

**Section I – Items for Board of Directors Action**

**TO:** Chair and Members of the Board of Directors  
Friday, November 22, 2024 Meeting

**FROM:** Linda Charlebois, Director, Corporate Services

**RE:** **2025 MUNICIPAL BUDGET UPDATE**

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**KEY ISSUE**

As part of the 2025 municipal budget process, the legislation requires the Board vote on and approve the apportionment of operating expenses and capital costs owed to the TRCA among the participating municipalities.

**RECOMMENDATION:**

**IT IS RECOMMENDED THAT the apportionment of operating expenses and capital costs among the participating municipalities, owed to TRCA, as part of the 2025 budget process, be approved.**

**BACKGROUND**

In accordance with Regulation 402/22, Budgets and Apportionment of the Conservation Authorities' Act, the TRCA has provided the opportunity for the respective municipalities to review the draft budget approved in June 2024 and to consult with the TRCA. TRCA staff has met with municipal partners throughout the year to develop the draft budget so as to align with municipal objectives. Moreover, each municipality has been provided with thirty (30) days' notice of this meeting.

The amounts owed by each municipality are outlined in this report as well as by partner municipality in Attachment 1. Additionally, TRCA's 2025 Preliminary Budget for both Operating and Capital are attached in Attachment 2.

In relation to the Capital budget, it should be noted that TRCA conducts extensive fee for service capital project work for our municipal partners in the City of Toronto, Peel, York and Durham Regions. The funding envelopes and amounts for this work will not be fully determined in consultation with our municipal partners until later in 2024 or early 2025 prior to consideration by the Board in its 2025 budget approval meeting.

## **RATIONALE**

### **Municipal Capital Levy**

#### **Regional Municipality of Durham**

Durham Region budget guidelines are in line with previous years at a 2% increase to the funding envelope from the previous year. TRCA requested a 2025 funding envelope in the amount of \$1,376,671, which compares to \$1,271,671 in 2024. The increase reflects an 8% overall increase with a portion of the adjustment tied to cost of living (3%) and the remaining (5%) related to inflation associated with the transition of Category 1 and Category 2 projects and programs provided on behalf of or requested by the Region.

TRCA will continue to work with the Region in creating a budget that is sustainable and precise that will address the mandatory requirements to continue to deliver key services across the jurisdiction.

#### **Regional Municipality of Peel**

Annually, Peel Region guidelines provide for an approximate 3% increase to the funding envelope from the previous year. Peel Region's 2025 funding envelope is anticipated to be in the amount of \$19,052,800, comparable to \$19,529,800 in 2024. TRCA's preliminary budget for Peel reflects a 2.8% decrease on the base and is consistent with the 2025 targets contained in the 2024 submission. The decrease on the base is reflective of transitions of Category 1 and Category 2 and is not related to a change in service delivery standard. TRCA will attend Peel Council (November/December 2024) to deliver the budget presentation.

#### **City of Toronto**

City of Toronto guidelines for TRCA established during the 2018 – 2027 capital budget cycle provide for a 2025 capital funding envelope in the amount of \$22,503,400, comparable to an approved \$21,941,400 in 2024. The 2.6% increase in 2025 funding is driven by potential funding enhancements related to Scarborough Waterfront Project - West Shoreline and The Meadoway Multi-Use Trail for 2025.

#### **Scarborough Waterfront Project – West Shoreline**

In partnership with the City of Toronto, TRCA initiated a study in 2014 under the Environmental Assessment Act (the Scarborough Waterfront

Project) with a vision to create a system of greenspaces along the Lake Ontario shoreline which respect and protect the significant natural and cultural features of the Bluffs, enhance the terrestrial and aquatic habitat, and provide a safe and enjoyable waterfront experience. This component of the project focuses on access to and along the shoreline between Bluffer's Park, the existing beach environment, and Meadowcliffe (West Shoreline) along with shoreline improvements at Bluffers Park to help address erosion impacts and maintenance concerns. Detailed design work for the West Shoreline commenced in Fall 2020, and has continued through to 2024, with tender ready designs scheduled for completion in Fall 2024. Permits and approvals along with preliminary site preparations can begin in 2025 with construction estimated to start in 2026 once the Brimley Road South Multi-use Trail (funded) is complete.

#### The Meadoway Multi-Use Trail

The Meadoway is transforming the Gattineau Hydro Corridor in Scarborough into a vibrant 16-kilometre stretch of urban greenspace and meadow habitat. It stitches together over 15 parks and greenspaces, seven watercourses, employment centres, and transportation hubs across 34 neighbourhoods. The multi-use trail will provide a critical connection between downtown Toronto and Rouge National Urban Park. Completing this connection will increase opportunities for alternative, non-vehicular modes of transportation in southeast North York and Scarborough, helping to reduce car dependency and promoting equitable access. In addition to the revitalization of the 16 km corridor, the project seeks to build meaningful community engagement and educational opportunities that will facilitate an increased sense of community pride and ownership of this important natural connection.

#### Regional Municipality of York

York Region's 2025 funding envelope in the amount of \$4,952,000, is comparable to \$5,340,000 in 2024. The 7.3% decrease for 2025 is related to reduced cash flow requirements in the Erosion Monitoring and Maintenance Program in the Water Risk Management service area. Funding for this program was enhanced over a ten-year period beginning in 2021. TRCA met with York staff in July to review the 2025 budget and ensure alignment. TRCA is not required to attend York Council for budget deliberations this year, however, TRCA has requested to provide an update to York Council on the status of certain projects and programs in June 2025.

## Municipal Operating Levy

The operating levy anticipated funding envelopes for the regional municipalities of Durham, Peel, and York are in line with the amounts proposed in the multi-year targets for TRCA, and approximate recent historical average increases. Table 1 provides the 2025 operating levy break down by partner municipality and Table 2 provides the 2025 operating levy Modified Current Value Assessment (MCVA) as provided by the Province. For the City of Toronto there is a requested increase of \$660,000 beginning in 2025 related to the Port Land Management program.

### Port Lands Management

TRCA will provide environmental expertise, management and coordination services to support the City in the operation and stewardship of new unique infrastructure in the Port Lands that provides long term flood protection and recreational opportunities for the City. This includes monitoring and management of elements like sediments and debris, wildlife, invasive species, water quality and ice.

**Table 1: 2025 Operating Levy**

Partner Municipality	2024 Operating Levy (\$)	2025 Operating Levy (\$)	2025 over 2024 Change (\$)	2025 over 2024 Change (%)
Adjala-Tosorontio	1,112	1,469	357	32.10%
Durham	663,175	685,000	21,825	3.29%
Mono	1,954	1,718	(236)	-12.08%
Peel	2,167,966	2,112,219	(55,747)	-2.57%
Toronto*	11,593,600	11,935,408	341,808	2.95%
York	4,141,356	4,328,503	187,147	4.52%
<b>TOTAL</b>	<b>\$18,569,163</b>	<b>\$19,064,317</b>	<b>495,154</b>	<b>2.67%</b>

*\*Does not include request related to Port Land Management program*

**Table 2: 2025 Total Operating breakdown by Modified Current Value Assessment (MCVA)**

Partner Municipality	Matching Levy (\$)	MCVA (%)	Matching Non-Levy (\$)	Property Tax Adjustment (\$)	Non-MCVA (\$)	Operating Levy Total (\$)	Actual Municipal (%)
Adjala-Tosorontio	32	0.01%	1,438	-	-	1,469	0.01%
Durham	11,823	2.96%	539,086	110,225	23,866	685,000	3.59%
Mono	25	0.01%	1,149	544	-	1,718	0.01%
Peel	43,381	10.85%	1,977,946	90,893	-	2,112,219	11.08%
Toronto*	256,036	64.06%	11,673,985	5,386	-	11,935,407	62.61%
York	88,395	22.12%	4,030,358	209,750	-	4,328,503	22.70%
<b>TOTAL</b>	<b>399,692</b>	<b>100.00%</b>	<b>18,223,961</b>	<b>416,798</b>	<b>23,866</b>	<b>19,064,317</b>	<b>100.00%</b>

*\*Does not include request related to Port Land Management program*

### **Relationship to TRCA's 2023-2034 Strategic Plan**

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

#### **Pillar 4 Service Excellence:**

4.3 Responsive relationships and a trusted brand with a reputation for excellence

#### **Pillar 4 Service Excellence:**

4.4 Transparent decision making and accountable results

### **DETAILS OF WORK TO BE DONE**

Staff will continue to work with partner municipality staff to align strategic priorities and budget to ensure the 2025 partner municipality envelopes are met. TRCA's 2025 municipal budgets are anticipated to be finalized in the fourth quarter of 2024 and first quarter of 2025 and will include municipal levy projects and programs anticipated to be approved by the respective participating municipalities.

In addition, for partner municipally supported projects, TRCA will continue to work closely with municipal staff to scope out TRCA's potential role in

the delivery of approved capital projects or projects pending decisions by senior levels of government. This includes major federally and municipally funded capital projects in the Regions of Durham, Peel, and York as well as the City of Toronto. TRCA capital budget projections may change subject to decisions related to any potential fee-for-service projects.

Staff will bring forward a detailed 2025 budget in April 2025, following all partner municipal council approvals which are anticipated to be during the first quarter 2025. As required by regulation, TRCA will provide 30 days' written notice to its partner municipalities of the date of the meeting at which the Board of Directors will approve the final budget.

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**Date: October 11, 2024**

Attachment 1: 2025 Municipal Levy

Attachment 2: TRCA 2025 Preliminary Budget