

Item 8.1

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
Friday, April 5, 2024 Meeting

FROM: Darryl Gray, Director Education & Training

On behalf of Finance

RE: 2024 BUDGET APPROVAL

KEY ISSUE

Approval of Toronto and Region Conservation Authority's (TRCA) 2024 Budget, including 2024 apportionment of municipal general (operating) levy and additional capital funding programs, grants, donations, contract services, application fees, user fees and other revenues with the required two resolutions in accordance with O. Reg. 400/22.

RECOMMENDATION:

WHEREAS a weighted majority vote on the apportionments is required in accordance with Sections 18 and 19 of O. Reg 400/22;

THEREFORE LET IT BE RESOVLED THAT TRCA's Board of Directors approve the final budget in a subsequent resolution fulfilling the non-weighted vote requirement in accordance with O. Reg. 400/22;

AND THAT the Clerk and Manager, Policy be authorized to provide the notices of apportionment to be sent in accordance with Section 23 of O. Reg. 400/22.

RECOMMENDATION:

THAT the Board of Directors vote to adopt the 2024 TRCA Budget, and all projects and programs therein;

THAT TRCA staff be authorized to amend the 2024 Budget, to reflect actual 2023 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;

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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

On January 26, 2024, at meeting #1/24, the Board of Directors received an update on the updated budget and apportionment process under the amended Conservation Authorities Act (CA Act) and O. Reg. 400/22. This report outlines the overall TRCA 2024 Budget, as well as specific details related to sources of funding and revenue and expenditures by TRCA Service Area.

TRCA's annual budget is partially funded by levies to the participating municipalities within our jurisdiction, as permitted under the CA Act and as set out in O. Reg. 400/22 with the remainder comprised of municipal capital funding and other revenue sources such as contract services, user fees, application fees, internal charge backs, grants from other levels of government and fundraising or donations.

RATIONALE

Enclosed as Attachment 1: 2024 Operating and Capital Budget is TRCA's Draft 2024 Operating and Capital Budget, which is comprised of operating and capital projects and programs. For reporting and illustrative purposes Budget Revenue is reported showing sources of revenue while Budget Expenditures are aligned with TRCA's Service Areas.

The preparation of the 2024 Budget, and the determination of the apportionment amount to be levied to each participating municipality complies with the amended Conservation Authorities Act and O. Reg. 400/22 governing conservation authority budget and apportionment matters.

Municipal Approvals

Preliminary budgets are prepared each year for submission to TRCA's participating 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 2024 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 regulations, TRCA has provided 30 days' written notice to its participating municipalities of the date of the meeting at which the Board of Directors will consider the budget, which includes the approval of the municipal levies approved by those municipalities.

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Relationship to TRCA's 2023-2034 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 2024 Draft TRCA Operating and Capital Budget is \$233.8 million, which includes municipal operating levy, capital funding and other revenue sources such as contract services, user fees, application fees, internal charge backs, grants from other levels of government and fundraising or donations. As permitted under the CA Act and as set out in O. Reg. 400/22, the municipal operating levy portion is \$18,569,000 which represents approximately 8% of TRCA's overall budget.

TRCA's Draft 2024 Operating and Capital Budget includes a cost-of-living adjustment to staff salaries as included in the 2023 Compensation Review and approved by TRCA's Board of Directors at Meeting #3/23 held on March 24, 2023.

Additionally, TRCA's Draft 2024 Operating and Capital Budget includes provisions for a \$11.7M reserve draw specifically related to completion of TRCA's Administrative Office Project.

Please note Table 1: Operating and Capital Budget is on the following page.

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Table 1: Operating and Capital Budget

	2024 Budget	2023 Budget	\$ Change over 2023 Budget	% Change over 2023 Budget
Revenue				
Municipal				
Operating levy	18,569,000	17,951,000	618,000	3.4%
Capital levy	85,128,000	89,722,000	(4,594,000)	-5.1%
Contract Services	50,570,000	49,299,000	1,271,000	2.6%
Grants Provincial/Federal	2,943,000	877,000	2,066,000	235.6%
Provincial	4,166,000	5,357,000	(1,191,000)	-22.2%
Federal	12,381,000	11,596,000	785,000	6.8%
Contract services	-	-	-	0.0%
User fees, sales, and admissions Contract services	27,035,000	24,236,000	2,799,000	11.5%
Compensation agreements	7,799,000	9,073,000	(1,274,000)	-14.0%
Corporate and other	17,461,000	7,580,000	9,881,000	130.4%
Rent and property interests	4,186,000	4,230,000	(44,000)	-1.0%
Fundraising				
Donations	64,000	816,000	(752,000)	-92.2%
Toronto and Region Conservation Foundation	1,737,000	3,907,000	(2,170,000)	-55.5%
Investment income	1,795,000	720,000	1,075,000	149.3%
Sundry	2,000	19,000	(17,000)	-89.5%
Total Revenue	233,836,000	225,383,000	8,453,000	3.8%

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Expenditures

Watershed Studies and Strategies	2,604,000	2,503,000	101,000	4.0%
Water Risk Management	72,302,000	76,468,000	(4,166,000)	-5.4%
Regional Biodiversity	41,261,000	34,019,000	7,242,000	21.3%
Greenspace Securement and Management	14,799,000	15,493,000	(694,000)	-4.5%
Tourism and Recreation	37,032,000	34,681,000	2,351,000	6.8%
Planning and Development Review	16,307,000	15,623,000	684,000	4.4%
Education and Outreach	14,846,000	14,846,000	-	0.0%
Sustainable Communities	10,869,000	10,734,000	135,000	1.3%
Corporate Services	35,511,000	37,391,000	(1,880,000)	-5.0%
Total Expenditures	245,531,000	241,758,000	3,773,000	1.6%
Net Surplus (Deficit)	(11,694,000)			
Reserves	11,694,000	16,382,000	(4,688,000)	-28.6%
Net Budget	-	9,000	(9,000)	-100.0%

DETAILS OF WORK TO BE DONE

Pending Board of Directors approval of TRCA's Draft 2024 Budget, the Clerk and Manager, Policy will provide the notices of apportionment, in accordance with Section 23 of O. Reg. 400/22, to participating municipalities.

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

Staff will continue to implement the budget process measures set out in the executed MOUs with the participating municipalities.

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Date: February 28, 2024

Attachments: 2

Attachment 1: 2024 Operating and Capital Budget

Attachment 2: 2024 TRCA Final Budget Overview – Slide Deck