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Town of Aurora

Committee of the Whole Report

No. FIN25-022

Subject: 2026 Budget Timeline and Process

Prepared by: Jason Gaertner, Manager Financial Management

Department: Finance

Date: April 8, 2025

Recommendation

1. That Report No. FIN25-022 be received; and
2. That the proposed budget timeline as detailed in Table 1 be approved.

Executive Summary

This report outlines the budget process for the 2026 budget:

- The Town will review and adopt the last year (2026) of the Mayor's multi-year budget, including all related tax and user rate impacts
- The 2026 capital budget and an updated 10-year capital plan will be provided for Council's review
- The Town's long term capital asset management funding gap will need to be addressed in the next term of Council
- A December budget adoption is anticipated

Background

The Town of Aurora has adopted a multi-year budgeting framework. Under this framework, the Town adopts the first year's budget of its term and receives an accompanying forecast of the next three budgets. In the second year of the Council term, the Town adopts a three-year operating budget, including all related tax and user

rate impacts. Using multi-year budgets and forecasts improves fiscal health and service delivery through:

- 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 the change
- allowing staff to develop budgets with fixed targets in place, allowing for an early response to manage circumstances and budget constraints
- reducing uncertainty about future year tax levy or user rate increases
- providing longer term outlook to outside organizations that rely upon the Town for a share of their funding, which enables them to plan and deliver their programs more effectively

As per the Municipal Act, 2001 a municipality's multi-year operating budget must be readopted on an annual basis. The Town's readoption process will focus on any changes to the previously adopted multi-year budget.

Analysis

The Town will review and adopt the last year (2026) of the Mayor's multi-year budget, including all related tax and user rate impacts

On January 31, 2023, the Town adopted the first year of the multi-year operating budget. On December 12, 2023, the Town adopted a three-year operating budget covering the period from 2024 to 2026. This budget reflected the Town's identified funding and staff needed to deliver its core services, manage growth and implement any new initiatives for each of these years.

This multi-year operating budget must be reviewed by the municipality on an annual basis. In December 2025, the Town will adopt the 2026 operating budget. As part of this process, Council will review the Mayor's multi-year budget for 2026 and may propose amendments to the budget. This review process will focus on any changes to the previously adopted 2026 budget.

The 2026 capital budget and an updated 10-year capital plan will be provided for Council's review

Council will be presented with a similar capital package to what was reviewed as part of the 2025 budget process. The package will include three primary components being:

1. Any proposed 2026 capital project authority increases. The budget will clearly indicate which capital budget authority was approved in prior years and what authority Council is being asked to review for 2026. Individual asset management and growth & new capital project financial details will only be shared confidentially with Council members for their review.
2. A 2026 10-Year Capital Budget continues to include both the total required project budget commitment along with the expected cash outflows for all capital projects. The Town will adopt the capital budget authority for each project as part of the 2026 capital budget. This full budget will reflect the total budget that is being committed to each project for 2026. For projects that take multiple years to complete, the budget will also show how much is expected to be spent/completed in each year. This will reflect the actual planned cash outflows for the project and will be captured in the Town's 10-year capital plan and funded from reserves as they are expected to occur. Similarly, individual asset management and growth & new capital project financial details will be shared only with Council members for their review.
3. A summary of all previously approved capital projects that have recently concluded and been closed by staff.

The Town's long term capital asset management funding gap will need to be addressed in the next term of Council

On September 24, 2024, Council approved a short-term funding strategy in support of the Town's short term asset management funding gap challenges. Next steps include the refinement of the Town's capital plan to align with the recently approved asset management plan's defined levels of service. This will enable staff to validate the extent of the Town's long term asset management funding gap, and to derive a recommended funding strategy(ies) for Council's review and approval in the next term.

A December budget adoption is anticipated

Staff anticipate that the 2026 Budget and 10-Year Capital Plan will be deemed adopted by the Town in December 2025. This timing will enable staff to proceed with any

necessary contract activities and other planning in preparation for the upcoming fiscal year. Table 1 presents staff's proposed timelines for the 2026 budget reaffirmation and adoption.

Table 1
Budget Dates and Milestones

Meeting / Milestone	Date
Mayor provides budget to members of Council	October 20, 2025
Budget overview to Council	October 28, 2025
Departmental operating budget presentations, as well as proposed capital plan review	November 3, 2025
Community Partner presentations as well as any remaining business from November 3 rd	November 10, 2025
Amendments to the Mayor's proposed budget are requested to the Clerk by end of day	November 13, 2025
Special Council meeting to discuss/decide on proposed budget amendments (if required)	November 17, 2025
Last day for the Mayor to veto any amendments adopted during November 17 th meeting	November 29, 2025
Override / budget adoption	December 14, 2025 (latest)

These timelines ensure that the budget is adopted, before the holiday period. The Council amendment meeting occurs 28 days after the budget is released, meeting the 30-day amendment period. Council may choose to shorten the amendment period but would need to hold a special meeting before the end of the day on Wednesday, November 19 to meet the legislated timelines.

Further time in the process may also be saved if the Mayor does not require the full 10 days provided to veto amendments (does not require a Council meeting), meaning the override meeting, should it be necessary, may occur in advance of December 14.

Advisory Committee Review

None

Legal Considerations

The Town has been designated with strong mayor powers. As such, the Mayor is assigned the powers and duties of the municipality with respect to proposing and

adopting a budget, including a multi-year budget. Once the Mayor provides Council with the proposed budget, Council has 30 days to make any amendments. Council may shorten the 30-day period by resolution. The Mayor may veto any proposed amendments within 10 days after the expiry of the 30-day period. A meeting is not required for the Mayor to veto any amendments. The Mayor may also shorten the veto time period. Within 15 days of any vetoes, Council may override the veto, by resolution, on a 2/3 vote of the members of Council.

If Council approves the staff recommendation in this report, then it is approving the timelines for budget approval, including the shortened time period for making amendments.

Financial Implications

There are no financial implications as a result of this report.

Communications Considerations

Staff will inform the public about the budget process by posting information to the Town's website. The calendar of budget-related meetings will also be shared on the website, in advertisements and on social media. A communications plan is currently being developed to encourage public engagement in the budget process.

Climate Change Considerations

The recommendations from this report do not directly impact greenhouse gas emissions or impact climate change adaptation. Climate change will be considered in the budget development and documents to be presented to Council in October.

Link to Strategic Plan

Developing the annual budget supports all aspects of the Strategic Plan. Specifically, this report supports the Plan principles of Leadership in Corporate Management, Leveraging Partnerships, and Progressive Corporate Excellence and Continuous Improvement.

Alternative(s) to the Recommendation

Council may provide alternative direction.

Conclusions

The 2026 budget represents the last year of the Town's current four-year budget cycle. The presented 2026 budget, to be distributed to Council on October 20 strives to address multiple material pressures faced by Town at this time which will include potential tariff driven and other inflationary pressures, as well as capital asset management pressures, amongst others. The 2026 operating budget readoption will focus on any changes to the previously adopted budget. It is anticipated that should the proposed staff timelines be approved, the reviewed 2026 operating budget and capital plan will be adopted by December 14, 2025, at the latest.

Attachments

None

Previous Reports

None

Pre-submission Review

Agenda Management Team review on March 20, 2025

Approvals

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance

Approved by Doug Nadorozny, Chief Administrative Officer