

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, April 28, 2023 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2023 TRCA BUDGET**

KEY ISSUE

Approval of Toronto and Region Conservation Authority's (TRCA) 2023 Budget, including municipal general (operating), capital levies, grants, donations, contract services, application fees, user fees and other revenues.

RECOMMENDATION:

THAT the 2023 TRCA Budget, and all projects and programs therein, be adopted;

THAT TRCA staff be authorized to amend the 2023 Budget, to reflect actual 2022 provincial transfer payment allocations to set the amount of matching levy required by the Conservation Authorities Act;

THAT the cost of property taxes imposed by municipalities be included as additional levy to the participating municipalities where the lands are located, excluding the cost of property taxes which are passed on to a third party under a lease or similar agreement;

THAT, except where statutory or regulatory requirements provide otherwise, TRCA staff be authorized to enter into agreements with private sector organizations, non- governmental organizations or governments and their agencies for the undertaking of projects which are of benefit to TRCA and funded by the sponsoring organization or agency, including projects that have not been provided for in the approved TRCA budget;

AND FURTHER THAT authorized TRCA officials be directed to take such action as may be necessary to implement the foregoing, including obtaining approvals and the signing and execution of documents.

BACKGROUND

TRCA's annual budget is partially funded by levies to the upper tier partner municipalities within our jurisdiction as permitted under the Conservation Authorities Act (CA Act) and as set out in regulation. The budget also includes funding from other revenue sources such as contract services, user fees, application fees, internal charge backs, grants from other levels of government and through fundraising or donations.

RATIONALE

Enclosed in *Attachment 1* is the recommended 2023 Budget, which is composed of operating and capital projects and programs. As a note, the financials within the 2023 Budget are rounded to the nearest thousand, which leads to minor addition differences within the document.

Municipal Approvals

Preliminary budgets are prepared each year for submission to TRCA's partner municipalities. Staff meet with municipal staff throughout the year, as required by the budget processes in our partner upper tier municipalities and according to schedules that are set out by each participating municipality. Presentations are made to partner municipality staff and their respective committees and councils.

The funding identified in the recommended apportionment of the levies reflects the amounts that the partner municipalities have approved in their 2023 budgets. Contributions from the City of Toronto and the regional municipalities of Durham, Peel and York have received council approval. The Township of Adjala-Tosorontio and the Town of Mono have been advised of TRCA's levy request.

Notice of Meeting

As required by regulation, TRCA has provided 30 days' written notice to its partner municipalities of the date of the meeting at which the Board of Directors will consider the budget, which includes the approved municipal levies.

Relationship to TRCA's 2022-2034 Strategic Plan

This report supports the following Pillar and Outcome set forth in TRCA's 2023-2034 Strategic Plan:

Pillar 4 Service Excellence:

4.4 Transparent decision making and accountable results

FINANCIAL DETAILS

The 2023 budget is reflective of adapted business models which enabled TRCA to largely maintain service delivery. Staff are prepared to adapt the organization's programming and facilities in response to changing Provincial directives and will monitor actual revenue and expenditures throughout 2023.

The 2023 budget includes \$3.6 million for cost-of-living adjustment/step increases associated with the approved compensation review completed earlier this year. This financial impact is funded through project/program cost recoveries and revenues generated from operations. The budget also accommodates the four total rewards recommendations that were approved by the board in the report: (1) paid volunteer day, (2) improved benefit eligibility for contract staff, (3) management compensation credits and (4) paid sick days for contract employees.

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Table 1 below provides a comparison of operating and capital budget details by service area in 2023 and 2022.

Table 1: Operating and Capital Budget Details by Service Area

Service Area (SA)	2023 Surplus / (Deficit) (\$)	2022 Surplus / (Deficit) (\$)	Explanation
1. Watershed Studies & Strategies	-	-	
2. Water Risk Management	74,000	144,000	This SA surplus is due to the structure of major construction projects mainly within the City of Toronto which cross SA 2 and 5.
3. Regional Biodiversity	14,000	(142,000)	This SA surplus is due to the structure of Watershed Planning and Ecosystem Science accounts which cross SA 3 and 8.
4. Greenspace Securement & Management	485,000	329,000	This SA surplus is due to the structure of the Conservation Lands which crosses SA 4 and 5.
5. Tourism & Recreation	(322,000)	344,000	This SA deficit is offset by Greenspace Management and Water Risk Management expenditures which are offset by SA 2 and 4.
6. Planning & Development	(373,000)	-	This SA deficit is due to expenditures related to the compensation project which are offset by cost recovery in SA 9.
7. Education & Outreach	(525,000)	(552,000)	This SA deficit is due to expenditures associated to Black Creek Pioneer Village which are offset through cost recovery in SA 9.
8. Sustainable Communities	(35,000)	-	This SA deficit is offset by SA 3 and 9.
9. Corporate Services	684,000	(117,000)	This SA surplus generated from cost recovery offsets expenditures associated to the compensation project within SA 6 and 8 as well as expenditures associated with Black Creek Pioneer Village in SA 5.
Total	1,000	6,000	

DETAILS OF WORK TO BE DONE

Staff will continue to monitor the financial health of the organization and report to the Board of Directors and partner municipalities at a minimum, on a quarterly basis and more frequently, should circumstances be required.

Staff continue to work with partner municipalities to develop and/or update Memorandums of Understanding, Service Level Agreements and/or Fee-for-Service Agreements to ensure the seamless delivery of shared sustainability objectives.

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Date: April 14, 2023

Attachments: 2

Attachment 1: 2023 Operating and Capital Budget

Attachment 2: 2023 TRCA Final Budget Overview