

Conservation Authorities

2023–2026 Business Plan
and 2023 Budget

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Executive Summary

Mission: Conservation Authorities (CAs) play a vital role in protecting the many aspects of Peel’s natural environment, focusing on protecting and managing water resources, wetlands and forests, sharing conservation information, providing local and regional recreational opportunities, preserving natural heritage features and addressing climate change risks within Peel. These outcomes are provided primarily through three Conservation Authorities (CAs), namely, Credit Valley Conservation (CVC), Toronto and Region Conservation Authority (TRCA) and Conservation Halton (CH).

Services we provide:

- Protecting the many aspects of Peel’s natural environment,
- Focusing on protecting and managing water resources, wetlands and forests
- Sharing conservation information
- Providing local and regional recreational opportunities
- Preserving natural heritage features and
- Addressing climate change risks within Peel

Interesting facts about this service:

- 91.7% of the Credit Valley Conservation Authority’s municipal costs are funded by the Region of Peel
- 11.7% of the Toronto Region and Conservation Authority’s municipal costs are funded by the Region of Peel
- 4.7% of Conservation Authority’s municipal costs are funded by the Region of Peel

Highlights of the Business Plan include:

- Under the new *Conservation Authorities Act* new memorandums of understanding regarding services no longer eligible for funding must be signed by December 31, 2023
- Impact of *Bill 23 More Homes Built Faster Act, 2022* are not known yet but are currently being assessed

Net Investment (\$000s)	2023	2024	2025	2026
Credit Valley Conservation Authority	26,682	27,828	28,984	30,188
Toronto and Region Conservation Authority	20,154	20,698	21,241	21,786
Conservation Halton	527	551	578	603
Total Net Expenditure	47,363	49,076	50,803	52,577
Total Utility Rate Funding	(16,028)	(16,028)	(16,028)	(16,028)
Total Net Tax Expenditure	31,335	33,048	34,775	36,549

Core Services

Mission, Goals of Service and Service Delivery Model

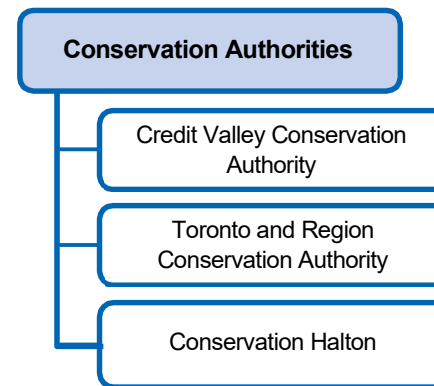
Mission

Conservation Authorities (CAs) play a vital role in protecting the many aspects of Peel's natural environment, focusing on protecting and managing water resources, wetlands and forests, sharing conservation information, providing local and regional recreational opportunities, preserving natural heritage features and addressing climate change risks within Peel. These outcomes are provided primarily through three Conservation Authorities (CAs), namely, Conservation Halton (CH), Credit Valley Conservation (CVC), and Toronto and Region Conservation Authority (TRCA).

Goals of Service

1. Protecting the many aspects of Peel's natural environment,
2. Focusing on protecting and managing water resources, wetlands and forests
3. Sharing conservation information
4. Providing local and regional recreational opportunities
5. Preserving natural heritage features and
6. Addressing climate change risks within Peel.

Service Delivery Model



Each of the conservation authorities are governed by their own respective boards. The boards of each of the conservation authorities approve the budget that is submitted for approval by Regional Council. The Region of Peel has member(s) of Regional Council that sit on the boards of two of these conservation authorities; the Credit Valley Conservation Authority and the Toronto and Region Conservation Authority. The following pages consolidate the budget request submitted for Regional Council consideration.

Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2023-2026 Business Plan. Information is provided by total expenditures submitted by each of the conservation authorities and revenue from regional non-property tax sources. The costs to maintain existing service levels and operationalize prior decisions are identified in the base budget changes separately from proposed changes. The net cost for the service in 2022 was \$29.97 million and the proposed budget for 2023 remains the same at \$31.34 million.

Net Expenditures: \$31.3 million (Total Expenditures: \$47.4 million)

Description	Proposed 2023 Budget	Approved 2022 Budget	\$ Change Over 2022	% Change Over 2022
Credit Valley Conservation Authority: General Levy	9,840,377	9,398,515	441,862	4.7%
Credit Valley Conservation Authority: Special Levy – Capital Projects	18,842,030	17,616,000	411,039	2.5%
Toronto & Region Conservation Authority: General Levy	2,104,821	2,043,515	61,306	3.0%
Toronto & Region Conservation Authority: Special Levy – Capital Projects	18,089,400	17,616,000	433,400	2.5%
Conservation Halton: General Levy	509,424	494,491	14,933	3.0%
Conservation Halton: Special Levy – Capital Projects	17,825	12,299	5,526	44.9%
Total Expenditures	47,363,877	45,995,811	1,368,066	3.0%
Utility Rate (Water/Wastewater) Funding	(16,028,343)	(16,028,343)	0	0%
Total Revenues	(16,028,343)	(16,028,343)	0	0%
Total Net Expenditure	31,335,534	29,967,468	1,368,066	4.6%

Note: May not add up due to rounding.

2023 Operating Budget Pressures

\$'000	Total Expenditures	Total Revenue	Net Cost 2023 vs 2022	
2022 Revised Cost of Service	45,996	16,028 ¹	29,967	%
Cost of Living/Inflation²				
• Credit Valley Conservation Authority	679	-	679	
• Toronto & Region Conservation Authority	61	-	61	
• Conservation Halton	15	-	15	
Special Levy				
• Credit Valley Conservation Authority				
○ Watershed	99	-	99	
○ Climate Change	286	-	286	
○ Infrastructure	26	-	26	
• Toronto & Region Conservation Authority				
○ Watershed	66	-	66	
○ Climate Change	231	-	231	
○ Infrastructure	136	-	136	
• Conservation Halton				
○ Watershed	3	-	3	
○ Climate Change	-	-	-	
○ Infrastructure	3	-	3	
Cost Mitigation				
• Credit Valley Conservation Authority ³	(238)	-	(238)	
Base Budget Changes Subtotal	1,368	-	1,368	
Service Level Demand	-	-	-	
Service Level Changes Subtotal	-	-	-	
Total 2023 Budget Change	1,368	-	1,368	
2023 Proposed Budget	47,364	16,028	31,336	3.0%

Note: May not add up due to rounding

Operating budget pressure notes:

Revenue¹

- Revenue of \$16.028 million is provided from the Region of Peel's utility rate programs (water/wastewater) for services provided in the support of clean potable water.

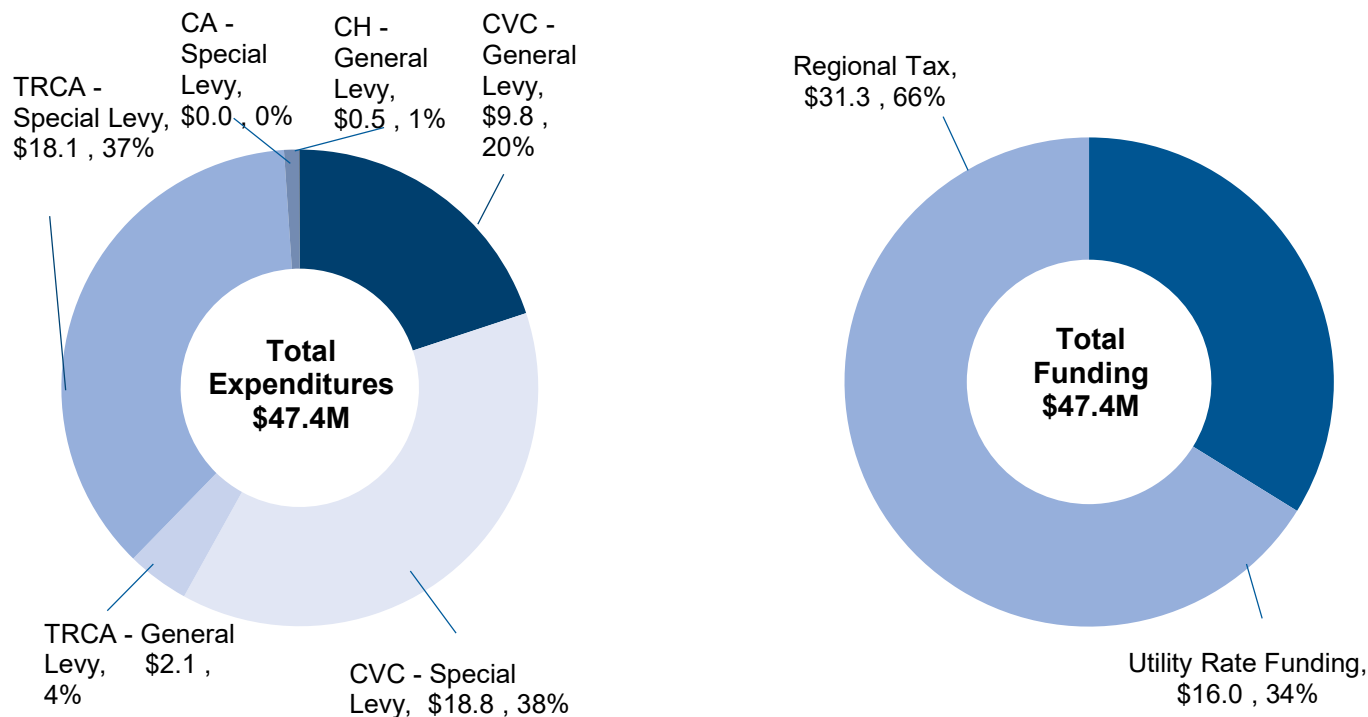
Cost of Living/Inflation²

- The cost of living increase is driven by inflation

Cost Mitigation³

- The cost increase for the Credit Valley Conservation Authority was mitigated by increased revenue and cost reductions in external contracted services for materials and supplies

2023 Total Expenditures & Funding Source (In \$M)



2023 Budget Risks

- The provincial government has proposed changes through two pieces of legislation; *Bill 109 More Homes for Everyone Act, 2022*, and *Bill 23 More Homes Built Faster Act, 2022*
- Implementation of Bill 109 along with further Provincial and stakeholder input could affect resources required to complete the current planning and growth management work
- Implications of Bill 23 are not known yet as there is currently insufficient detail to assess the financial impacts
- The *Conservation Authorities Act* has the potential to redefine services that may impact future revenue generating activities
- Negotiation of MOUs with municipalities may result in changes to programs/service levels, beginning in the 2024 budget
- Budgeted user fee revenue may not fully materialize in 2023 as some additional staffing costs will only be incorporated in the planned user fees by-law increase which will likely take effect in 2024

2024 - 2026 Operating Forecast

	Budget			Forecast					
	2022	2023		2024		2025		2026	
	\$'000	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Credit Valley Conservation Authority: General Levy	9,399	9,840	4.7%	10,234	4.0%	10,676	4.3%	11,132	4.3%
Credit Valley Conservation Authority: Special Levy – Capital Projects	16,431	16,842	2.5%	17,594	4.5%	18,308	4.1%	19,056	4.1%
Toronto & Region Conservation Authority: General Levy	2,044	2,105	3.0%	2,168	3.0%	2,222	2.5%	2,278	2.5%
Toronto & Region Conservation Authority: Special Levy – Capital Projects	17,616	18,049	2.5%	18,530	2.7%	19,019	2.6%	19,508	2.6%
Conservation Halton: General Levy	494	509	3.0%	536	5.3%	560	4.5%	580	3.6%
Conservation Halton: Special Levy – Capital Projects	12	18	44.9%	15	(16.7%)	18	20.0%	23	27.8%
Total Expenditure	45,996	47,364	3.0%	49,076	3.6%	50,803	3.5%	52,577	3.5%
Utility Rate (Water/Wastewater) Funding	(16,028)	(16,028)	0.0%	(16,028)	0.0%	(16,028)	0.0%	(16,028)	0.0%
Net Tax Expenditure	29,967	31,336	4.6%	33,048	5.4%	34,775	5.2%	36,549	5.1%

Note: May not add up due to rounding

Proposed Capital Budget

Capital Budget: \$2.7 million (Ten Year Plan: \$2.7 million)

2023 Capital Budget Overview

The Jim Tovey Lakeview Conservation Area is a joint initiative between the Conservation Authorities, Credit Valley Conservation Authority and the Region of Peel. The Toronto and Region Conservation Authority is the general contractor for construction which began in August 2016.

The following table provides a summary of Conservation Authorities' planned capital project activity for 2023, including funding sources for both new capital project requests in 2023 and projects carried forward to 2023.

Capital Plan By Funding Source	Carry-forward from Prior Years (WIP) (\$'000)	2023 Capital Budget (\$'000)	Total Capital in 2023 (\$'000)
DC Growth	-	-	-
Externally Funded	-		
Non-DC Internal	19,102	2,691	21,794
Total Expenditures	19,102	2,691	21,794
# of Projects	1	1	1

Existing Capital Projects - \$19.1M

- \$19.1M to continue the construction phase, as of September 2022, Peel has provided almost 109,000 loads of fill for the construction of the Jim Tovey Lakeview Conservation Area. The project is currently on budget and on schedule for completion in September 2025

2023 Capital Budget - \$2.7M

Key highlights:

- Major construction activities in 2023 include additional landscaping, armouring remaining islands, cobble beach placement and detailed design for public realm.

See Appendix I for details.

2023 Budget Risks

- Inflation risk will vary from project to project as some projects may use a commodity or commodities that have been more significantly impacted by inflation.
- Implementation of capital projects may be impacted by COVID-19

Operating Impact of 2023 Capital Budget

- There will be no impact to the 2023 operating budget. Once the park is fully developed in the future, it is proposed that Credit Valley Conservation Authority will retain ownership of the Jim Tovey Lakeview Conservation Area.
- The operating costs are expected to begin beyond the current four-year operating forecast horizon.
- These costs will be included in the Credit Valley Conservation Authority levy once the site is operational.

Proposed Capital Plan

2023 - 2032 10-Year Capital Plan - \$2.7M

By Project Classification:

State of Good Repair \$0.0M	DC Funded Growth \$0.0M	Non-DC Funded Growth & Other \$2.7M
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Key Highlights:

- The net cost (funded from Reserves) to complete the 10-year Jim Tovey Lakeview Conservation Area project is currently estimated to be \$37.0 million based on the detailed design. The estimated cost for 2023 is \$2.7 million

See Appendix II for details.

2023 Financing Sources and Funding Status (\$'000)

<u>Project</u>	<u>Name</u>	<u>Description</u>	2023				
			<i>Total Expense</i>	<i>Development Charges</i>	<i>Reserves & Reserve Funds</i>	<i>External Funding</i>	<i>Debt Funding</i>
143199	Jim Tovey Lakeview Conservation Project	Funding to construct the Jim Tovey Lakeview Conservation Area project. This is a joint initiative with Credit Valley Conservation and Toronto and Region Conservation, in partnership with the City of Mississauga to undertake implementation of the Conservation Project.	2,691	-	2,691	-	-
Conservation Authorities Program			2,691	-	2,691	-	-

Appendix II - 2023 Ten Year Combined Capital Program (\$'000)

<u>Project</u>	<u>Name</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Yrs 6-10</u>	<u>Gross</u>
			143199	Jim Tovey Lakeview Conservation Project	Funding to construct the Jim Tovey Lakeview Conservation Area Project. This is a joint initiative with Credit Valley Conservation and Toronto and Region Conservation, in partnership with the City of Mississauga to undertake implementation of the Conservation Project.	2,691	-	-	-
Conservation Authorities Program			2,691	-	-	-	-	-	2,691