

The Regional Municipality of York

Committee of the Whole
Finance and Administration
December 12, 2019

Report of the Commissioner of Finance

2020 to 2022 Budget – Conservation Authorities

1. Recommendations

1. Committee of the Whole recommend the budget as submitted for Conservation Authorities as follows:
 - a. The 2020 operating budget and the 2021 to 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 December 19, 2019.

2. Summary

This report provides a summary of the 2020 to 2022 Operating Budget for Conservation Authorities for consideration by Committee. Details of the budget can be found on page 157 of the 2020 to 2022 Budget book.

Key Points:

- The 2020 proposed gross operating expenditures for Conservation Authorities are \$6.4 million, which is 0.3% of total Regional operating expenditures.
- The proposed net operating budget is \$6.4 million, or 0.5% of the Region's net expenditures.

3. Background

The Conservation Authorities work alongside federal, provincial, and municipal partners, environmental departments and organizations, education organizations, corporations and grass roots community groups, to protect and restore their respective watersheds.

On February 28, 2019 Council endorsed an operating outlook for 2020-2022

As part of the 2019-2022 Budget, Council endorsed an outlook for the operating budget for 2020 to 2022.

As part of the budget approval, Council established the Roads Capital Acceleration Reserve. Council also requested that the planned additional contributions to this reserve of 1% of the tax levy in each year from 2020 to 2022 be accommodated within the endorsed tax levy increase outlook of 2.96% for those years. On April 25, 2019 Council received the presentation, Funding the Roads Capital Acceleration Reserve and considered a non-tax levy option to fund the reserve. On June 20, 2019, Council received the Transportation Capital Acceleration Reserve Fund report and approved the non-tax levy funding option.

On June 27, 2019 Council referred savings initiatives for consideration in the 2020 budget process

The savings initiatives were developed to provide necessary tax levy room for Roads Capital Acceleration in the event that the non-tax levy option was not approved by Council, and provide flexibility to address emerging pressures. The 2020-2022 Budget reflects the savings initiatives that were presented for Council consideration, including any updates made as part of the budget process. The savings included in the budget help offset various pressures that were identified as part of the budget process, including the impact of the provincial funding reductions.

The budget was tabled with Council on November 21, 2019

The 2020 Budget Direction report, approved by Council on May 16, 2019, indicated that the tabled budget be reviewed at the Committee of the Whole meetings in December, with final 2020 budget approval by Council scheduled for December 19, 2019.

The proposed 2020 to 2022 Operating and Capital Budget was tabled with Council on November 21, 2019. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The multi-year operating budget includes an outlook for 2021 to 2022

The operating budget includes the proposed 2020 budget and an outlook for 2021 to 2022. 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 2020 to 2022 budget, Council is asked to approve the 2020 proposed operating budget and endorse the 2021 to 2022 outlook.

4. Analysis

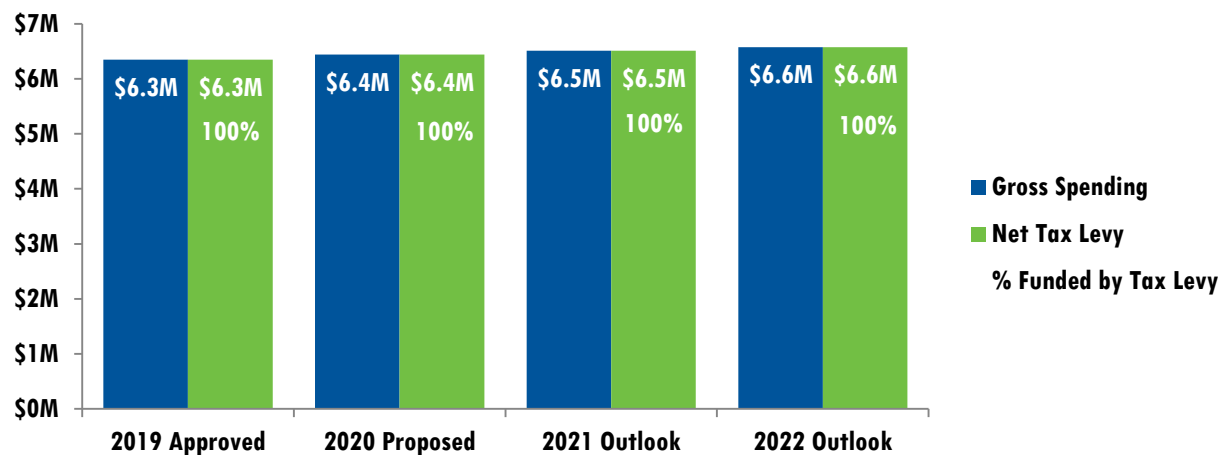
OPERATING BUDGET

Approval of 2020 gross expenditures of \$6.4 million and net expenditures of \$6.4 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 2020 proposed gross operating expenditures for both Conservation Authorities are \$6.4 million, or 0.3% of total Regional expenditures. The proposed 2020 net expenditures of \$6.4 million is 0.5% of total net expenditures. Operating expenditures for the Conservation Authorities are 100% funded by tax levy as shown in Figure 1 below.

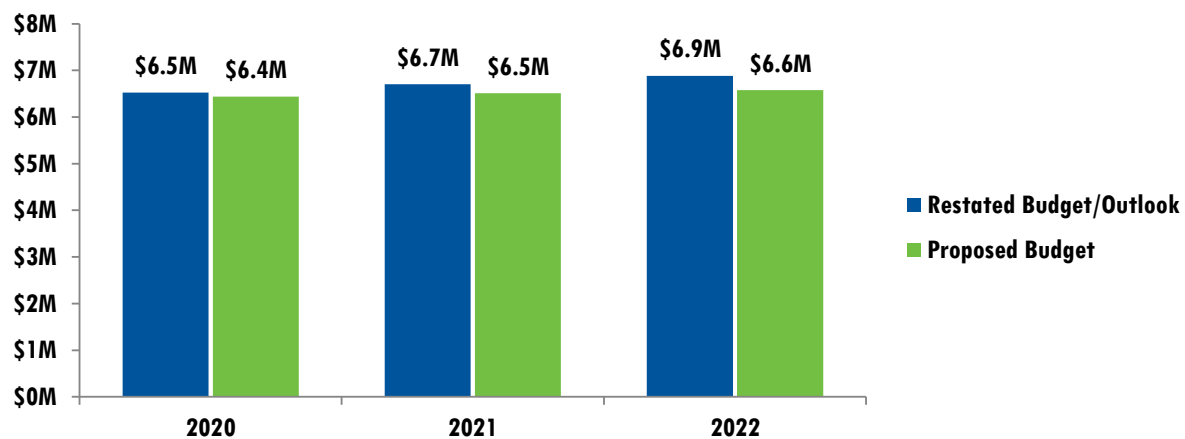
Figure 1
2020 to 2022 Gross and Net Operating Expenditures



Conservation Authorities proposed 2020 operating budget is lower than the previously endorsed outlook

As illustrated in Figure 2, the proposed 2020 net budget for the Conservation Authorities is \$0.08 million lower than the endorsed outlook. The outlook for 2021 and 2022 is also below the outlook endorsed as part of the 2019 to 2022 Budget by \$0.2 million in 2021 and \$0.3 million in 2022.

Figure 2
2020 to 2022 Proposed Net Budget Compared to Outlook



The decrease relative to the previously endorsed outlook reflects savings identified by the Conservation Authorities as part of the Region's savings exercise in 2019.

The 2020 operating budget request of \$6.4 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.

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 158 of the budget book provide a comprehensive view of total funding for each Conservation Authority.

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 2020 to 2022 Budget book.

5. Financial

The proposed 2020 net operating budget for Conservation Authorities totals \$6.4 million, as summarized in Attachment 1. This represents 45% 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 2020 the amount is expected to be \$7.8 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 2020 operating budgets and the 2021 to 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 December 19, 2019.

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

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

November 26, 2019
Attachments (1)
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