

## 3.5% tax increase proposed as Budget talks begin

Residents of Aurora could see a 3.5 per cent increase on the municipal portion of their tax bill next year.

That's the target proposed by the Town of Aurora's Finance Department as the new Council prepares to begin budget deliberations this winter.

If approved, the increase would result in the average Aurora homeowner seeing the Aurora portion of their tax bill rise by \$10.19 per year for each \$100,000 of assessment.

For the average home in Aurora assessed at \$800,000, the Town's share of the tax bill in 2022 is \$2,328, said Jason Gaertner, Financial Manager for the Town of Aurora, in a report before Council this week. If the proposed tax increase of 3.5 per cent is approved, this tax bill will increase by \$81.51 to \$2,410 for 2023.

Inflation, according to Mr. Gaertner, is a key driver in the proposed increase.

This proposed increase exceeds direction set by Council to not exceed three per cent per year, including one per cent for the Town's financial strategies of contributing to asset management reserves and reducing the reliance upon non-sustainable revenues such as supplementary taxes, says Mr. Gaertner in his report. Unfortunately, unprecedented inflationary pressures are having an impact on service delivery costs. The proposed budget strives to offset these inflationary pressures as much as possible through increased user fees and other identified savings.

Similar to residents and businesses, the Town's goods and services prices have been subject to significant inflationary pressure as a result of the pandemic and the war in Ukraine over the past year and a half. Overall inflation for all goods and services in Canada continue to average six to seven per cent. More specifically, the Town's typical basket of goods and services have been subject to higher inflationary pressures well in excess of the Town's historical average of two per cent.

These inflationary pressures could increase well into the future, he said.

Aurora's proposed 2023 Capital Budget includes \$202.7 million in spending overall, with \$79.3 million in planned spending for next year, including a new capital program for information technology services.

Total gross operating expenditures of \$112.5 million are proposed for 2023, said Mr. Gaertner. These planned expenditures are partially offset by non-tax revenues such as water, wastewater and storm rate revenue, investment income, user fees, grants, and fines and penalties. The remaining is funded through property taxes. York Region Council has approved 2023 wholesale water and wastewater rate increases of 3.3 per cent for 2023, resulting in upward pressures on these budgets.

Over the coming weeks, Council is expected to get more in-depth on the budget, looking for ways to save money and bring this 3.5 per cent proposal down, and tasking staff to do the same.

Deliberations are scheduled to kick off in Council Chambers on Monday, January 9, with subsequent meetings slated for Saturday, January 14, Monday, January 16, Monday, January 23, with final budget approval targeted for Tuesday, January 23 with time reserved for additional meetings as required ahead of final approval.

The 2023 Budget represents the first year of four of the Town's next multi-year budget, said Mr. Gaertner. The proposed tax rate increase strives to minimize the impact on taxpayers in light of the considerable budget pressures faced by the Town such as those arising from inflation.

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