to the operating budget in 2025. This did not impact the tax levy increase of 3.5 percent in 2025 and 2.9 percent in 2026.

After the Council review period ended, the Mayor chose not to exercise his veto and the budget was adopted on November 28th. The table that follows shows the amendments that were considered and the results from the vote at the Special Council meeting on November 25.

Council budget amendments

Amendment	Result
Capital Budget Amendments:	
That the scope of Project AM0259: Victoria Hall Refurbishment be reduced to only improvements to the structure of the building.	Carried – Scope of the project reduced
That Project AM-F-0355: AFLC Fitness Equipment Replacement - 2025, be removed from the 2025 budget.	Defeated – Remains in the budget
That Project AM-F-0507: Youth Room Refresh, be removed from the 2025 budget.	Defeated – Remains in the budget
That Project AM-F-0510: SARC Pre-School Room Refresh, be removed from the 2025 budget.	Defeated – Remains in the budget
That Project AM-F-0501: Yonge Street Plaza Repairs, be removed from the 2025 budget.	Defeated – Remains in the budget
That Project AM-F-0511: SARC Toyota Arena Accessibility Updates, be removed from the 2025 budget.	Withdrawn – project was dependent on a grant which was not received
That Project GN-F-0103: SARC External Mural, be removed from the 2025 budget.	Defeated – Remains in the budget
That Project AM-F-0346: Tennis Court Reconstruction – David English Park, be removed from the 2025 budget.	Conditionally approved pending a report back to Council
That Project AM-F-0487: Tennis Courts Reconstruction – Norm Weller, be removed from the 2025 budget.	Withdrawn
That the funding request for Project AM0239: Rehabilitation of Marksbury Court, Gilbank Drive, Lacey Court, McLeod Court, be removed from the 2025 budget.	Withdrawn
That Project AM-F-0313: Unplanned Emergency Repairs Contingency, be removed from the 2025 budget.	Withdrawn
That the funding request for Project AM0342: Town Parking Lot Maintenance, be removed from the 2025 budget.	Conditionally approved pending a report back to Council
That the funding request for Project AM0366: South Town Hall Parking Lot, be removed from the 2025 budget.	Withdrawn

Amendment	Result
Operating Budget Amendments:	
That the new position of Heating Ventilation and Air Conditioning Technician be removed from the 2025 budget.	Position removed from the budget in 2025

Approvals outside of the Budget process

Sometimes, changes to the budget are needed during the year. These lead to in-year budget approvals which are included in reports to Committee of the Whole and approved by Council. Typically, these approvals relate to the Capital Budget as the tax levy and user rates cannot be changed during the year. Any projects approved are added to the Budget and reported in the interim forecast process.