

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Meeting #3/20, Friday, April 24, 2020

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2020 BUDGET**

KEY ISSUE

Approval of Toronto and Region Conservation Authority's (TRCA) 2020 Budget, pre Covid-19, including municipal general (operating), capital levies, grants, donations, contract services, application fees, user fees and other revenues.

RECOMMENDATION

THAT the 2020 TRCA Budget, and all projects and programs therein, be adopted;

THAT TRCA staff be authorized to amend the 2020 Budget, to reflect actual 2019 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 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 2020 Budget, which is composed of operating and capital projects and programs.

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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 2020 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.

General Levy (Operating)

TRCA's total 2020 Operating Budget is set at \$46 million, an approximate 1.8% increase over 2019. After considering all the factors that affect the general levy, including tax and interest adjustments, year over year shifts in Current Value Assessment (CVA) and individual partner municipal targets, TRCA has achieved total general levy funding in the amount of \$15.4 million representing an average increase over 2019 of 4.18%. The general levy has been allocated to the participating partner municipalities as follows:

Partner Municipality	2019 General Levy (\$)	2020 General Levy (\$)	Change over 2019 (%)
Adjala-Tosorontio	885	930	5.08
Durham	581,850	596,000	2.43
Mono	1,480	1,700	14.86
Peel	1,917,000	1,920,355	0.18
Toronto	8,908,335	9,470,412	6.31
York	3,418,630	3,458,490	1.17
TOTAL	14,828,180	15,447,887	4.18

Capital Budget Summary

TRCA's total 2020 Capital Budget is set at \$184 million, an approximately 8.9% increase over 2019. Capital levy makes up \$48 million of the budget which is roughly \$3 million higher than the 2019 budget. Capital projects are generally funded by partner municipalities on a benefitting municipality basis. That is, with few exceptions, capital projects funded by a partner municipality, are undertaken within that municipality. For TRCA, these projects are typically undertaken as per a Memorandum of Understanding or Service Level Agreement which highlights the importance of such agreements.

DETAILS OF WORK TO BE DONE

During the Covid-19 pandemic, TRCA is committed to introducing actions to support everyone's health and well-being while remaining operationally sustainable. Recognizing that circumstances are quickly evolving, TRCA is committed to monitoring, and acting swiftly to

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address changing conditions. TRCA staff are projecting an expected decrease of 2020 budgeted revenues in excess of \$20 million. These expected decreases are with certain exceptions in the Tourism and Recreation stream (Black Creek Pioneer Village, Conservation Parks, Bathurst Glen Golf Course, Events and Festivals) and Education and Outreach (School Programs e.g. Kortright, Family and Community programs).

On April 9th, 2020 numerous full-time, part-time and contract staff were placed on a Declared Emergency Leave to mitigate impacts of lost revenues and further projected losses due to Covid-19 restrictions. Some of these staff are being redeployed to essential service areas primarily funded by municipal capital budgets.

The Senior Leadership Team will continue to keep the Board of Directors informed as TRCA evaluates the evolving business needs of the Province, government agency and partner municipalities, and other stakeholders based on duration of the Covid-19 restrictions and future government directives.

TRCA staff will continue evaluating financial implications through the creation of a variety of business models that account for potential operational scenarios arising from Covid-19 that may impact TRCA's 2020 Budget. Staff will continue to work with partner municipalities, including lower tier municipalities, to provide essential services and special projects where TRCA has significant, specialized expertise.

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Date: April 3, 2020

Attachments: 1

Attachment 1: TRCA 2020 Budget