



 **CORPORATE  
ITEMS**

As published October 29, 2024

# 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.

## Net budget by program

	2024 Budget		2025 Budget		2026 Budget	
	Gross	Net	Gross	Net	Gross	Net
<b>Budget (\$000's)</b>						
Fiscal Strategy:						
Reserve Management	7,443.3	7,443.3	8,557.4	8,557.4	10,267.1	10,267.1
Investment Management	-	(1,600.0)	-	(1,600.0)	-	(1,600.0)
Debt Management	1,049.0	510.0	539.0	-	218.5	-
Corporate Management	83.8	65.3	509.8	164.2	615.0	327.5
Recovery from User Rate	(2,689.8)	(2,689.8)	(2,921.9)	(2,921.9)	(3,038.8)	(3,038.8)
Non-levy Tax Items:						
Business Improvement Area	40.4	-	40.4	-	40.4	-
Supplemental Taxes	400.0	(150.0)	400.0	(150.0)	400.0	(150.0)
Payments-in-Lieu of Tax	-	(348.0)	-	(256.0)	-	(256.0)
Tax Adjustments/Losses	-	280.0	-	280.0	-	280.0
Penalties on Taxes	-	(1,395.3)	-	(1,395.3)	-	(1,395.3)
<b>Net Budget</b>	<b>6,326.7</b>	<b>2,115.5</b>	<b>7,124.7</b>	<b>2,678.3</b>	<b>8,502.1</b>	<b>4,434.4</b>
<b>Budget Change</b>			<b>798.0</b>	<b>562.8</b>	<b>1,377.4</b>	<b>1,756.1</b>

## Corporate Management programs

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

### 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.

## Corporate Management

Corporate Management includes corporate accounts, salary management and contingency. Corporate accounts include items which typically don't fit in other budgets. 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 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.

## 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 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.

# Operating Budget

## Overview

The operating budget for the corporate items includes an increase of \$562,800 on the tax levy in 2025 and an increase of \$1,756,100 in 2026. The main drivers of the increase is the one percent levy increase for contributions to capital reserves in 2025, in addition to this increase, 2026 also includes the allocation of savings for producer responsibility for waste and the conversion of the debt servicing costs for the completion of the LED conversion debt to asset management contributions.

## Operating financial summary

\$000's	Net Actual Results		2024	2024	2025	2026
	2022	2023	Net Fcst*	Budget	Budget	Budget
Expenditures	5,826.6	10,668.7	6,840.1	6,326.7	7,124.7	8,502.1
Non-Tax Revenues	(4,498.8)	(8,847.5)	(5,188.5)	(4,211.2)	(4,446.4)	(4,067.7)
<b>Net Tax Levy</b>	<b>1,327.8</b>	<b>1,821.2</b>	<b>1,651.6</b>	<b>2,115.5</b>	<b>2,678.3</b>	<b>4,434.4</b>
% Tax Funded	23%	17%	24%	33%	38%	52%
Net Budget Change	\$	493.5	(169.6)	463.9	562.8	1,756.1
	%	37.2%	(9.3%)	28.1%	26.6%	65.6%

\*Net forecast as of August 31, 2024

## Budget change to outlook

	2025		2026	
	FTE	\$000's	FTE	\$000's
<b>2024 Budget Outlook</b>	-	<b>2,596.1</b>	-	<b>4,327.0</b>
Prior Year Restatements				82.2
<b>Budget Changes to Outlook</b>				
Multi-year budget contingency		(100.0)		-
HST rebate revenue		(15.0)		-
Adjustment to Payments-in-Lieu of Taxes		92.0		-
Redirection of Aurora Town Square debt financing budget to asset management reserve contributions		510.0		-
Removal of Aurora Town Square debt financing costs		(510.0)		-
Reduction to tax stabilization draw		105.2		25.1
<b>Budget Change to Outlook</b>	-	<b>82.2</b>	-	<b>107.3</b>
<b>Total Budget</b>	-	<b>2,678.3</b>	-	<b>4,434.3</b>

## Changes to the multi-year budget

In Corporate Management, the change to the outlook includes the addition of \$15,000 in revenue related to HST input tax credits, the removal of the multi-year budget contingency of \$100,000 in 2025, and an adjustment to reduce payments-in-lieu of taxes paid by the federal and provincial governments. In 2025, \$510,000 which was previously budgeted for the repayment cost for tax-funded debt on the Aurora Town Square was redirected to asset management reserve contributions. Rather than issuing tax-funded debt, the Town will contribute funds from the Hydro Sale Reserve to the project.

### Budget change summary

	2025		2026	
	FTE	\$000's	FTE	\$000's
<b>Starting Budget</b>	-	<b>2,115.5</b>	-	<b>2,678.3</b>
<b>Base</b>				
Retiree benefits, market adjustments and other corporate wages assumptions	-	15.2	-	15.1
Adjustment to draw from tax stabilization reserve	-	98.7	-	48.2
Recovery from user rate for operating overhead	-	(201.7)	-	(86.5)
Actuarial consulting for benefits	-	10.0	-	(10.0)
Tax stabilization funding for actuarial consulting	-	(10.0)	-	10.0
HST rebate revenue	-	(15.0)	-	-
Adjustment to Payments-in-Lieu of Taxes	-	92.0	-	-
	-	<b>(10.9)</b>	-	<b>(23.2)</b>
<b>Capital Operating Costs</b>				
Recovery from user rate for financial system	-	(30.4)	-	(30.4)
	-	<b>(30.4)</b>	-	<b>(30.4)</b>
<b>Fiscal Strategy</b>				
Fiscal Strategy annual increase of one percent for contribution to capital reserves	-	604.1	-	569.7
Asset management funding from producer responsibility from waste savings and completion of LED debt	-	-	-	1,140.0
Redirection of Aurora Town Square debt financing budget to asset management reserve contributions	-	510.0	-	-
Removal of Aurora Town Square debt financing costs	-	(510.0)	-	-
Multi-year budget contingency	-	-	-	100.0
	-	<b>604.1</b>	-	<b>1,809.7</b>
<b>Budget Change</b>	-	<b>562.8</b>	-	<b>1,756.1</b>
<b>Total Budget</b>	-	<b>2,678.3</b>	-	<b>4,434.4</b>