

Section III – Items for the Information of the Board

TO: Chair and Members of the Executive Committee
Friday, November 5, 2021 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2022 MUNICIPAL BUDGET UPDATE**

KEY ISSUE

Update on the 2022 municipal budget.

RECOMMENDATION

IT IS RECOMMENDED THAT the 2022 Municipal Budget Update be received.

BACKGROUND

Preliminary levies are prepared each year for submission to TRCA's partner municipalities. Staff meet with partner municipality staff throughout the year, as required by the budget processes and schedules that are set out by each participating municipality. Presentations are made to partner municipality staff and their respective committees and councils, as required.

At the Executive Committee Meeting held on May 14, 2021, staff committed to presenting key aspects of the 2022 budget in the fourth quarter of 2021, prior to anticipated municipal council approvals by the end of the first quarter of 2022.

RATIONALE

TRCA has met budget targets set out by partner municipalities for proposed levies. The proposed apportionments are supported by regional staff at senior levels in their organizations and will be presented to their respective councils in December and early 2022.

The annual budget is partially funded by levies from the upper tier partner municipalities within TRCA's jurisdiction as permitted under the *Conservation Authorities Act* and as set out in the enabling Regulations. The budget also includes funding from other revenue sources such as contract services, user and application fees, and grants.

The information in the Financial Details section below provides an update on the 2022 Budget which is composed of operating and capital projects and programs.

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 9 – Measure performance

Item 9.1

FINANCIAL DETAILS

Capital Levy Budget Summary

The 2022 capital levy request is a total of \$49.0 million, as follows:

Partner Municipality	2021 Approved Capital Levy \$	2022 Proposed Capital Levy (May 2021) \$	2022 Revised Capital Levy (November 2021) \$	Change from Proposed to Revised \$	Change from Proposed to Revised %
DURHAM	1,127,171	1,206,000	1,139,671	(66,329)	-5.5%
PEEL	17,584,600	18,020,000	17,616,000	(404,000)	-2.2%
TORONTO	18,197,000	19,615,000	25,132,000	5,517,000	28.1%
YORK	5,655,000	5,162,400	5,162,400	0	0%
TOTAL	\$42,563,771	\$44,003,400	\$49,050,071	\$5,046,671	11.5%

The following modifications have been made since TRCA's preliminary 2022 budget was submitted:

- A reduction in the Region of Durham capital envelope to meet the 1.5% target.
- Region of Peel's reduction within the capital envelope (\$0.404 million) relates to the Environmental Assessment Reviews Program, which has transitioned to a Service Level Agreement. Additionally, the Region of Peel has requested a realignment of deliverables to assist with a 2022 Tree Inventory and Assessment priority, which is not expected to have a financial impact.
- An increase to the City of Toronto's capital envelope to include the Scarborough Waterfront Project (\$5.2 million) in addition to funding enhancements for the management of Tommy Thompson Park (\$0.286 million).

Operating Levy Budget Summary

Each of TRCA's partner municipalities has its own unique budget requirements and annual budgetary pressures. TRCA has met each of the individual partner municipality's requirements. With the City of Toronto's catch-up payments, the regional imbalance of TRCA's non-CVA levy is now with the Region of York. Due to the financial impacts of COVID-19, York Region staff requested a delay in the commencement of the phased-in approach. As such, the phased in increase has been removed from York Region's 2022 budget and TRCA will continue to work with staff to establish a 2023 budget that is sustainable and realistic while working to address the imbalance.

Table 1: 2022 Preliminary Operating Levy

Partner Municipality	2021 Operating Levy \$	2022 Operating Levy \$	2022 Change \$	2022 Change %
Adjala-Tosorontio	919	933	14	1.5%
Durham	612,000	630,000	18,000	2.9%
Mono	1,686	1,735	49	2.9%
Peel	1,983,996	2,043,515	59,519	3.0%
Toronto	10,197,912	10,925,412	727,500	7.1%
York	3,495,800	3,530,800	35,000	1.0%
TOTAL	16,292,313	17,132,395	840,082	5.2%

Item 9.1

DETAILS OF WORK TO BE DONE

Staff will bring forward a detailed 2022 budget document following all municipal council approvals. 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 consider the levy for approval.

TRCA is developing submissions to the most recent intake of the Disaster Mitigation and Adaptation Fund for the following projects in York, Peel and Toronto: Stouffville Dam Embankment Repair and Channel Major Maintenance; Milne Dam Embankment Upgrades; Board of Trade Weir Removal Project; Beverley Acres German Mills Creek Erosion Control; Palgrave dam Major Maintenance; Legacy Dam Decommissioning, and Lower Don Sediment Debris Management Area (SDMA) Dredging Equipment Capital Project. TRCA will put forward applications for this intake and will continue to discuss required partner municipality funding (60% match) over the coming months.

Report prepared by: Jenifer Moravek, extension 5659

Emails: jenifer.moravek@trca.ca

For Information contact: Michael Tolensky, extension 5965

Emails: michael.tolensky@trca.ca

Date: October 5, 2021