

The Regional Municipality of York

Committee of the Whole
Finance and Administration
December 9, 2021

Report of the Commissioner of Finance

2022 Budget – Conservation Authorities

1. Recommendations

1. Committee of the Whole recommends the budget to Council as submitted for Conservation Authorities as follows:
 - a. The 2022 operating budget as summarized in Attachment 1.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 16, 2021.

2. Summary

This report provides a summary of the 2022 Operating Budget for Conservation Authorities for consideration by Committee of the Whole. Details of the budget can be found on page 202 of the [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 2022 proposed gross operating expenditures for Conservation Authorities are \$6.6 million, which is 0.2% of total Regional operating expenditures
- The proposed net operating budget is \$6.6 million, or 0.5% of the Region's net expenditures

3. Background

The Conservation Authority budget includes funding for the Toronto and Region Conservation Authority and the Lake Simcoe Region Conservation Authority.

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*.

Council directed staff to reduce the tax levy increase for 2022 and on May 27, 2021 endorsed a target tax levy increase of 1.96%

The [2021-22 Budget](#) approved on March 25, 2021 included a 2022 outlook tax levy increase of 2.96%. This outlook reflected budget amounts for Regional departments and key service areas.

As part of budget approval, Council directed staff to “undertake strategies and processes to reduce the 2022 operating outlook as tabled on February 25, 2021.”

The [2022 Budget Direction report](#), adopted by Council on May 27, 2021, set out a target tax levy increase of 1.96% for 2022, in response to Council’s direction.

Building on Council’s direction, a comprehensive savings exercise was undertaken to achieve a proposed 2022 tax levy increase that is 1% below the outlook, while also ensuring that contributions to reserves are maintained at levels that safeguard the Region’s financial sustainability.

The 2022 budget was tabled with Council in November with a proposed 2022 tax levy increase of 1.96% and a Rapid Transit Infrastructure Levy of 1%

The budget as tabled on November 25, 2021 included a proposed tax levy increase of 1.96% which is consistent with the 2022 Budget Direction report. The tabled budget also includes a Rapid Transit Infrastructure Levy of 1% to help fund the Yonge North Subway Extension.

The proposed 2022 Operating and Capital Budget was tabled with Council on November 25, 2021, in accordance with the timelines established in the 2022 Budget Direction report. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The 2022 Budget is the fourth year of the 2019-2022 Multi-year Budget cycle

The operating budget presented is a one-year budget for the remaining year of Council’s term. Council is asked to approve the budget for 2022.

4. Analysis

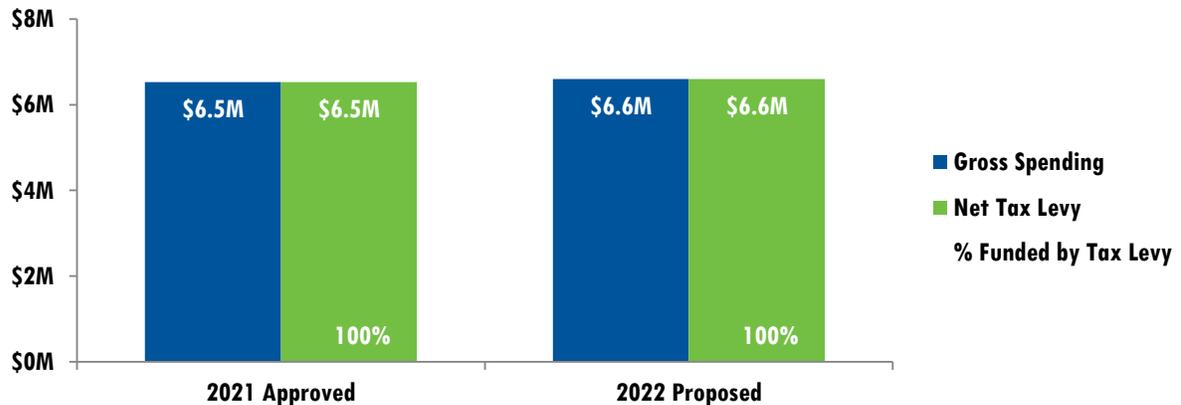
OPERATING BUDGET

Approval of 2022 gross expenditures of \$6.6 million and net expenditures of \$6.6 million is requested

The budget includes gross operating expenditures (i.e., 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 2022 proposed gross operating expenditures for Conservation Authorities are \$6.6 million, or 0.2% of total Regional expenditures. The proposed 2022 net expenditures of \$6.6 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.

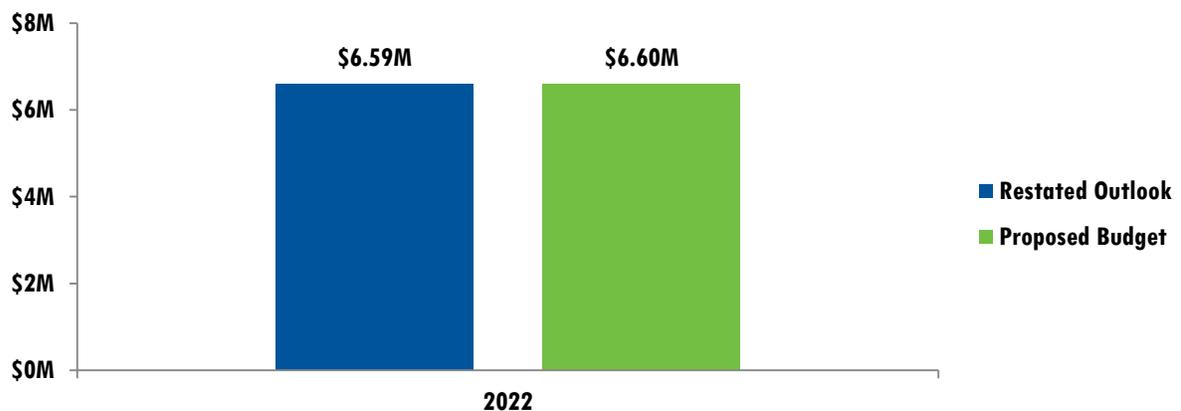
Figure 1
2022 Gross and Net Operating Expenditures



Conservation Authorities’ proposed 2022 operating budget is slightly higher than the previous outlook

As illustrated in Figure 2 below, Conservation Authorities’ proposed 2022 net budget is slightly higher than the previous outlook.

Figure 2
2022 Proposed Net Budget Compared to Outlook



The 2022 operating budget request of \$6.6 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 proposed contribution to the Lake Simcoe Region Conservation Authority increased slightly 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 202 of the budget book provide a comprehensive view of total funding for each Conservation Authority.

Conservation Authorities and York Region are working together to respond to the requirements of *Conservation Authorities Act* amendments

Amendments to the *Conservation Authorities Act*, addressing the mandates of the conservation authorities, received Royal Assent on December 8, 2020. Regulations under the Act for mandatory and non-mandatory services that will support implementation were filed on October 1, 2021.

Regulatory changes require conservation authorities to prepare an inventory of programs and services, in consultation with member municipalities, that identifies mandated and non-mandated programs/services by February 28, 2022. By January 1, 2024, the Region will need to enter into Memorandums of Understanding (MOU) for non-mandated services with the TRCA and LSRCA, respectively.

Environmental Services and Corporate Services (Planning) are leading a cross-departmental task force that includes representation from Transportation Services, Finance, and Legal Services to transition the Region and conservation authorities into this new model. Transition to this new funding model will be reflected in the 2024 budget.

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 2022 Budget Book.

5. Financial

The proposed 2022 net operating budget for Conservation Authorities totals \$6.6 million, as summarized in Attachment 1. This represents 47% 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 2022 the amount is expected to be \$8.0 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 \$2.7 million to \$4.5 million.

6. Local Impact

The Region's budget supports a wide range of public services that 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 2022 operating budget 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 December 16, 2021.

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.



Recommended by:

Jason Li, CPA, CA

Acting Commissioner of Finance and Regional Treasurer



Approved for Submission:

Bruce Macgregor

Chief Administrative Officer

November 17, 2021

Attachments (1)

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