

# **The Regional Municipality of York**

Committee of the Whole  
Finance and Administration  
March 11, 2021

Report of the Commissioner of Finance

## **2021 to 2022 Budget – Conservation Authorities**

### **1. Recommendations**

1. Committee of the Whole recommend the budget as submitted for Conservation Authorities as follows:
  - a. The 2021 operating budget and the 2022 operating outlook, as summarized in Attachment 1.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on March 25, 2021.

### **2. Summary**

This report provides a summary of the 2021 to 2022 Operating Budget for Conservation Authorities for consideration by Committee. Details of the budget can be found on page 192 of the 2021 to 2022 Budget Book.

Key Points:

- Conservation authorities programming assists the Region in protecting Regional infrastructure, residents and their property from flooding, and other natural hazards; and with the protection of Regional drinking water sources.
- The 2021 proposed gross operating expenditures for Conservation Authorities are \$6.5 million, which is 0.3% of total Regional operating expenditures.
- The proposed net operating budget is \$6.5 million, or 0.5% of the Region's net expenditures.

### **3. Background**

Under the recently updated Conservation Authorities Act, conservation authorities are mandated to provide natural hazard protection and management, conservation and management of conservation authority lands, protecting drinking water sources under the Clean Water Act, and have specific responsibilities under the Lake Simcoe Protection Act.

## **On December 19, 2019, Council endorsed an operating outlook for 2021-2022**

As part of the [2020-2022 Budget](#), Council endorsed an outlook for the overall Regional operating budget for 2021 to 2022. This outlook reflected budget amounts for Regional departments and key service areas.

## **The budget timeline was adjusted due to uncertainties related to COVID-19**

The 2021 Budget Direction report, approved by Council on May 14, 2020, indicated that the budget be tabled in February 2021 and reviewed at the Committee of the Whole meetings in March, with final 2021 budget approval by Council scheduled for March 25, 2021.

In a typical non-election year, the budget is tabled with Council in November and approved in December. The later tabling and approval date helped address the high level of uncertainty and limited information on implications of COVID-19 as well as assumptions around senior government funding.

## **The budget was tabled with Council on February 25, 2021**

The proposed 2021 to 2022 Operating and Capital Budget was tabled with Council on February 25, 2021. It was received and referred to the March meetings of Committee of the Whole for consideration and recommendation.

## **The proposed multi-year operating budget includes an outlook for 2022**

The operating budget includes the proposed 2021 budget and an outlook for 2022. The outlook will be reviewed through the 2022 budget process. Each year, Council will consider the proposed budget for the upcoming year and the outlook for the remaining years of Council's term.

For the 2021 to 2022 budget, Council is asked to approve the 2021 proposed operating budget and endorse the 2022 outlook.

## **4. Analysis**

### **OPERATING BUDGET**

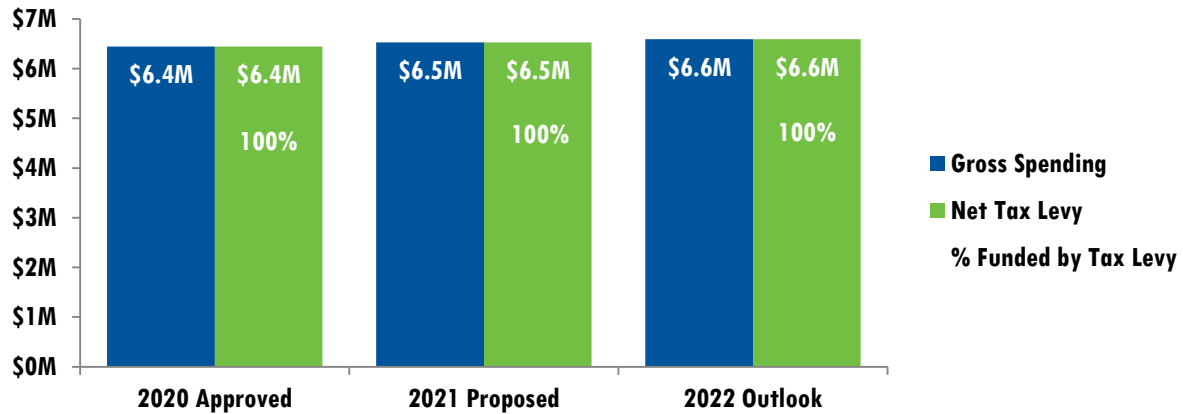
#### **Approval of 2021 gross expenditures of \$6.5 million and net expenditures of \$6.5 million is requested**

The budget includes gross operating expenditures, or total budget, and net expenditures, which correspond to the portion of the budget paid by the tax levy.

The Conservation Authority budget includes funding for the Toronto and Region Conservation Authority and the Lake Simcoe Region Conservation Authority. The 2021 proposed gross operating expenditures for Conservation Authorities are \$6.5 million, or 0.3% of total Regional expenditures. The proposed 2021 net expenditures of \$6.5 million are 0.5%

of the total. Operating expenditures for the Conservation Authorities are 100% funded by tax levy as shown in Figure 1 below.

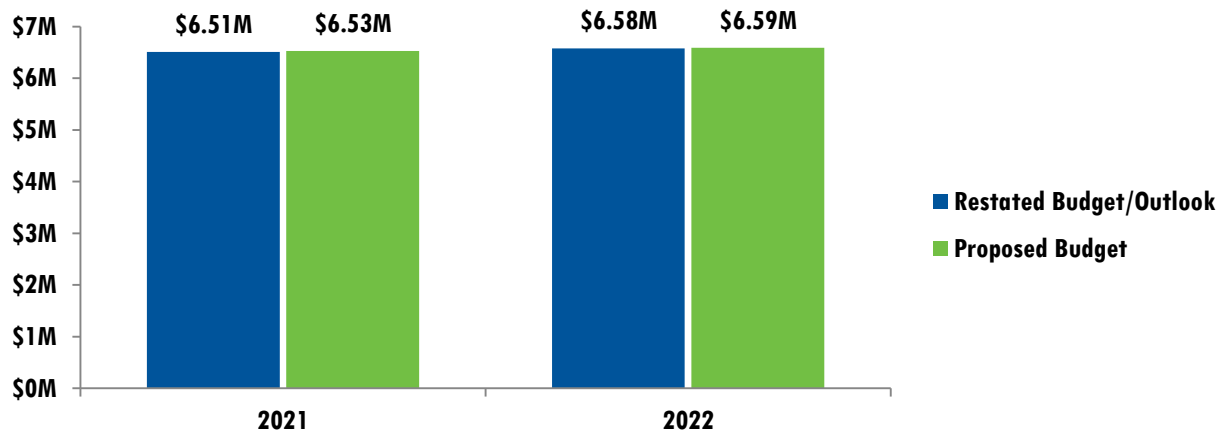
**Figure 1**  
**2021 to 2022 Gross and Net Operating Expenditures**



**Conservation Authorities proposed 2021 operating budget is slightly above the previously endorsed outlook**

Conservation Authorities proposed 2021 net budget is slightly above the endorsed outlook. The 2022 outlook is also slightly above the outlook endorsed as part of the 2020 to 2022 Budget.

**Figure 2**  
**2021 to 2022 Proposed Net Budget Compared to Outlook**



The 2021 operating budget request of \$6.5 million for Conservation Authorities reflects York Region's share of each Conservation Authority's general levy budget. These costs are apportioned among municipalities in their watersheds based on share of assessment. York Region's share of contribution to Lake Simcoe Region Conservation Authority increased slightly for 2021 resulting in a minor increase in funding compared to the outlook.

Additional funding for Conservation Authority special capital and reforestation is included in the Environmental Services Water and Wastewater capital budget and the Forestry operating budget. The tables on page 192 of the budget book provide a comprehensive view of total funding for each Conservation Authority.

Amendments to the Conservation Authorities Act, addressing the mandates of the conservation authorities, received royal Assent on December 8, 2020. The roll out of regulations and policy are expected in the coming months. Once regulations are released, York Region and Conservation Authority staff will review services and projects currently provided to the Region to determine whether they fall into the Conservation Authorities mandated responsibilities. Non-mandated programming will require separate memorandums of understanding (MOU) with the Region. The Region currently has a joint MOU with both Conservation Authorities to provide development and planning expertise regarding our natural heritage systems and features as an extension of Regional staff. Development review by the Conservation Authorities on behalf of the Region is currently fully funded by the review fees the Conservation Authorities levy and is not an extra cost to the Region. A further report on the status of the MOUs is targeted for May. Upon release of the detailed regulations, further review will be undertaken to determine appropriate updates to agreements with the Region. As more information is released by the Province, budget impacts will be determined and reflected in the 2022 or 2023 budget. Budget impacts are not expected in 2021.

### **The proposed budget supports the 2019 to 2023 Strategic Plan**

The budget for Conservation Authorities supports the Sustainable Environment community result area of the 2019 to 2023 Strategic Plan. More information is provided in the 2021 to 2022 Budget Book.

## **5. Financial**

The proposed 2021 net operating budget for Conservation Authorities totals \$6.5 million, as summarized in Attachment 1. This represents 42% of the funding provided to the Conservation Authorities through the annual budget process. The remaining funding represents special capital and reforestation initiatives included in the Environmental Services budget. In 2021 the amount is expected to be \$9.0 million.

Other funding is provided to the Conservation Authorities for fee-for-service work including capital project support, funding agreements for staffing support and urban forest studies. The amounts vary each year depending on the number and timing of projects. In recent years the amount has ranged from \$1.5 million to \$3.9 million.

## **6. Local Impact**

The Region's budget supports a wide range of public services that support and benefit residents and local economies. The Region works with its local municipal partners to develop many Regional programs and services. Local needs and impacts are an important consideration in delivering effective and efficient services for a growing population.

## 7. Conclusion

This report sets out the proposed 2021 operating and capital budgets and the 2022 outlook for Conservation Authorities. To facilitate completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on March 25, 2021.

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For more information on this report, please contact Kelly Strueby, Director, Office of the Budget at 1-877-464-9675 ext. 71611. Accessible formats or communication supports are available upon request.

*Laura Mirabella*

Recommended by:

**Laura Mirabella, FCPA, FCA**  
Commissioner of Finance and Regional Treasurer



Approved for Submission:

**Bruce Macgregor**  
Chief Administrative Officer

February 23, 2021  
Attachments (1)  
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