

### Section III – Items for the Information of the Board

**TO:** Chair and Members of the Executive Committee  
Meeting #3/20, Friday, May 01, 2020

**FROM:** Michael Tolensky, Chief Financial and Operating Officer

**RE:** **2021 PRELIMINARY MUNICIPAL LEVIES**

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#### KEY ISSUE

Update on the 2021 preliminary municipal levies and submission process.

#### RECOMMENDATION

**IT IS RECOMMENDED THAT** Toronto and Region Conservation Authority's (TRCA) 2021 preliminary municipal levy submissions for the regional municipalities of Durham, Peel and York, and the City of Toronto, be consistent with the anticipated 2021 operating and capital funding envelopes proposed for TRCA in the 2020 budget cycle;

**THAT** preliminary operating levy targets be set at: Durham Region 3.0%, Peel Region 3.3%, York Region 1.1% and City of Toronto at 8.6%;

**AND FURTHER THAT** TRCA staff be directed to submit the preliminary 2021 municipal estimates and multi-year funding requests to the regional municipalities of Durham, Peel and York, and the City of Toronto, in accordance with their respective submission schedules.

#### BACKGROUND

The internal process for starting the 2021 budget estimates has commenced. TRCA's partner municipalities require that TRCA provide 4-year capital budget projections and each municipality has its own requirements and format for this information. *Attachment 1* outlines the four-year forecast for capital projects and programs in the City of Toronto and the regional municipalities of Durham, Peel and York.

TRCA staff regularly consult with member municipality staff to: ensure that there is alignment on objectives and deliverables; avoid duplication of effort; coordinate activities and procurement to realize maximum value and efficiency; report on the achievement of project deliverables.

Attachment 1 provides a summary of the anticipated distribution of funding at the Service Area level by regional municipality. Detailed information sheets on each TRCA project and program are available to members upon request.

#### RATIONALE

##### **Municipal Capital Funding**

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

Durham Region budget guidelines will be provided to TRCA later this year. TRCA will be requesting a funding envelope in the amount of \$1.233 million, which compares to \$1.115 million in 2020. The increase reflects a 10.6% adjustment on the base; rationale for the adjustment includes inflation (2%) and the transition of core TRCA programs (Watershed

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Planning and Reporting, Regional Watershed Monitoring and Ecosystem Science) to a formula-based funding model that had been previously covered through contract services for specific Durham projects. This funding is distributed on a land area basis for programs that are jurisdiction wide. TRCA will work with the Region in creating a 2021 budget that is sustainable and realistic and will address the core requirements needed to continue to deliver key services across the jurisdiction.

### Regional Municipality of Peel

Annually, Peel Region guidelines provide an approximate 3% increase to the funding envelope from the previous year (2020 \$17.119 million, which compares to \$17.590 million in 2021). The preliminary budget reflects a 2.75% increase on the base, and it is consistent with the 2020 targets contained in the 2020 submission.

### City of Toronto

City of Toronto guidelines for TRCA established during the 2018 – 2027 capital budget cycle provides a 2021 capital funding envelope in the amount of \$18.44 million, which compares to an approved \$24.825 million in 2020. The 25% decrease in 2021 funding is primarily driven by the reduction in funding required for future segments of the Scarborough Waterfront Project; funding received in 2020 supported implementation of the Brimley Road construction access route and detailed design of the West Segment, which is the first of three segments. City of Toronto capital funding is supported by debt financing and Water Rate.

### Regional Municipality of York

York Region's funding envelope is anticipated to be in the amount of \$5.039 million, which compares to \$4.993 million in 2020. This reflects an approximate 0.9% increase on the base.

### Operating Levy

The operating levy anticipated funding envelopes for the regional municipalities of Durham, Peel and York have been set at the amounts proposed in the multi-year targets for TRCA, and which approximate recent historical average increases.

The City of Toronto's contribution to TRCA is funded through Toronto Water revenues and the City of Toronto's tax base. In 2021, Toronto Water's contribution is expected to increase by 2.5% over 2020 (as typical of prior years), resulting in \$5.333 million of funding in 2021. Other anticipated increases in 2021 include an additional \$0.332 million in base budget funding attributable to inflationary impacts, and continuation of the City's additional contributions addressing the under-contribution against the Current Value Assessment proportion. For 2021, an increase of \$0.484 million is proposed over the \$0.243 million contributed in 2020, resulting in a total operating outlook of \$10.286 million in 2021.

Operating levy targets for each partner municipalities are as follows:

<b>Partner Municipality</b>	<b>2020 Operating Levy \$</b>	<b>Preliminary 2021 Operating Levy \$</b>	<b>2021 Change \$</b>	<b>2021 Change %</b>
Adjala-Tosorontio	930	960	30	3.2%
Durham	596,000	614,000	18,000	3.0%
Mono	1,700	1,750	50	2.9%
Peel	1,920,355	1,983,787	63,432	3.3%
Toronto	9,470,400	10,286,300	815,900	8.6%
York	3,458,490	3,495,800	37,310	1.1%
<b>TOTAL</b>	<b>15,447,887</b>	<b>16,382,587</b>	<b>126,989</b>	<b>2.5%</b>

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

TRCA's budget will be finalized in the fourth quarter of 2020 and will include municipal levy projects and programs as expected to be approved by the respective participating municipalities. Staff will make a presentation on key aspects of the 2021 budget in the fourth quarter of 2020, prior to anticipated municipal council approvals by the end of the first quarter of 2021.

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**Attachments: 1**

Attachment 1: Preliminary Four-Year Capital Levy Forecast