

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
Friday, April 09, 2021 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2021 UNFUNDED PRIORITIES**

KEY ISSUE

Approval of Toronto and Region Conservation Authority's (TRCA) list of 2021 Unfunded Priorities and the allocation of unrestricted reserves as recommended by Senior Leadership Team (SLT).

RECOMMENDATION

THAT the 2021 Unfunded Priorities list, and all projects and programs therein, be adopted;

THAT TRCA staff be authorized to amend the 2021 Unfunded Priorities throughout the year as new funding pressures arise.

THAT the Petticoat Creek Infrastructure - Maintenance Shop project (\$523,000) be funded by TRCA's unrestricted reserves and removed from the list, as recommended by SLT.

THAT the Data Strategy project (\$85,000) be funded by TRCA's unrestricted reserves and removed from the list, as recommended by SLT.

THAT the Digital Strategy project (\$70,000) be funded by TRCA's unrestricted reserves and removed from the list, as recommended by SLT.

BACKGROUND

The unfunded priorities list is a budget document outlining funding pressures that are not currently allocated in the organizations existing budget. This may include an increase in service level, additional staffing, or new programs or modifications that are not part of the base existing budget from the previous year.

The unfunded priority list is prepared by staff in coordination with divisional directors and managed by the Strategic Business Planning and Performance (SBPP) Business Unit. The procedure for adding a project or program to the list of unfunded priorities is outlined in SPP No. CS6.03.

RATIONALE

SBPP coordinated updates for the 2021 Unfunded Priorities list with staff and have prioritized initiatives according to the evaluation matrix which was developed in consultation with partner municipalities. Prioritized initiatives have been placed into four equal groupings determined according to the distribution of the ranking values: A, B, C and D in *Attachment 1*. Initiatives have also been organized by partner municipality in *Attachment 2*.

The prioritization process helped to arrange initiatives based on several categories including but not limited to alignment, risk and *Conservation Authorities Act* classification. Through the 2021

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process, inequities in initiative scoring have been noted by SBPP stemming from initiatives that are directly associated with maintaining TRCA's service levels. The initiatives that support the operations of TRCA often score low compared to other initiatives that are strongly aligned with partner municipality priorities. Due to these findings, SBPP added an additional categorization "Potential Funding" which helps to identify the funding methodology for each initiative. This process will help to determine how funding opportunities could be allocated in an equitable manner. If an operational surplus is deemed available in a given fiscal year, SBPP will provide a recommendation to SLT based on the categorization of potential funding types.

At the end of 2019, TRCA's unrestricted reserves were \$14,239,000 and although the 2020 financial year is still being finalized, the expected operational surplus for the year is estimated to be approximately \$4,200,000, including \$2,100,000 which was budgeted to repay initiatives that were spent ahead in prior year. TRCA's SLT is recommending that a portion of the additional operation surplus be allocated to the following projects utilizing the organization's unrestricted reserves, subject to Board approval:

- Petticoat Creek Infrastructure - Maintenance Shop \$523,000
- Data Strategy \$85,000
- Digital Strategy \$70,000

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategy set forth in the TRCA 2013-2022 Strategic Plan:
Strategy 7 – Build partnerships and new business models

FINANCIAL DETAILS

The list of 2021 Unfunded Priorities has no 2021 budgetary impact. This list, in addition to new Board priorities, will help to inform the 2022 budget process. In addition, this list will also be communicated to senior levels of government to inform their budget processes and their program design and delivery where relevant programs already exist.

DETAILS OF WORK TO BE DONE

The Unfunded Priority List will continue to evolve as new funding pressures arise and revised iterations will be approved by the Board annually. Maintenance of the Unfunded Priority List will enable a consistent and coordinated response to internal and external funding opportunities, which may arise at any time.

Throughout 2021 staff will liaise with TRCA Board of Directors and partner municipalities to integrate priority projects. In addition, staff will liaise with relevant federal and provincial officials to discuss how such projects could be considered. The TRCA Grant Centre will also seek opportunities to work with partners and TRCA divisions to apply for relevant grants and funding intakes.

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Date: February 10, 2021

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Attachment 1: 2021 List of Unfunded Priorities

Attachment 2: 2021 List of Unfunded Priorities by Partner Municipality