

Next municipal budget needs to make up for \$860,000 ?imbalance?

By Brock Weir

Council will get back down to regular business next month and, when they do, they will face 860,000 challenges.

The 2017 Budget Process is set to get underway this fall and, while Council Chambers have been quieter over the summer, municipal staff have been looking at ways to address \$860,000 worth of shortcomings in several areas.

?All together, we have about \$860,000 of a permanent budget adjustment that needs to be made,? said Dan Elliott, Treasurer for the Town of Aurora at Town's Finance Advisory Committee (FAC). ?We're trying to strategize around our table how we are going to achieve that with the budget directions that Council has approved for 2017.?

Last month, Council approved a number of directives for staff when it comes to preparing next year's budget, including a municipal increase pegged at inflation ? currently standing at 2.1 per cent ? plus one additional per cent to boost reserves.

Over time, however, some departments ? including Infrastructure & Environmental Services (IES) and Parks & Recreation, have had unaddressed shortfalls.

?The FAC heard from Parks & Rec and from IES that there are a number of areas where their budgets had been understated for a number of years and this is resulting in them running deficits in their operating groups despite their efforts to try and save and conserve,? said Mr. Elliott. ?IES is running deficits in the areas of salaries because they have too much attributed to water costs when the guys actually don't do that work in water, they do that on roads, so it is charged and then there will be an overspend in the budget.?

Deficits are also coming to light when it comes to energy use and utilities, said Mr. Elliott, despite a costly project begun in the last year's budget to overhaul Aurora's street lighting system to LED lights in an effort to save money.

?They have also got part-time staff at their facilities, which is underfunded,? he continued. ?They have then turned around and said for some changes they are doing internally they are going to save money for a net offset. They are looking for almost a half a million dollar budgetary step up, net of their savings, which [comes to] \$480,000.

?In Parks and Rec, they've got things like their part-time and their contracts for their programming delivery that have been understated by about \$150,000 each and an area on utilities as well for their park lighting which is about \$310,000 total. They have some minor savings to bring it down to \$290,000. We looked around in the legal department, some shuffling around, and another \$10,000 that historically needs to be bolstered with some permanent funding and then we also have a decline in our penalties on tax revenues, so another \$75,000 there.?

When FAC met at the end of July, this financial discrepancy raised questions from Mayor Geoff Dawe and Councillor Michael Thompson, who sit on the committee with Councillors Harold Kim and Tom Mrakas. Although Mr. Elliott referred to the discrepancy as ?underfunding?, Mayor Dawe questioned whether it would be more accurate to call it an ?understatement.?

?The way I see it, these things have been historically underfunded for a period of years where there has been known discrepancies,? replied Aurora CAO Doug Nadorozny. ?Because supplementals (supplementary taxes: money that flows into Town coffers mid-year for a variety of reasons, including re-assessment) in some of the other areas have been consistently high, there wasn't a burning need to figure out exactly what the right number should be to get it bang on because we have had that cushion. Council has recently stated that they want to get off those supplementals, not assuming those supplementals are going to come forward ? because they eventually [will fall off].

?It is that transition period between relying on supplementals and getting of supplementals that you have to get your numbers really

good and really accurate so you are budgeting appropriately. In a couple of the areas that have been identified, it is clear that over time a misalignment has been allowed to continue because there wasn't the pressure to fix it. Now, we're drilling down to figure out what those are, but we are also pushing the departments to find some of the savings alone so that it isn't at the expense of supplementals or of new revenue that we can figure out some ways to cover those differences.?

Drilling further into the department, he said they found real ?imbalances,? a word Mayor Dawe said he ?accepted? over ?underfunded.?