
Report of the Commissioner of Finance
2024 to 2026 Budget – Conservation Authorities

1. Recommendation

1. Committee of the Whole recommends the budget as submitted for Conservation Authorities as follows:
 - a. The 2024 operating budget and 2025 to 2026 operating outlook as summarized in Appendix A.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 21, 2023.

2. Purpose

This report provides a summary of the 2024 to 2026 Operating Budget for Conservation Authorities for consideration by Committee of the Whole. Details of the budget can be found on page 190 of the [2024 to 2026 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 protection of Regional drinking water sources
- The 2024 proposed gross operating expenditures are \$7.3 million, which is 0.2% of total Regional operating expenditures
- The proposed net operating budget is \$7.3 million, or 0.5% of the Region's net expenditures, representing an increase of 2.18% from the 2023 budget

- The 2024 capital budget and capital spending authority of \$8.4 million for Conservation Authorities are reflected in Public Works' capital budget

3. Background

The Conservation Authority budget includes funding for the Toronto and Region Conservation Authority (TRCA) and the Lake Simcoe Region Conservation Authority (LSRCA).

Under the updated *Conservation Authorities Act*, conservation authorities are mandated to provide natural hazard protection and management, conservation and management of conservation authority lands, protection of drinking water sources under the *Clean Water Act, 2006* and have specific responsibilities under the *Lake Simcoe Protection Act, 2008*. The *More Homes Built Faster Act, 2022*, which received Royal Assent in November 2022, made further changes to the powers of Conservation Authorities including imposing limitations to their review role.

Conservation Authorities will continue to provide municipalities with review and commenting function on applications under the *Planning Act* and *Environmental Assessment Act* for natural hazards matters only. These matters include flood and erosion prone areas associated with York Region's waterways and Lake Simcoe shoreline under the Memorandum of Understanding to be executed prior to January 1, 2024 and Service Level Agreement(s), as applicable. Municipalities are now responsible for review and commenting on natural heritage attributes of development applications on a fee for service basis.

2023 Budget approved in February, 2023 included an operating outlook for 2024-2026

The 2023 Budget approved on February 23, 2023 included a 2024 to 2026 outlook with tax levy increases of 2.75%, 2.60% and 2.60%, respectively, and an additional Rapid Transit / Infrastructure Levy of 1% in each year to help fund the Yonge North Subway Extension and other critical infrastructure. This outlook reflected budget amounts for Regional departments and key service areas.

2024 Budget was tabled with Council on November 23, 2023

The [2024 Budget Directions](#) report established the timeline of tabling the 2024 to 2026 Budget in November 2023, with departmental reviews by Committee of the Whole on November 30 and December 7, and final approval by Council scheduled for December 21, 2023.

The proposed 2024 to 2026 Operating and Capital Budget was tabled with Council on November 23, 2023. It included a proposed tax levy increase of 2.75%. The tabled budget includes an additional Rapid Transit / Infrastructure Levy of 1%, which is consistent with funding requirements identified as part of the [2023 Regional Fiscal Strategy](#) report, [2024 Budget Directions](#) report, and the [2023 Fiscal Sustainability Update](#). The budget as tabled was received and referred to the meetings of Committee of the Whole for consideration and recommendation.

2024 Budget is the second year of the 2023-2026 Multi-year Budget covering the term of Council

The operating budget as presented includes the proposed 2024 budget and an outlook for 2025 to 2026. The outlook will be reviewed annually through the 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.

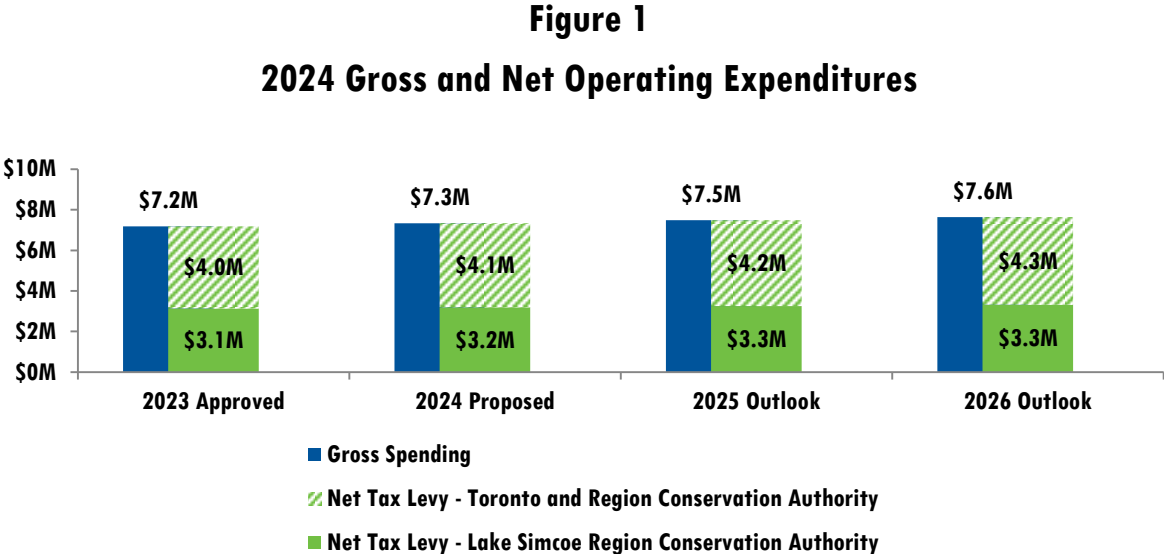
For the 2024 to 2026 budget, Council is asked to approve the 2024 proposed operating budget and endorse the 2025 to 2026 outlook.

4. Analysis

Approval of 2024 gross expenditures of \$7.3 million and net expenditures of \$7.3 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. Non-tax revenues fund the difference. The Conservation Authority budget includes funding for the Toronto and Region Conservation Authority and the Lake Simcoe Region Conservation Authority.

2024 proposed gross operating expenditures for Conservation Authorities are \$7.3 million, or 0.2% of total Regional expenditures. The proposed 2024 net expenditures of \$7.3 million are 0.5% of the total, representing an increase of 2.18% from 2023 budget. Tax levy funds 100% of Conservation Authorities’ 2024 gross operating expenditures, as shown in Figure 1 below.



Main drivers for the increase in Conservation Authorities' proposed 2024 operating budget include inflationary increases and updates to Current Value Assessment

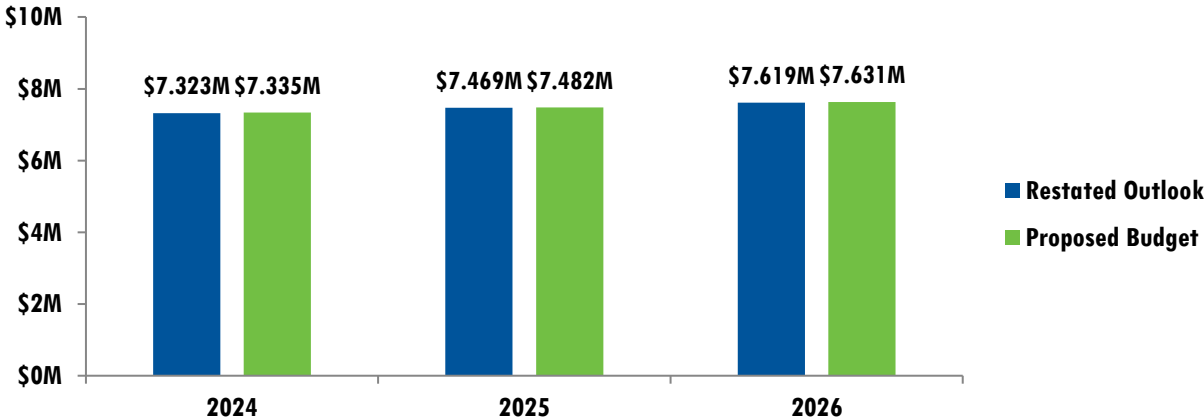
Conservation Authorities' proposed 2024 net budget is \$7.3 million, an increase of 2.18% from the previous budget. The increase is expected to address inflationary pressures related to the delivery of Conservation Authority programs. The Region's funding outlook for Conservation Authorities endorsed as part of the 2023 Budget included increases of 2% per year to account for expected inflationary increases associated with operating expenses, such as cost of living and other cost drivers.

In addition, updates to Current Value Assessment (CVA) information resulted in a small increase to the allocation of TRCA costs to York Region relative to other municipal funding partners. Current Value Assessment information is used to apportion Conservation Authorities' budgeted costs across municipal funding partners. This information is updated annually by the Province based on updates to the property assessment base in each municipality.

The percentage increase in the proposed Conservation Authorities' budget does not reflect any offset from assessment growth revenue, as assessment growth is applied to reduce the overall Regional tax levy, rather than apportioned to individual departments.

As illustrated in Figure 2 below, the proposed Conservation Authorities 2024 net budget is \$12,000 higher than the previously endorsed outlook as a result of updated CVA information and associated costs included in the TRCA budget, while the 2025 and 2026 net budget is the same as outlook.

Figure 2
2024 Proposed Net Budget Compared to Outlook



Funding for Conservation Authorities is also provided as part of the Public Works capital budget

In addition to the operating funding outlined above, funding is provided to the Conservation Authorities for special benefitting capital programs and programs supporting reforestation in the Region. This funding is included in the Public Works Water and Wastewater capital budget and the Forestry operating budget. Tables on page 191 of the budget book provide a funding summary for each Conservation Authority.

Special benefitting capital includes programs such as natural hazard management, flood management, low-water response, source water protection, natural area restoration and erosion control near regional infrastructure. The 2024 budget for special capital is \$5.3 million for Toronto and Region Conservation Authority and \$3.1 million for Lake Simcoe Region Conservation Authority.

Regional funding for reforestation supports the Grow Your Legacy program, the Region's woodland cover target and the Greening and Land Securement Strategies. The 2024 budget for reforestation is \$60 thousand and \$50 thousand for TRCA and LSRCA, respectively.

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

In 2020, the Province introduced amendments to the *Conservation Authorities Act* aimed at refocusing Conservation Authorities on their core mission and delineating mandatory and non-mandatory service areas. Provincial regulations mandate municipalities and Conservation Authorities to collaborate on developing and implementing agreements for all non-mandatory municipally funded services by January 1, 2024. These proposed agreements will categorize both mandatory and non-mandatory programs and services offered by Toronto and Region Conservation Authority and Lake Simcoe Region Conservation Authority.

Public Works and Corporate Services (Planning and Economic Development) are leading a cross-departmental task force with representation from Transportation Services, Finance, and Legal Services to transition the Region and conservation authorities into this new model. This work will also inform potential updates to how Conservation Authority costs are presented in the Region's 2025 budget.

The proposed budget supports the Strategic Plan

The budget for Conservation Authorities supports delivery of the *2023 to 2027 Strategic Plan* priorities under Vision's Area of Focus of Sustainable Environment.

More information on alignment between the *Strategic Plan* and the budget is provided in the [2024 to 2026 Budget Book](#).

5. Financial Considerations

The proposed 2024 net operating budget for Conservation Authorities totals \$7.3 million, which represents 2.18% increase before assessment growth revenue, as summarized in Appendix A.

More Homes Built Faster Act, 2022's changes to the *Conservation Authorities Act* now allows the Minister the authority to freeze fees for certain programs and services provided by a Conservation Authority for a determined period. The recommended 2024 operating budget and 2025 to 2026 operating outlook for Conservation Authorities programming will assist the Region in protecting Regional infrastructure, drinking water sources and property from natural hazards.

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 operating and capital budgets 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 21, 2023.

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:



Laura Mirabella

Commissioner of Finance and Regional Treasurer



Approved for Submission:

Erin Mahoney

Chief Administrative Officer

November 24, 2023

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Appendix A – Operating Budget

2024-2026 Operating Budget for Conservation Authorities

(in \$000s)	Page No.	2023 Budget		2024 Proposed		Change Net %	2025 Outlook		2026 Outlook	
		Gross	Net	Gross	Net		Gross	Net	Gross	Net
Lake Simcoe Region Conservation Authority	190	3,131	3,131	3,194	3,194	2.00%	3,258	3,258	3,323	3,323
Toronto and Region Conservation Authority	190	4,048	4,048	4,141	4,141	2.31%	4,224	4,224	4,308	4,308
Total		7,179	7,179	7,335	7,335	2.18%	7,482	7,482	7,631	7,631

¹ Numbers may not add due to rounding

² The percentage change in the proposed budget does not reflect any offset from assessment growth revenue

³ Summary of the consolidated Operating Budget for York Region can be found on the table on pages 44-45 in the 2024-26 Budget Book