

Subject: FW: Credit Valley Conservation - 2024 Municipal Apportionment and Final Budget
Attachments: 2024 Municipal Apportionment, Feb 2024.pdf; 2024 Final Budget, Feb 2024.pdf; Res 18-24_2024 CVC Municipal Apportionment_20240209.pdf; Res 19-24_2024 CVC Final Budget_20240209.pdf

From: Chipperfield, Tamara <Tamara.Chipperfield@cvc.ca>
Sent: Friday, February 16, 2024 12:09 PM
To: Adams, Aretha <aretha.adams@peelregion.ca>; Diana Rusnov <diana.rusnov@mississauga.ca>; Fred Simpson <fred.simpson@townofmono.com>; Graham Milne <graham.milne@halton.ca>; Jennifer Adams <jennifera@wellington.ca>; Jessica Kennedy <jkennedy@eastgarafraxa.ca>; Lisa Campion <lisa.campion@erin.ca>; Michelle Dunne <mdunne@dufferincounty.ca>; Nicole Martin <nmartin@amaranth.ca>; Peter Fay <peter.fay@brampton.ca> <peter.fay@brampton.ca>; Tracy MacDonald <tmacdonald@orangeville.ca>; Valerie Petryniak <valeriep@haltonhills.ca>; Vicki Tytaneck <vicki.tytaneck@oakville.ca>
Cc: Kett, Andrew <andrew.kett@cvc.ca>; quentin.hanchard <quentin.hanchard@cvc.ca>
Subject: Credit Valley Conservation - 2024 Municipal Apportionment and Final Budget

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST.

Good afternoon,

Attached for your information are two reports from the February 9, 2024 Credit Valley Conservation (CVC) Board of Director meeting regarding the 2024 CVC municipal apportionment and final budget. The approved resolutions for each report are also attached.

Sincerely,

Tamara Chipperfield | she/her/hers
 Corporate Secretariat | Credit Valley Conservation
 905-670-1615 ext. 420 | M: 647-625-3038
tamara.chipperfield@cvc.ca | cvc.ca

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REFERRAL TO _____
 RECOMMENDED _____
 DIRECTION REQUIRED _____
 RECEIPT RECOMMENDED _____

Resolution

Date: February 9, 2024
Resolution No. 18/24

Moved By: Ann Lawlor
Seconded By: Michael Dehn

#18/24

***WHEREAS** the CVC Board of Directors endorsed the 2024 draft budget under Resolution #80/23 on September 8, 2023; and*

***WHEREAS** the budget has been shared with all of the participating municipalities in the watershed;*

***THEREFORE BE IT RESOLVED THAT** the report entitled, "2024 Municipal Apportionment" be received and appended to the minutes of this meeting as Schedule 'D'; and*

***THAT** the general levy be approved in the amount of \$10,980,596 as apportioned by municipality shown on Schedule 'D', Table3; and*

***THAT** the special shared levy of \$2,722,786 as apportioned by municipality shown on Schedule 'D', Table 3 be approved; and*

***THAT** special benefitting levy of \$15,221,411 to Peel Region be approved; and further*

***THAT** each participating municipality subject to the CVC apportionment be advised of this resolution to provide notice that the 2024 CVC apportionment has been approved.*

Original signed Michael Palleschi
CARRIED

Date: November 13, 2020
Resolution No. 108/20

Weighted Voting Result:

		1 = yes 2 = no 0 = absent	Voting weight	% of the vote for	% of the vote against
For the Apportionment Motion					
Region of Peel	0.92617				
D. Damerla		0	13.0888	0	0
S. Dasko		1	13.0888	13.0888	0
C. Early		1	13.0888	13.0888	0
D. Keenan		1	13.0888	13.0888	0
M. Mahoney		1	13.0888	13.0888	0
M. Palleschi		1	13.0888	13.0888	0
A. Tedjo		1	13.0888	13.0888	0
Region of Halton	0.051909				
T. Adams		1	2.5955	2.5955	0
A. Lawlor		1	2.5955	2.5955	0
Town of Orangeville	0.023852				
<i>Vacant</i>		0	2.3852	0	0
Town of Erin	0.006164	1			
M. Dehn			0.6164	0	0
Mono Township	0.001138				
F. Nix		1	0.1138	0.1138	0
East Garafraxa Tow	0.000605				
F. Nix		1	0.0605	0.0605	0
Amaranth Township	0.000115				
F. Nix		1	0.0115	0.0115	0
	Total % supporting motion			83.9096	
	Total % against motion				0

Subject: 2024 MUNICIPAL APPORTIONMENT

To: The Chair and Members of the Board of Directors,
Credit Valley Conservation

Purpose: To seek approval by the Board of Directors of the
2024 apportionment to participating municipalities.

Background:

Credit Valley Conservation Authority's (CVC) budget is comprised of several key sources of revenue, the largest of which is municipal apportionment.

In determining the amounts of municipal apportionment, CVC staff undertake a comprehensive annual process to determine other non-municipal sources of revenue, including user fees, application fees, internal charge backs, and provincial funding that reduce the operating expenses and capital costs to be apportioned to participating municipalities. For both mandatory (Category 1) and non-mandatory (Category 2 and 3) programs as defined by the *Conservation Authorities Act*, the apportionment (i.e. the percent of budget that is paid by each funding municipal partner) is calculated either based upon the modified current value assessment (MCVA) amounts, which are provided to CVC each year by the province, or proportionate benefit to the participating municipality. For all programs and services, CVC staff annually work with staff at our participating municipalities to confirm budget priorities, and program costs based upon the appropriate apportionment method.

CVC's draft 2024 budget was prepared by staff in accordance with budgetary processes set out in O. Reg. 402/22: "Budget and Apportionment." This draft budget was presented and approved for consultation at the September 8, 2023 Board of Directors meeting (Resolution #80/23).

The draft budget includes the following change in MCVA for CVC's participating municipalities as determined by the province (see Table 1).

Table 1: Change in MCVA from 2023 to 2024

Municipality	Apportionment of 2023 MCVA	Apportionment of 2024 MCVA	Change	% Change
Peel Region	91.6555	91.6217	-0.0338	-0.04
Halton Region	5.1726	5.1909	0.0184	0.35
Town of Orangeville	2.3718	2.3852	0.0134	0.57
Town of Erin	0.6153	0.6164	0.0011	0.18
Town of Mono	0.1136	0.1138	0.0002	0.21
Township of E. Garafraxa	0.0598	0.0605	0.0007	1.10
Township of Amaranth	0.0114	0.0115	0.0001	0.70

The draft budget also includes the following total municipal apportionment (Table 2), and apportionment by operating expenses and capital costs (Table 3).

Table 2: Total Apportionment by Municipality, Change from 2023 to 2024

Municipality	2023 Apportionment	2024 Apportionment	\$ Change	% Change
Peel Region	\$26,682,404	\$27,776,694	\$1,094,290	4.10%
Halton Region	\$688,137	\$711,330	\$23,193	3.37%
Town of Orangeville	\$315,530	\$326,851	\$11,321	3.59%
Town of Erin	\$81,860	\$84,466	\$2,606	3.18%
Town of Mono	\$15,108	\$15,593	\$485	3.21%
Township of East Garafraxa	\$7,961	\$8,290	\$329	4.13%
Township of Amaranth	\$1,519	\$1,569	\$50	3.27%
Total	\$27,792,519	\$28,924,793	\$1,132,274	4.07%

CVC's draft budget represents a 4.07%, or \$1.1 million, increase in municipal apportionment compared to 2023. This increase is 1.63% below the guideline of 5.7% provided by Halton Region, while the Region of Peel did not provide a target for 2024.

The 2024 apportionment is split between approximately \$11 million in operating expenses apportioned by the MCVA method (previously the general levy) and \$17.9 million in capital costs (previously the special levy), of which \$2.7 million is apportioned to all participating municipalities by the MCVA method and \$15.2 million is apportioned by the benefit-based method to the Region of Peel.

Table 4 provides a breakdown of municipal apportionment for Category 1 and Category 2 programs and services. Category 1 and 2 programs are determined through the budget process based on the categories of conservation authority programs and services as defined in the *Conservation Authorities Act, R.S.O. 1990, c. C.27, O. Reg. 686/21, "Mandatory Programs and Services,"* and CVC's inventory of programs and services, the final version of which was approved at the January 19, 2024, Board of Directors meeting (Resolution #11/24). Category 1, or mandatory, programs and services, including general and administrative services, account for approximately \$16.4 million of the total apportionment, while Category 2, or municipally requested, programs and services account for approximately \$12.6 million.

Table 3: Total 2024 Apportionment by Municipality, General Levy (operating expenses) and Special Levy (capital costs)

Municipality	General Levy (Operating) \$	Special Benefitting Levy (Capital) \$	Shared Special Levy (Capital) \$	Total Apportionment \$
Region of Peel	10,060,620	15,221,411	2,494,663	27,776,694
Region of Halton	569,993		141,337	711,330
Town of Orangeville	261,907		64,944	326,851
Town of Erin	67,683		16,783	84,466
Town of Mono	12,494		3,099	15,593
Township of East Garafraxa	6,642		1,648	8,290
Township of Amaranth	1,257		312	1,569
TOTAL	10,980,596	15,221,411	2,722,786	28,924,793

Table 4: CVC Apportionment by Program/Service Category

Municipality	Category 1 and General Programs and Services	Category 2 Programs and Services	Total
Region of Peel	\$15,507,754	\$12,268,940	\$27,776,694
Region of Halton	\$527,811	\$183,519	\$711,330
Town of Orangeville	\$242,525	\$84,326	\$326,851
Town of Erin	\$62,674	\$21,792	\$84,466
Town of Mono	\$11,570	\$4,023	\$15,593
Township of East Garafraxa	\$6,151	\$2,139	\$8,290
Township of Amaranth	\$1,164	\$405	\$1,569
Total	\$16,359,650	\$12,565,143	\$28,924,793

As reported to the Board of Directors at the January 19, 2024 meeting, as of December 2023, CVC has executed Council-approved Memorandums of Understanding with all of our seven participating municipalities, affirming their continued support for Category 2 programs and services as provided in the Inventory of Programs and Services. The MOUs are for four (4) year terms, except for the Region of Peel MOU, which was set at a one-year term because of the then-anticipated dissolution of the Region of Peel as of December 31, 2024. The MOUs were all council approved by the end of November, 2023, and executed on the following dates:

- Region of Peel, dated December 31, 2023
- Region of Halton dated December 31, 2023
- own of Orangeville, dated November 13, 2023
- Town of Erin, dated December 31, 2023
- Town of Mono, dated December 31, 2023
- Township of East Garafraxa, dated October 17, 2023
- Township of Amaranth, dated December 31, 2023

CVC staff also met with senior staff at both Peel and Halton Regions to review the draft 2024 budget, including apportionment amounts. These meetings occurred prior to presenting the CVC budget to the respective Councils. The CVC budget was presented to Peel Council on November 30, 2023 and Halton Region received the CVC budget at their November 15, 2023, Council meeting.

Detailed budget presentations have been made to all other participating municipalities and all participating municipalities have been provided with budget and apportionment information packages.

O. Reg. 402/22, "Budget and Apportionment," prescribes the budgetary process in four phases, which can be completed consecutively or concurrently, as determined by the CA. Holding a meeting to approve the apportionment amounts is phase three of the budget process, followed by approval of the final budget in phase four. This report and accompanying resolution will satisfy the requirements of phase three of the budget process and the subsequent report, "CVC 2024 Budget," will satisfy the requirements of phase four.

Notice of the intent to consider and pass the 2024 CVC apportionment amounts and final budget has been provided to all CVC participating municipalities and on the Authority's website pursuant to O. Reg. 402/22. Further information regarding the voting procedure on the 2024 apportionment by the CVC Board of Directors is provided below.

Analysis:

The apportionment amounts approved by the Board of Directors in the draft 2024 budget as outlined above, \$28,924,793 representing a total of increase of 4.07% over the 2023 apportionment, are to be approved by the Board of Directors by weighted majority vote.

As per section 16 of O. Reg. 402/22, the vote to approve the apportionment shall be recorded, and the following rules apply to a vote that is to be carried by a weighted majority:

1. Each member's vote shall be weighted according to the ratio that the modified current value assessment for the municipality that appointed the member bears to the authority's modified current value assessment.
2. A weighted majority requires 51 per cent or more of the total weighted value for all of the votes cast.
3. In the case of tie vote, the vote is lost.
4. If a municipality appoints more than one member to the authority, each of those members' votes shall be equal to the municipality's weighted vote divided by the number of members the municipality appoints to the authority.
5. A municipality shall not have a weighted vote of more than 50 per cent of the total weighted value for all of the votes to be cast unless the municipality appoints more than 50 per cent of the members to the authority.

Based on the MCVA apportionment above, the weighting formula is as follows:

Municipality	Apportionment of 2024 MCVA	Weighted Majority # of MCVA	No. of Members	Vote % to each Member
Peel Region	91.6217	91.6217	7	13.0888
Halton Region	5.1909	5.1909	2	2.5955
Town of Orangeville	2.3852	2.3852	1	2.3852
Town of Erin	0.6164	0.6164	1	0.6164
Town of Mono	0.1138	0.1138	} 1	0.1138
Township of E. Garafraxa	0.0605	0.0605		0.0605
Township of Amaranth	0.0115	0.0115		0.0115

Communications Plan:

All budget and apportionment materials presented to the CVC Board of Directors are posted to the CVC website. In addition, the budget and apportionment materials presented to each of the participating municipalities have been made available on the municipal websites through the publication of the agenda, recording of the presentations and related materials. All meetings where budget presentations have occurred were open to the public both at CVC and during presentations to participating municipalities. Notice of the intent to pass and approve the budget and apportionment by the CVC Board of Directors was posted on the CVC website and notice was provided to the clerks of each of the funding municipalities, in accordance with the requirements prescribed under the *Conservation Authorities Act* and regulations. Once the budget is approved by the CVC Board, all participating municipalities will be advised of the approved apportionment.

Financial Implications:

The 2024 apportionment enables CVC to carry out programs and services as prescribed under the *Conservation Authorities Act* and as outlined in agreements with CVC's participating municipalities.

Conclusion:

The 2024 CVC apportionment amounts are in accordance with the draft budget endorsed by the CVC Board and presented to all participating municipalities. CVC has and continues to work closely with our participating municipalities to align our work with municipal priorities. CVC is grateful to all participating municipalities for their ongoing support of protecting, connecting and sustaining the Credit River watershed.

Recommended Resolution:

WHEREAS the CVC Board of Directors endorsed the 2024 draft budget under Resolution #80/23 on September 8, 2023; and

WHEREAS the budget has been shared with all of the participating municipalities in the watershed;

THEREFORE BE IT RESOLVED THAT the report entitled, "2024 Municipal Apportionment" be received and appended to the minutes of this meeting as Schedule 'D'; and

THAT the general levy be approved in the amount of \$10,980,596 as apportioned by municipality shown on Schedule 'D', Table 3; and

THAT the special shared levy of \$2,722,786 as apportioned by municipality shown on Schedule 'D, Table 3 be approved; and

THAT special benefitting levy of \$15,221,411 to Peel Region be approved; and further

THAT each participating municipality subject to the CVC apportionment be advised of this resolution to provide notice that the 2024 CVC apportionment has been approved.

Submitted by:

Andrew Kett
Director, Corporate Services

Recommended by:

Quentin Hanchard
Chief Administrative Officer

Resolution

Date: February 9, 2024
Resolution No. 19/24

Moved By: Ann Lawlor
Seconded By: Michael Dehn

#19/24

WHEREAS the CVC Board of Directors endorsed the 2024 budget under Resolution #80/23 on September 8, 2023; and

WHEREAS the budget has been shared with all of participating municipalities in the watershed;

***THEREFORE BE IT RESOLVED THAT** the report entitled, "Credit Valley Conservation 2024 Budget" be received and appended to the minutes of this meeting as Schedule 'E'; and*

***THAT** the Credit Valley Conservation Authority 2024 Budget, as reflected in Schedule 'E' be approved; and*

***THAT** the CVC pay grid for salaried and contract employees be increased by 3% effective April 1,2024; and*

***THAT** Board of Director per diem be increased by 3% in 2024 with an effective date of April 1,2024; and*

***THAT** the CVC Chair and Vice-Chair position's annual honorarium increase by 3.0% in 2024 with an effective date of April 1,2024; and*

***THAT** the 2024 per-kilometre allowance for staff and Board of Director use of their personal vehicles for CVC business purposes is 70¢ per kilometre for the first 5,000 kilometres driven and 64¢ per kilometre driven after that, in accordance with the rate set by the Government of Canada, with an effective date of April 1,2024; and*

***THAT** the Chief Administrative Officer and Director of Corporate Services be authorized to make any technical budget adjustments as required; and further*

***THAT** each watershed municipality subject to the CVC apportionment be advised of this resolution to provide notice that the 2024 CVC Budget has been approved.*

Original signed Michael Palleschi
CARRIED

Date: November 13, 2020
Resolution No. 108/20

Recorded Vote:

Region of Peel	
D. Damerla	<i>Absent</i>
S. Dasko	Yes
C. Early	Yes
D. Keenan	Yes
M. Mahoney	Yes
M. Palleschi	Yes
A. Tedjo	Yes
Region of Halton	
T. Adams	Yes
A. Lawlor	Yes
Town of Orangeville	
<i>Vacant</i>	<i>Absent</i>
Town of Erin	
M. Dehn	Yes
Town of Mono	
F. Nix	Yes
Township of East Garafraxa	
F. Nix	Yes
Township of Amaranth	
F. Nix	Yes

Subject: CREDIT VALLEY CONSERVATION 2024 BUDGET

To: The Chair and Members of the Board of Directors,
Credit Valley Conservation

Purpose: To seek approval by the Board of Directors of the
2024 budget.

Background:

The Credit Valley Conservation Authority (CVC) 2024 budget has been prepared by staff in accordance with budgetary processes and the requirements of the *Conservation Authorities Act, R.S.O. 1990, c. C.27*; accompanying regulations, including O. Reg. 686/21, "Mandatory Programs and Services," O. Reg. 687/21, "Transition Plans and Agreements for Programs and Services Under Section 21.1.2 of the Act," O. Reg. 402/22, "Budget and Apportionment;" and in coordination with staff from CVC's participating municipalities.

In phase one, CVC staff undertook a detailed process that included critically reviewing program plans, revenues other than municipal apportionment, as well as the identification of operating expenses and capital costs for the year.

The budget reflects CVC's inventory of programs and services approved by the Board of Directors March 10, 2023 (Resolution #31/23) for consultation with participating municipalities and in final on January 19, 2024 (Resolution #11/24) and represents a balance between maintaining service levels, delivering on municipal partner priorities, constraining costs, and investing in programs in anticipation CVC's new strategic plan, approved December 8, 2023 (Resolution #105/23).

Staff then determine amounts of operating expenses and capital costs which will be offset by non-municipal revenue and the reduced operating expenses and capital costs which will be apportioned to municipalities, as well as the method of apportionment.

In phase two, CVC staff prepared the draft budget as per regulation through the second and third quarters of 2023 in coordination with staff from CVC's participating municipalities, in particular the finance staff of the Regions of Peel and Halton, the details of which are presented below. Halton Region issued a guideline of 5.7% for 2024, while the Region of Peel did not issue a guideline. The draft budget was endorsed by the CVC Board of Directors on September 8, 2023 (Resolution #80/23).

In phase three, following endorsement from the CVC Board of Directors, CVC staff met with senior staff at both Peel and Halton Regions to review the draft 2024 budget. These meetings occurred prior to presenting the CVC budget to the respective

Councils. The CVC budget was presented to Peel Council on November 30, 2023 and Halton Region received the CVC budget at their November 15, 2023, Council meeting.

Detailed budget presentations have been made to all other funding municipalities and all funding municipalities have been provided with budget information packages.

Notice of the intent to consider and pass the 2024 CVC apportionment amounts and final budget has been provided to all CVC participating municipalities and on the Authority's website pursuant to O. Reg. 402/22. Apportionment amounts were presented to the Board of Directors in Schedule 'D' "2024 Municipal Apportionment" and the report below presents the details of the final budget.

Analysis:

Given both the *Conservation Authorities Act* transition and predicted inflationary pressures, CVC senior staff have been working diligently since the fall of 2022 to proactively implement extensive cost containment measures to reduce impacts to the budget, the results of which are reflected in the 2024 budget.

The gross budget outlined in this report identifies an average increase of 5.5% that reflects both inflation and growth impacts. However, through extensive proactive budget planning and management, the impacts of this to our municipal funding partners has been reduced to between 3.18 to 4.10%, which is well within the inflationary budget envelope provided by the Halton Region and well below CPI and other inflationary indices.

In the 2023 CVC budget, staff included a projection of budget changes over the next several years, based upon parameters anticipated at that time. The 2023 budget included a 2024 forecast with an anticipated increase of 4.3%. The final budget outlined in this report identifies an overall increase of 4.07%, representing a decrease of 0.23% from initial projections.

1) Budget 2024

Modified Current Value Assessment (MCVA)

Table 1 shows the change in percentage by funder of the municipal apportionment based on the modified current value assessment (MCVA) data provided annually by Ministry of Natural Resources and Forestry (MNRF) as generated by the Municipal Property Assessment Corporation (MPAC).

Table 1: Change in MCVA from 2023 to 2024

Municipality	Apportionment of 2023 MCVA	Apportionment of 2024 MCVA	Change	% Change
Peel Region	91.6555	91.6217	-0.0338	-0.04
Halton Region	5.1726	5.1909	0.0184	0.35
Town of Orangeville	2.3718	2.3852	0.0134	0.57
Town of Erin	0.6153	0.6164	0.0011	0.18
Town of Mono	0.1136	0.1138	0.0002	0.21
Township of E. Garafraxa	0.0598	0.0605	0.0007	1.10
Township of Amaranth	0.0114	0.0115	0.0001	0.70
TOTAL	100.00	100.00		

Municipal Apportionment:

Table 2 provides CVC 2024 total apportionment amounts by municipality. The 2024 general levy, special shared and special benefitting levy funding totals \$28,924,793 which is up \$1,132,274 or an average of 4.07% over 2023 funding of \$27,792,520.

Table 2: Total Apportionment by Municipality, Change from 2023 to 2024

Municipality	2023 Apportionment	2024 Apportionment	\$ Change	% Change
Peel Region	\$26,682,404	\$27,776,694	\$1,094,290	4.10%
Halton Region	\$688,137	\$711,330	\$23,193	3.37%
Town of Orangeville	\$315,530	\$326,851	\$11,321	3.59%
Town of Erin	\$81,860	\$84,466	\$2,606	3.18%
Town of Mono	\$15,108	\$15,593	\$485	3.21%
Township of East Garafraxa	\$7,961	\$8,290	\$329	4.13%
Township of Amaranth	\$1,519	\$1,569	\$50	3.27%
Total Levy	\$27,792,519	\$28,924,793	\$1,132,274	4.07%

The Halton Region guideline (target based on overall apportionment) was 5.7%, with CVC's total apportionment for 2024 is 1.63% lower than the target.

Peel Region did not provide a guideline during the development of the 2024 budget. CVC staff nonetheless undertook a detailed process to prepare the draft budget and continued to identify and implement cost saving measures on an ongoing basis.

Gross Budget:

In 2024, CVC is planning for funding of \$34.5 million (less internal program chargebacks of \$6.6 million) for a total gross budget of \$41.1 million of which \$28.9 million is to be provided by municipal apportionment. Table 3 provides a detailed breakdown of the gross budget. The 2024 budget generally reflects a post-pandemic return to normal staffing levels and activities, as well as overall inflationary pressures.

Table 3: CVC Total Gross Budget (all sources)

Gross Revenue (all sources)	2023 Budget \$000's	2024 Budget \$000's	\$ Change \$000's	% Change
Fees	4,631	4,878	248	5.3%
Municipal Apportionment	27,793	28,925	1,131	4.1%
Base Funding (Provincial)	96	96	0	0.0%
Source Water Protection (Provincial)	660	681	21	3.2%
Grants and Fundraising	48	0	-48	-100.0%
Internal Chargeback Revenue	5,804	6,611	809	13.9%
Total Revenue	39,030	41,191	2,161	5.5%
Gross Expenditures	2023 Budget \$000's	2024 Budget \$000's	\$ Change \$000's	% Change
Staff Salary and Benefits	27,625	28,368	742	2.7%
Materials & Supplies	1,156	1,475	319	27.6%
Purchased Services	4,982	5,556	574	11.5%
Internal Chargebacks	4,236	4,688	453	10.7%
Debt Financing Charges	434	434	0	0.0%
Minor Capital	405	474	70	17.2%
Transfers to Reserves	193	196	3	1.6%
Total Expenditures	39,030	41,191	2,161	5.5%

2024 Operating Expenses and Capital Costs by Category:

CVC's total budgeted operating expenses for 2024 are \$22.6 million, with budgeted capital costs of an additional \$18.6 million. Table 4 shows a breakdown of operating expenses and capital costs by program and service category as defined in the *Conservation Authorities Act*.

Table 4: Operating Expenses and Capital Costs by Category

Program and Service Category	Operating Expenses	Capital Costs	Total
Category 1	\$10,911,804	\$6,206,676	\$17,118,480
Category 2	\$3,739,303	\$10,910,983	\$14,650,285
Category 3	\$368,217	\$0	\$368,217
General	\$7,587,251	\$1,467,058	\$9,054,309
Total	\$22,606,574	\$18,584,717	\$41,191,291

A detailed list of operating expenses and capital costs associated with the programs and services listed in CVC's revised inventory of programs and services is presented in Schedule 'E', Appendix 1.

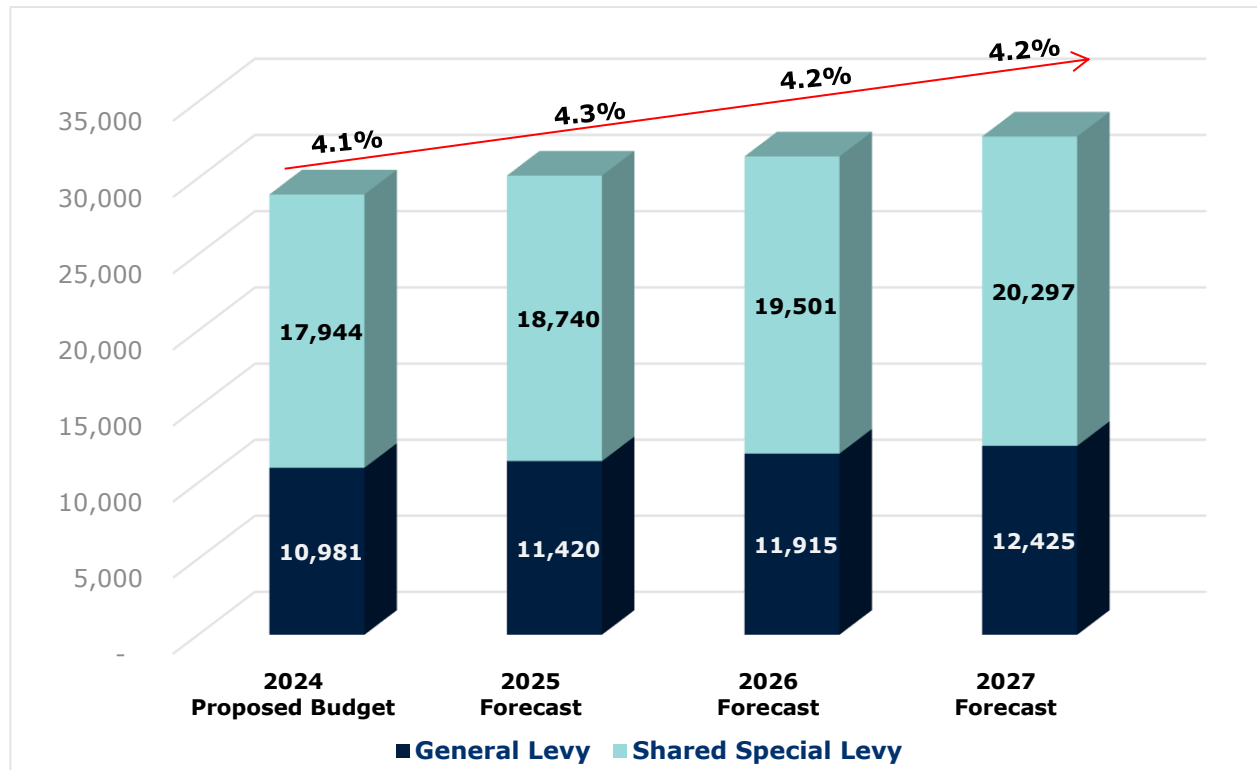
Three Year Forecast (2025 to 2027)

Through the budgeting process CVC also undertakes forecasts for future budget years. The current 2025 budget increase as shown in Table 5 is forecast at 4.3%. Considering the current and future rate of inflation (6.9%), a COLA increase and 3.2% inflation have been factored into our forecast. However, we will review the future budgets with the targets provided by the municipalities. Uncertainties regarding future changes to the Region of Peel and the evolving mandate of the Region of Peel Transition Board may also impact future budget years. Also note that the forecast does not include all alternative sources of funding noted above, and the budget is refined as those funding sources are secured through the annual budget process.

Table 5: CVC Three Year Forecast

	2025 Forecast		2026 Forecast		2027 Forecast	
	Amount	% Change	Amount	% Change	Amount	% Change
General Levy	11,419,820	4.00%	11,915,131	4.34%	12,425,330	4.28%
Shared & Special Levy	18,739,769	4.43%	19,501,053	4.06%	20,297,323	4.08%
Total	30,159,589	4.27%	31,416,184	4.17%	32,722,653	4.16%

Chart 1: CVC Three Year Forecast



Budget Summary by Municipal Apportionment:

Table 6 provides a summary of the budget broken down by general levy, special shared levy and special benefitting levy.

The proposed 2024 general levy amount is \$10,980,596 which is an average increase of 2.28% or \$244,339 over 2023.

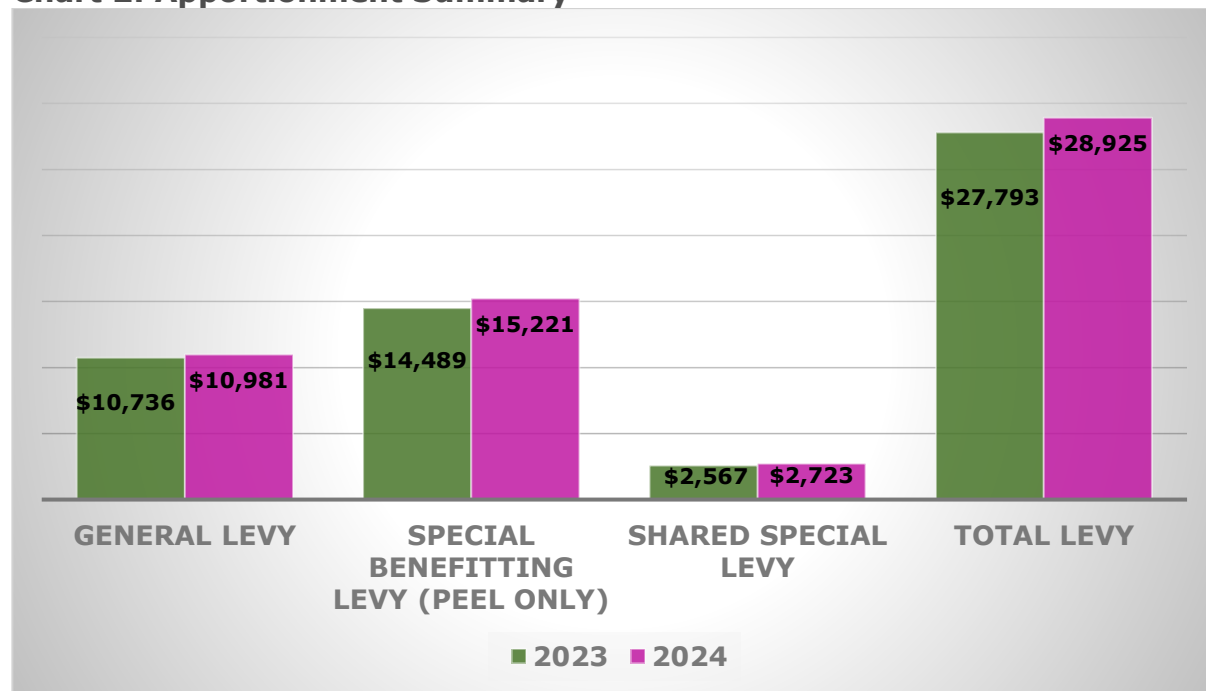
Shared Special Levy, also referred to as capital funding, supports important work by CVC that provides necessary services for the benefit of all watershed municipalities. The 2024 shared special levy amount is \$2,722,786 which is an average increase of 6.05% or \$155,408 over 2023.

Special Benefitting Levy provides funding that supports a municipal priority and is paid for by the benefitting municipality or municipalities. The special benefitting levy amount is \$15,221,411 which is an increase of 5.06% or \$732,527 over 2023. This amount is fully funded by the Region of Peel, of which \$11,636,999 is supported by the Peel Climate Change Fund focused on programs to foster resilience to the impacts of climate change.

Table 6: Apportionment Summary

Funding Source	2023 Budget \$000's	2024 Budget \$000's	\$ Change \$000's	% Change
General Levy	\$10,736	\$10,981	245	2.28%
Special Levy Commonly Shared	\$2,567	\$2,723	156	6.05%
Special Benefitting Levy (Peel only)	\$14,490	\$15,221	731	5.05%
Levy Total	\$27,793	\$28,925	1,132	4.07%

Chart 2: Apportionment Summary



Total Apportionment by Municipality:

Table 7 provides the 2024 apportionment by municipality.

Table 7: Total Apportionment by Municipality

Municipality	2024 General Levy \$	2024 Commonly Shared Special Levy \$	2024 Special Benefitting Levy \$	2024 Total \$
Region of Peel	10,060,620	15,221,411	2,494,663	27,776,694
Region of Halton	569,993		141,337	711,330
Town of Orangeville	261,907		64,944	326,851
Town of Erin	67,683		16,783	84,466
Town of Mono	12,494		3,099	15,593
Township of East Garafraxa	6,642		1,648	8,290
Township of Amaranth	1,257		312	1,569
TOTAL	10,980,596	15,221,411	2,722,786	28,924,793

* The Peel Special Benefitting Levy total includes \$10,060,620 for Climate Change

2) Salary and Expense Adjustments

The CVC salary administration process provides for an annual review. The following items are examined in the annual salary review process:

- Polling our pay-line comparable agencies each year regarding their cost-of-living adjustment (COLA) or pay band adjustments,.
- The Chair and Vice Chair honorarium amounts and Board members per diem allowances are adjusted in accordance with the percentage adjustment approved for the salary administration program.
- Reimbursement rates for employees and Board members using their personal vehicles to travel for CVC business in line with those set out by the Canada Revenue Agency.

The 2024 budget has included a 3% adjustment to the CVC salary bands for salaried, and contract staff effective April 1, 2024.

The 2024 per diem allowance for CVC Board members and the honorarium for the Chair and Vice Chair are recommended to be adjusted by 3% in line with the adjustment for CVC salaried and contract staff.

The 2024 per-kilometre allowance for use of a personal vehicle for business purposes set by the Government of Canada is 70¢ per kilometre for the first 5,000 kilometres driven and 64¢ per kilometre driven after that.

In addition to the adjustments noted above, at the October 10, 2023, meeting the Board of Directors received a report on the 2023 comprehensive pay equity and compensation review. This review supports CVC's ability to attract and retain talent in a competitive labour market. Due to sequencing of approvals, the in-year impacts of the pay equity and compensation review on the 2024 budget are an unfunded pressure that, as per the report to the Board, will be addressed through cost-containment measures focused on strategically gapping vacant positions.

3) Reserve Status

In June of 2018, the Board supported the creation of several capital reserves and a revenue offset reserve for the conservation areas under "Reserve Management 2018" (Resolution #53/18). The 2024 budget includes ongoing contributions to these reserves as CVC continues to implement more robust measures to support asset management through funding to support the state of good repair, capital life cycle replacement and risk reduction measures related to conservation area revenues. In addition, through the annual external audit process, the state of the reserves will be confirmed as at year-end (December 31, 2023) in the audited financial statements.

4) Significant Budget Drivers:

a) Staffing and Benefits

A key driver of the CVC 2024 annual budget, like other municipalities and government organizations, is related to staff. Salary adjustments in 2024 reflect a cost-of-living adjustment (COLA) at 3.0% (2023 was 2% and 2022 was 2.0%), as well as performance management and phasing in of the compensation review. The proposed 3% COLA is consistent with municipalities and other GTA conservation authorities and is reasonable given the extremely high core rate of inflation that has been experienced over much of 2023 and that continues into 2024.

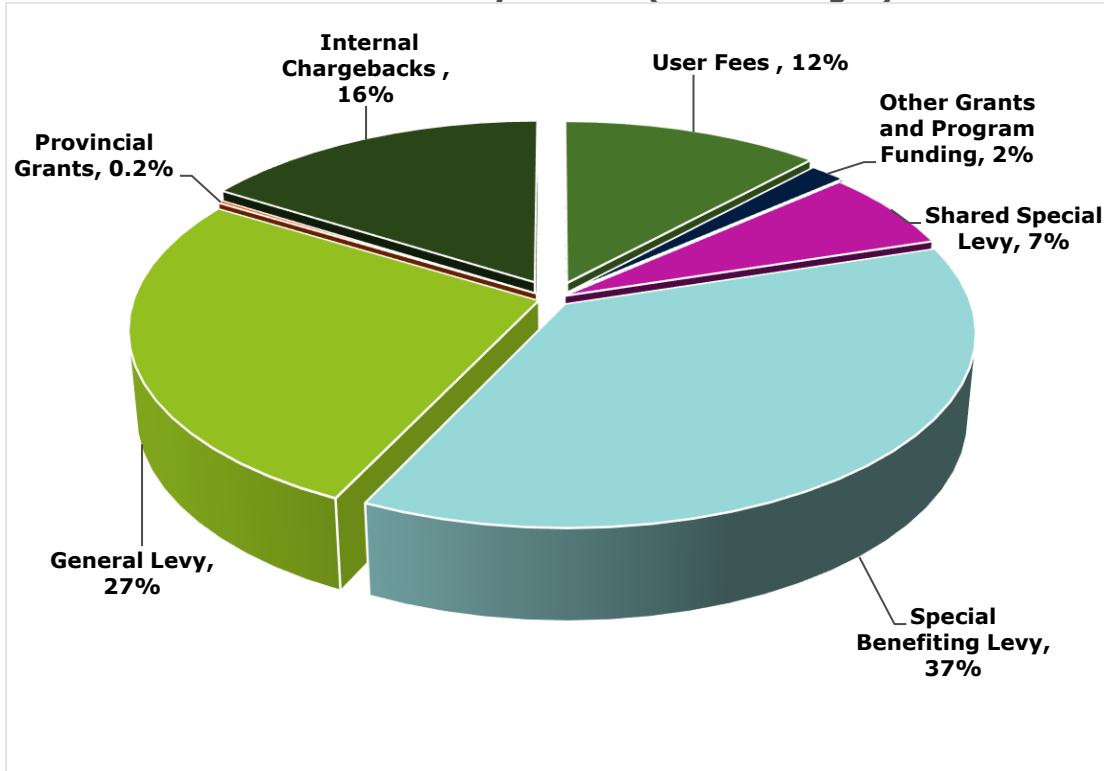
b) External Factors

Factors impacting the development of the budget process included consideration of the rate of inflation, the consumer price index, changes to Current Value Assessment (CVA), growth in the watershed, the value of the Canadian dollar, insurance rates, fuel prices and utilities. These factors were all considered during the development of the 2024 budget.

c) Self-generated Revenue

CVC self-generated revenue and funding from external sources have become a significant source of funding amounting to approximately \$4.8 million budgeted for 2024 (see Table 3 above). The 2024 amount represents an increase of the budgeted revenues from \$4.6 million in 2023 (or a difference of \$0.2 million).

Chart 3: Distribution of Revenue by Source (Gross Budget)



In Chart 3 above the provincial grants (0.2%) refers to the annual Section 39 transfer payment from the province of \$95,606. Other grants and program funding (2.0%) is primarily Source Water Protection funding (SWP).

d) Pressures and Risks

There are several further unfunded pressures and/or future risks that are not included in the 2024 budget:

i. Compensation Review (pressure)

As noted above, the compensation review approved in October 2023 is necessary for CVC to attract and retain talent and remain competitive with other regional employers.

ii. Asset Management (pressure)

Work continues to advance regarding overall asset management for CVC. State of good repair assessments have been completed for all major structures and infrastructure and a comprehensive asset management plan, CVC's first, is near completion. This plan, to be tabled for Board approval in 2024, will support future funding needs across all asset classes to maintain and replace assets as necessary. This plan will inform 2025 capital budgeting.

iii. Forest Management (pressure)

The impacts of aging plantations, a changing climate and invasive species are impacting the health of our forest lands. In addition, key woodlots have been identified for thinning and restoration work that are important to improving resiliency from pests, fire, and general decline in quality. With more extreme weather, high visitation rates

to our parks, as well as new invasive species impacts, CVC's forest resources are also going to have to be managed more frequently for hazard trees. Funding of this work on CVC properties is critical to ensure the health of vital tree cover in the watershed and to manage potential impacts upon users.

iv. Invasive Species (risk)

There are several invasive species that present a real concern for certain species of trees. The recent example of the Emerald Ash Borer (EAB) infestations demonstrates just how devastating and costly such invasive species can be. Unfortunately, managing invasive species will be an on-going program, with the projected impacts of known and predicted future invasive species. Continued funding to address new invasive species will very likely be required over the coming years meaning that the one-time funding to address EAB could again be required in the future for other invasive species.

v. Ongoing legislative changes (risk)

The 2024 budget marks CVC's transition to the new CA budget framework under the revised Conservation Authorities Act, which comes into effect January 1, 2024. Through the CA Act transition period, the impact to staff has been substantial. The scope of additional work involved in the transition, including modifications to existing budget processes, extensive engagement with internal and external staff, negotiation of MOUs, and many other related tasks, represents a major investment of additional staff time and resources for both CVC and our participating municipalities over and above a normal budget year. Any additional legislative changes risk bringing unplanned additional staff time and resource requirements in order for CVC to adapt and respond to the changes.

vi. Region of Peel transition (risk)

The shifting mandate of the Region of Peel Transition Board, as directed by the province, continues to pose uncertainties for CVC, as with many of our municipal partners. Impacts could include potential changes to our budget processes, the funding and oversight of some programs and services, the management of some CVC parks and assets, and still other impacts that remain unknown. Navigating this transition and supporting our partners at both the Region of Peel and local municipalities will similarly require unplanned-for investments of staff time and resources throughout 2024 and pose financial and other corporate risks.

We will continue to work with our funders to help refine and adjust the identified pressures and to seek opportunities to mitigate costs wherever possible, including applications for infrastructure funding, eligible programs, and alternative funding sources.

e) Savings

Staff continue to work with our funders to help refine and adjust the identified pressures and to seek opportunities to mitigate costs and reduce municipal apportionment wherever possible, including applications for infrastructure funding, eligible programs, and alternative funding sources.

The 2024 budget process includes ongoing savings (agreements in place) and careful workforce management. Ongoing savings include use of:

- Registered Charity Status (CRA approved Q1 2019),
- Region of Peel bulk fuel purchase contracts,
- Region of Peel for routine fleet maintenance services,
- Region of Peel Public Sector Network (PSN) for fibre,
- Provincial and municipally negotiated contract/service rates.

Workforce management includes:

- Review all positions that become vacant by leadership team,
- Gapping of positions,
- Staffing complement management.

Communications Plan:

All budget materials presented to the CVC Board of Directors are posted to the CVC website. In addition, the materials presented to each of the watershed municipalities are made available on the municipal websites through the publication of the agenda, recording of the presentations and related materials. All meetings where budget presentations have occurred were open to the public both at CVC and during presentations to watershed municipalities. Notice of the intent to pass and approve the budget by the CVC Board of Directors was posted on the CVC website, in accordance with the requirements prescribed under the Conservation Authorities Act. Once the budget is approved by the CVC Board, all watershed funding municipalities will be advised of the approved apportionment.

Financial Implications:

The 2024 CVC budget, as presented, will be funded through municipal apportionment, external funding and revenues. This funding enables CVC to carry out programs and services for the calendar budget year 2024.

Conclusion:

The 2024 CVC budget is in accordance with the draft budget provided to the CVC Board of Directors on September 8, 2023 and endorsed under Resolution #80/23.

CVC's 2024 budget represents an overall 5.5% increase over 2023, with an average 4.07% increase in apportionment to CVC's participating municipalities. This is a transition budget, which moves CVC into the new CA budget framework as prescribed through changes in the *Conservation Authorities Act* and regulations.

This budget supports and sustains our programs and services while containing costs and managing inflationary and growth pressures. CVC continues to prioritize work on key program deliverables that achieve climate change mitigation and adaptation

outcomes, as well as to align or work with the priorities of our participating municipalities. Additionally, staff work to control operating costs and find savings to manage the year-over-year budget request and reduce municipal apportionment. CVC is grateful to all funding municipalities for their ongoing support of protecting, connecting and sustaining the Credit River watershed.

Recommended Resolution:

WHEREAS the CVC Board of Directors endorsed the 2024 budget under Resolution #80/23 on September 8, 2023; and

WHEREAS the budget has been shared with all of participating municipalities in the watershed;

THEREFORE BE IT RESOLVED THAT the report entitled, "Credit Valley Conservation 2024 Budget" be received and appended to the minutes of this meeting as Schedule 'E'; and

THAT the Credit Valley Conservation Authority 2024 Budget, as reflected in Schedule 'E' be approved; and

THAT the CVC pay grid for salaried and contract employees be increased by 3% effective April 1,2024; and

THAT Board of Director per diem be increased by 3% in 2024 with an effective date of April 1,2024; and

THAT the CVC Chair and Vice-Chair position's annual honorarium increase by 3.0% in 2024 with an effective date of April 1,2024; and

THAT the 2024 per-kilometre allowance for staff and Board of Director use of their personal vehicles for CVC business purposes is 70¢ per kilometre for the first 5,000 kilometres driven and 64¢ per kilometre driven after that, in accordance with the rate set by the Government of Canada, with an effective date of April 1,2024; and

THAT the Chief Administrative Officer and Director of Corporate Services be authorized to make any technical budget adjustments as required; and further

THAT each watershed municipality subject to the CVC apportionment be advised of this resolution to provide notice that the 2024 CVC Budget has been approved.

Submitted by:

Roger Tharakan
Senior Manager, Financial Services

Andrew Kett
Director, Corporate Services

Recommended by:

Quentin Hanchard
Chief Administrative Officer

**Schedule 'E', Appendix 1
Credit Valley Conservation Budget 2024
Programs and Services**

Service Area	Programs and Services	Category	Operating Expense	Capital Cost	Total
Watershed Studies and Strategies	Provincial Groundwater and Stream Monitoring Programs	1	308,520	-	308,520
Natural Hazards Planning and Risk Management	Flood Forecasting and Warning	1	197,298	1,108,927	1,306,225
Natural Hazards Planning and Risk Management	Drought (or low water) Response	1	35,054	-	35,054
Natural Hazards Planning and Risk Management	Ice Management	1	27,630	-	27,630
Natural Hazards Planning and Risk Management	Water and Erosion Control Infrastructure	1	298,580	255,310	553,890
Natural Hazards Planning and Risk Management	Natural Hazards Studies and Information Management	1	127,963	224,124	352,087
Natural Hazards Planning and Risk Management	Application Review related to natural hazards	1	126,182	138,483	264,665
Natural Hazards Planning and Risk Management	Plan Review related to natural hazards	1	2,025,009	304,663	2,329,672
Natural Hazards Planning and Risk Management	Section 28.1 Permit Administration	1	915,346	353,860	1,269,206
Lands and Conservation Areas	Conservation Areas Strategy and Land Inventory	1	257,764	-	257,764
Lands and Conservation Areas	Land Management, Operation and Maintenance	1	4,516,833	-	4,516,833
Lands and Conservation Areas	Land Management, Capital Projects	1	-	2,437,550	2,437,550
Lands and Conservation Areas	Section 29 Administration	1	33,557	165,516	199,073
Lands and Conservation Areas	Restoration and Stewardship CA Lands	1	766,417	925,845	1,692,262
Lands and Conservation Areas	Natural Heritage Management CA Lands	1	414,977	292,400	707,377
Environmental Resilience	Source Protection Authority	1	860,673	-	860,673
Watershed Studies and Strategies	Watershed and Sub-watershed Planning	2	582,784	477,321	1,060,106
Watershed Studies and Strategies	Natural Heritage and Ecological Monitoring and Inventory	2	1,274,134	1,492,406	2,766,540
Watershed Studies and Strategies	Climate Change Risk Management	2	-	221,389	221,389
Watershed Studies and Strategies	Integrated Water Management Science	2	-	1,180,881	1,180,881
Watershed Studies and Strategies	Modelling and Analysis	2	59,096	225,407	284,503
Watershed Studies and Strategies	Real-time Water Quality Monitoring	2	-	240,573	240,573
Watershed Studies and Strategies	Natural Assets and Ecosystem Services	2	-	252,692	252,692

Natural Hazards Planning and Risk Management	Enhanced Flood Plain Mapping Services	2	-	247,702	247,702
Natural Hazards Planning and Risk Management	Application Review other than natural hazards	2	160,042	-	160,042
Natural Hazards Planning and Risk Management	Plan Review other than natural hazards	2	179,822	21,431	201,253
Lands and Conservation Areas	Public Engagement, Education, and Stewardship on CA lands	2	104,856	721,327	826,183
Lands and Conservation Areas	Land Management, Operation and Maintenance non-CA lands	2	70,650	-	70,650
Environmental Resilience	Community Engagement and Stewardship	2	228,639	795,018	1,023,657
Environmental Resilience	Landowner Engagement and Stewardship	2	-	1,631,007	1,631,007
Environmental Resilience	Restoration and Stewardship on Private Lands	2	817,756	1,536,166	2,353,922
Environmental Resilience	Integrated Water Management Implementation	2	-	1,360,721	1,360,721
Environmental Resilience	Sustainable Neighbourhoods Action Program	2	261,524	506,942	768,466
Other - Foundation	Credit Valley Conservation Foundation	3	368,217	-	368,217
Corporate Services	Corporate Administration and Governance	G	2,424,414	-	2,424,414
Corporate Services	Facilities, Fleet, and Asset Management	G	1,231,371	925,151	2,156,522
Corporate Services	Corporate Communications	G	530,563	541,907	1,072,470
Corporate Services	Financial Services	G	855,401	-	855,401
Corporate Services	Information Technology and Management	G	1,332,251	-	1,332,251
Corporate Services	Human Resources	G	951,727	-	951,727
Corporate Services	Strategy and Business Development	G	261,524	-	261,524
		Total	22,606,574	18,584,717	41,191,291