

**2010 CONSERVATION AUTHORITIES
Budget Overview**

Budget Summary \$'000s	2009 Budget	2009 Projection	2010 Proposed	09 vs 10 Variance	2011 Forecast	2012 Forecast
Current Budget Gross Expenditure	\$27,026	\$27,026	\$27,944	\$918	\$32,993	\$34,000
Recovery from Utility Rate	\$16,028	\$16,028	\$16,028	\$0	\$16,028	\$16,028
Current Budget – Total Expenditures	\$10,998	\$10,998	\$11,916	\$918	\$16,965	\$17,972
Current Budget – Total Revenue	\$284	\$284	\$0	(\$284)	\$0	\$0
Current Budget – Net Cost	\$10,714	\$10,714	\$11,916	\$1,202	\$16,965	\$17,972
FTE	N/A	N/A	N/A	N/A	N/A	N/A
New Capital			\$500		\$500	\$500

2010 BUDGET HIGHLIGHTS:

Current Budget

The proposed 2010 Gross expenditure of \$27.9 million, after applying a recovery from Utility Rate budget, results in the 2010 Total Expenditure and Net Cost of \$11.9 million, which represents an increase of \$1.2 million over the 2009 Budget. The main drivers to the budget changes are:

- The \$575 thousand increase for Credit Valley Conservation (CVC) due to salary costs, a deficit in plan review fees and an increase in capital expenditures in the categories of Water and Climate Change
- The \$632 thousand increase for Toronto and Region Conservation Authority (TRCA) is due to an increase in Infrastructure category of capital expenditures and a minimal increase for salary costs
- The \$12 thousand increase for Conservation Halton (CH) is due to an increase in their legal fee budget

Staffing

Not applicable.

Capital

The 2010 Capital Budget reflects a request for \$500 thousand to be funded from the Greenlands Reserve. This amount will be used to fund approved Greenlands Securement requests.

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**Conservation Authorities
2010 Budget Document**

Section I. 2009 Existing Services and Service Levels:

The Region of Peel is mandated by the *Conservation Authorities Act, R.S.O. 1990 c. C27* (Act) to fund the three conservation authorities (CAs) that are located with its boundaries: Credit Valley Conservation (CVC), Toronto and Region Conservation Authority (TRCA) and Conservation Halton (CH).

The three CAs receive funding from the Region of Peel via General Levy for their maintenance and administrative costs and via Special Levy for their capital expenditures. Both General and Special Levy funding to the CAs is included in the Current Budget section. These levy costs are partially funded by a recovery from the Region of Peel’s utility rate. The remaining balance is funded by the tax rate.

In addition to the Levy payments, the Region of Peel Greenlands Securement program approves funding applications from the CAs. These funding requests are paid from Region of Peel capital projects after they are approved by the Greenlands Securement Subcommittee of Regional Council.

This document will provide a summary of the Conservation Budget as a whole with more detailed information provided from the CVC and TRCA to support their 2010 Budget requests. See Appendix VI and Appendix VII.

Section II. Resources to Deliver 2009 Services:

Current \$'000	2008 Actual	2009 Budget	2009 Projection	2009 Variance Under/(Over)
Gross Expenditure	\$24,625	\$27,026	\$27,026	\$0
Recovery from Utility Rate	\$16,028	\$16,028	\$16,028	\$0
Total Expenditures	\$8,597	\$10,998	\$10,998	\$0
Total Revenue	\$887	\$284	\$284	\$0
Net Cost	\$7,710	\$10,714	\$10,714	\$0
FTE	n/a	n/a	n/a	0

2009 Budget:

The Region continues to fund the CAs operating and capital costs and the Greenlands Securement reserve from Region of Peel tax and utility rate. The contribution from the utility rate has not increased from the 2008 amount budgeted. Therefore, the increase has been applied to the tax rate.

2009 Projection:

By virtue of the CAs Act, municipalities must remit the full funding levied by the CAs on an annual basis. This results in a zero variance.

Conservation – 2010 Budget Document

Section III. Performance Measurement/Benchmarking:

The Conservation program does not have measures for Ontario Municipal CAOs Benchmarking Initiative (OMBI) or Municipal Performance Measures Program (MPMP). However, Key Performance Indicators have been included in the Region of Peel, CVC, and TRCA joint Service Strategy Business Plan called Enhancing Peel’s Natural Environment which was prepared in 2007. There is one indicator for each objective. Key accomplishments have been identified for each objective.

The key indicator for the Greenlands Securement program is “target number of hectares to be secured” which is located in Appendix V, Outputs and Outcome Measures of the Internal Services 2010 Budget document due to the fact that the Greenlands Securement program operating costs are included in the Internal Services Budget.

Section IV. 2010 Base Pressures:

In order to continue supporting the Regional programs at the 2009 approved service level, there are increases to the base cost for these services in the following sections, as identified in Appendix I:

Cost of Living Increase/Inflation:

The CAs increases pertaining to operating (maintenance and administrations) costs are included in the General Levy amounts and increases to capital costs in the Special Levy amounts. See chart below:

Summary of Funding for CAs

Peel's portion of Conservation Authorities' Budgets	Budget 2008	Budget 2009	Proposed 2010	Increase of 2010 Proposed over 2009 Budget	
	\$000's	\$000's	\$000's	\$000's	%
CVC - Levy					
General Levy	5,100	5,396	5,712	316	5.9
Special Levy	7,642	8,727	8,986	259	3.0
CVC - Total Levy	12,742	14,123	14,698	575	4.1
TRCA - Levy					
General Levy*	1,307	1,359	1,413	54	4.0
Special Levy	9,748	10,380	10,958	578	5.6
TRCA - Total Levy	11,055	11,739	12,371	632	5.4
Halton - Levy					
General Levy	309	342	354	12	3.5
Special Levy	20	21	21	0	0.0
Halton - Total Levy	329	363	375	12	3.3
TOTAL FUNDING	\$24,126	\$26,225	\$27,444	\$1,219	4.6

*Note: TRCA past budgets have been adjusted to reflect Board approved amounts

Conservation – 2010 Budget Document

The \$1.2 million increase is due to the following requests from the three CAs:

- The \$575 thousand increase for CVC is comprised of changes in two areas funded by General Levy and one area funded by Special Levy. The main driver for the increase in the General Levy is salary driven. Salary increases for existing staff include the cost of movement within the salary plan and impact of cost of living. In addition, there is an annualization portion for thirteen new staff hired during 2009 and an amount for one new full time staff member and three contract staff to be hired in 2010. The second driver for the General Levy increase is an expected deficit in plan review fees. The main driver for the increase in Special Levy is an increase in capital expenditures in the categories of Water and Climate Change.
- The \$632 thousand increase for TRCA is due mainly to an increase in Infrastructure category of capital expenditures for the Heart Lake Master Plan Implementation project. This plan has been approved by the TRCA Board and endorsed by the Region of Peel and the municipalities of Brampton and Caledon and this project has secured Recreation Infrastructure Canada funding. The other driver to the increase is a minimal increase for salary costs (cost of living and inflation).
- The \$12 thousand increase for CH is due to an increase in their legal fee budget to administer provincial regulations, violations and Ontario Municipal Board (OMB) hearings.

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Not applicable.

Section VI. Challenges and Emerging Trends:

The Region of Peel, CVC and TRCA prepared a joint Service Strategy and Business Plan (SSBP) during 2007. The mandate of the joint SSBP, “Enhancing Peel’s Natural Environment” is:

The Region of Peel/CVC/TRCA, in accordance with their individual mandates, will enhance collaboration to ensure that present and future generations live in a sustainable Region where they enjoy a healthy natural environment.

The joint SSBP identified that CAs are faced with several challenges and emerging trends such as:

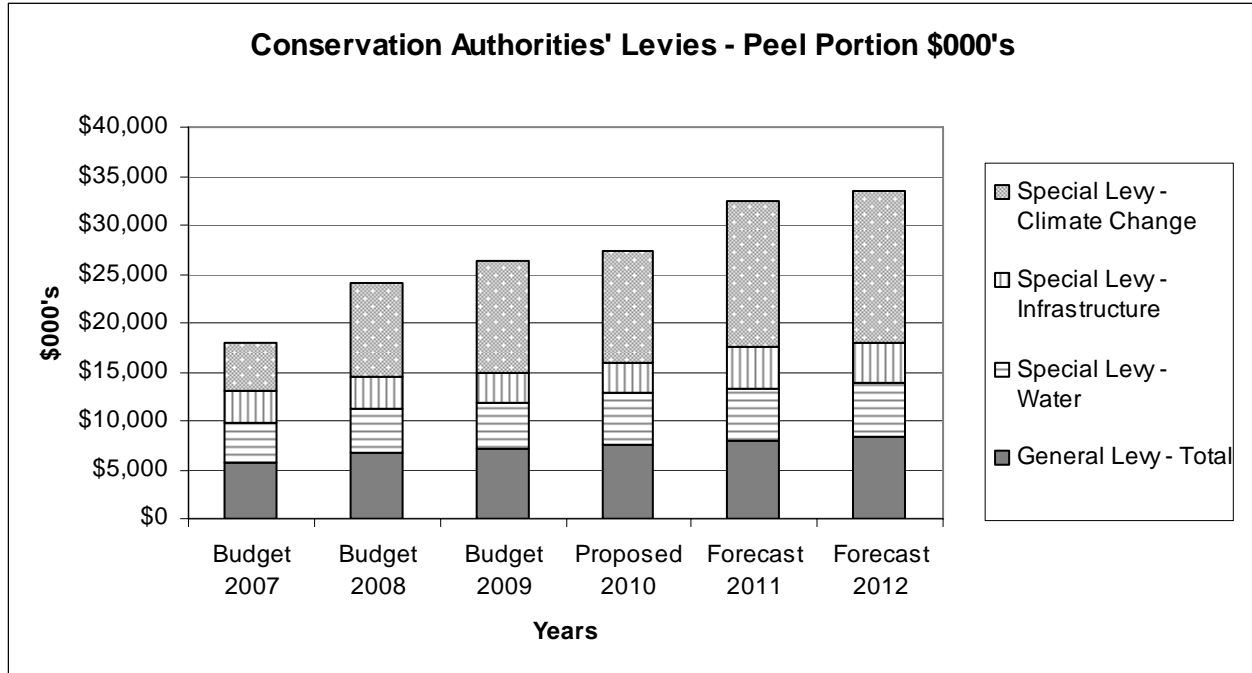
- Lack of integrated provincial and national level strategies towards a long term vision for the environment
- Due to multiple demands on tax dollars, environmental issues are in competition with other priorities (e.g. health care and education)
- Competing demands on land to accommodate growth could be at the expense of the environment

The six agreed upon objectives outlined in the SSBP are as follows:

1. To protect, enhance and restore the quality and quantity of water
2. To respond to the issues of climate change
3. To promote a culture of conservation
4. To protect, enhance and restore natural environment and resources
5. To achieve long-term stable funding
6. To manage growth and change.

Conservation – 2010 Budget Document

One of the financial challenges for the Region of Peel has been funding the CAs enabling them to carry out their objectives. As per the graph below, the remittances to the CAs are on the rise.



The increase in cost for the Conservation program from 2007 to 2010 totals \$9.4 million. Funding for the Conservation program is provided from the Tax and the Utility Rate. The contribution from Utilities in the amount of \$16 million has been included in the 2010 Budget. This amount has not changed since 2008. Therefore subsequent increases have been added to the Tax rate.

The CAs also have future plans for Greenlands Securement that will possibly exceed available funding at the Region. Properties brought forward to the Greenland Securement Subcommittee will need to be reviewed to ensure the funding is leveraged in the best interest of the Region’s residents.

Section VII. 2010 Program Pressures – Current:

Subsidy and Fee Changes:

There are no contributions for both transfers to and transfers from the Conservation Reserve for the 2010 Budget.

Section VIII. 2010 New Initiatives - Current:

Not applicable.

Section IX. 2010 Program Pressures – Capital:

The CAs capital projects are not included in this section; they are reflected in the Special Levy portion of the Conservation Current Budget. This section only includes projects for the Greenlands Securement program.

Conservation – 2010 Budget Document

The Greenlands Securement project costs continue to be funded from the Greenlands Securement reserve which is funded through contributions from the Conservation Current Budget. One project in the amount of \$500 thousand has been set aside in the capital budget each year for this purpose. The details reside in Appendix II.

As of January 1st 2009, there are four Conservation capital projects that have been approved by Council. The following table lists the new capital plan for 2010 as well as the carry forward capital balance from 2009 that includes the total capital budget available for Greenlands Securement to spend in 2010.

Carry –Forward from 2009 \$'000	2010 New Capital \$'000	2010 # of Planned and New Projects	Total Capital Available \$'000	2011 – 2019 Forecast \$'000	2011 - 2019 # of New Projects
\$1,708	\$500	1	\$2,208	\$4,500	1

Section X. Future Outlook

2011 and 2012 Current Budget:

The CAs General Levy portion is expected to increase by approximately seven per cent for 2011 and five per cent for 2012. The CAs Special Levy forecast submitted requires a \$4.5 million increase in 2011 and a \$562 thousand increase in 2012. The CA's have deferred some projects due to the economy for 2010. The forecast provided would essentially provide the CA's with the funding to realize the longer term goals which have been outlined to Council previously. The trend has been that the goals and funding requests have not been pushed out further than the next year or two.

2011-2019 Capital Plan:

The capital plan for Greenlands Securement currently consists of a \$500 thousand project for each of the nine years.

Section XI. Pressures not included in 2010 Budget:

Pressures not included for Greenlands Securement funding are the value of natural lands in urban areas and potential projects costing more than available funds in the reserve.

Appendices:

Appendix I	2010 Current Pressures
Appendix I(a)	2010-2012 Special Levy Plan
Appendix II	2010 Capital Overview
Appendix III	2010 New Capital Detail
Appendix IV	Ten Year Capital Plan
Appendix V	Output/Outcome Measures – N/A
Appendix VI	2010 CVC Budget Document
Appendix VII	2010 TRCA Budget Document

**APPENDIX I
CONSERVATION AUTHORITIES
2010 CURRENT PRESSURES (\$'000)**

	Conservation Authorities				
	Gross Expenditures	Recovery from Utility Rate	Total Expenditures	Total Revenue	Net Cost
2009 Revised Cost of Service	27,026	16,028	10,998	284	10,714
Annualizations - Section IV					
<i>Subtotal</i>			-	-	-
Cost of Living Increase/Inflation - Section IV					
CVC General & Special Levy increase	575		575		575
TRCA General & Special Levy increase	632		632	-	632
CH General & Special Levy increase	12		12	-	12
<i>Subtotal</i>	1,219	-	1,219	-	1,219
Efficiencies - Section V					
<i>Subtotal</i>			-	-	-
2010 Base Changes	1,219	-	1,219	-	1,219
Growth - Section VII					
<i>Subtotal</i>			-	-	-
Service Demand - Section VII					
<i>Subtotal</i>			-	-	-
Subsidy and Fee Changes - Section VII					
No Contribution to Reserve	(302)		(302)		(302)
No Contribution from Reserve			-	(284)	284
<i>Subtotal</i>	(302)	-	(302)	(284)	(18)
2010 New Pressures	(302)	-	(302)	(284)	(18)
Total 2010 Pressures	917	-	917	(284)	1,201
2010 Recommended Cost of Service	27,943	16,028	11,915	-	11,915

APPENDIX I(a)
CONSERVATION AUTHORITIES
SPECIAL LEVY PLAN

CA Special Levy Plan (\$'000)

Project #	Description	2010	2011	2012
Studies, monitoring and works				
Projects related to watershed quality and sustainability.				
10- 1615 TRCA	Flood Control Works	520	473	464
10- 1620 TRCA	Class Environmental Asses & Permits	280	290	300
10- 1625 CVC	Brampton Effectiveness Monitoring	193	214	217
10- 1631 CVC	Mapping Updates	330	385	395
10- 1632 TRCA	York/Peel/Durham/Toronto Groundwater Studies	125	130	130
10- 1639 CVC	Subwatershed Studies	462	276	276
10- 1640 CVC	Peel Rural Water Quality	132	152	155
10- 1650 TRCA	Terrestrial Natural Heritage Program	190	183	144
10- 1660 TRCA	Watershed/Subwatershed Planning	275	261	295
10- 1670 CVC	Terrestrial Model & Goods & Serv (Watershed Monitoring)	362	402	409
10- 1686 TRCA	Natural Heritage Regeneration Projects	623	631	656
10- 1690 TRCA	Sustainable Communities	814	839	750
10- 1696 TRCA	Regional Watershed Monitoring and Reporting	355	370	387
10- 1697 CVC	Peel Green Cities Initiative	304	317	329
10- 1699 CVC	Credit River Water Management Strategy	368	403	417
Totals For:	Studies, monitoring & works	5,333	5,326	5,324

Infrastructure & Administration

Projects related to the conservation areas located within regional boundaries.

10- 3103 CVC	Infrastructure Maintenance & Upgrades	664	933	960
10- 3201 CH	Halton Capital Works - General	21	22	22
10- 3301 TRCA	Major Facilities Retrofit	80	92	103
10- 3302 TRCA	Public Use Infrastructure	41	46	48
10- 3303 TRCA	Campground and Conservation Area Improvement	325	400	400
10- 3305 TRCA	Washroom Upgrades	100	105	110
10- 3306 TRCA	Conservation Land Planning	987	1,164	1,164
10- 3307 TRCA	Data Management and Information Technology	46	57	60
10- 3309 TRCA	Living City Centre at Kortright	175	175	175
10- 3311 TRCA	Heart Lake Plan Implementation	697	695	704
10- 3312 TRCA	Administrative Office Design/Build	-	462	462
Totals For:	Infrastructure & Administration	3,136	4,151	4,208

Climate Change/Mitigation

Proj Projects relating to Climate Change/Mitigation.

10- 3401 CVC	Environmental Education and Outreach	768	807	832
10- 3402 CVC	Urban Subwatershed Restoration Projects	1,894	2,584	2,710
10- 3404 CVC	Emergency Preparedness	380	587	600
10- 3405 CVC	Urban Watershed Impact Monitoring	269	342	346
10- 3406 CVC	Stewardship/Ecosystem Projects	1,734	2,433	2,383
10- 3407 CVC	Lands Core 10 Ecosystems Projects	615	615	615
10- 3408 CVC	Natural Heritage Ecosystem Projects	510	906	975
10- 3416 TRCA	Pearson Eco-Park Industrial	350	350	350
10- 3417 TRCA	Claireville Programming & Infrastructures	250	75	75
10- 3418 TRCA	Flood Channel Restoration & Remedial Capital Works	100	125	125

APPENDIX I(a)
CONSERVATION AUTHORITIES
SPECIAL LEVY PLAN

CA Special Levy Plan (\$'000)

Project #	Description	2010	2011	2012
10- 3419	TRCA Peel Spills Prevention and Response	75	75	0
10- 3420	TRCA Centreville Creek Implementation	100	200	200
10- 3421	TRCA Watershed Response Plans	0	20	25
10- 3423	TRCA Water Balance Guidelines	0	0	30
10- 3424	TRCA Stormwater Management Pond Retrofits	0	325	400
10- 3425	TRCA Erosion and Remedial Capital Works	500	600	600
10- 3426	TRCA Audubon Certification for CA's	300	300	300
10- 3427	TRCA Headwater Small Tributaries Guidelines	75	75	50
10- 3428	TRCA Stewardship Partnership Services	150	150	150
10- 3429	TRCA Habitat Restoration	1,330	1,615	1,755
10- 3430	TRCA Urban Canopy	25	0	0
10- 3431	TRCA Albion Hills Environmental Weeks	100	100	200
10- 3432	TRCA Sustainable Neighbourhoods Plan	200	250	250
10- 3433	TRCA Green Buildings Council	110	115	125
10- 3434	TRCA Climate Science Applications	150	155	160
10- 3435	TRCA Communications/Marketing Projects	100	75	75
10- 3436	TRCA EcoSchool Expansion	325	325	325
10- 3437	TRCA Community Transformation Programs	325	325	350
10- 3438	TRCA Sustainable Technologies	160	165	170
10- 3439	TRCA Albion Hills Field Centre Retrofit & Renovations	275	525	525
10- 3440	TRCA Flood Remedial Works	100	500	600
10- 3441	TRCA Claireville Eco-System Restoration	175	100	75
10- 3442	TRCA Living City Report Card	50	50	0
10- 3443	TRCA Greater Toronto Atmospheric Fund	0	111	111
Totals For: Global Warming/Climate Change Mitigation		11,495	14,980	15,487
TOTAL CA Special Levy Plan		19,964	24,457	25,019

Note: 2010 Total CA Special Levy Plan amount does not match budget due to rounding in the Studies, monitoring & works section.

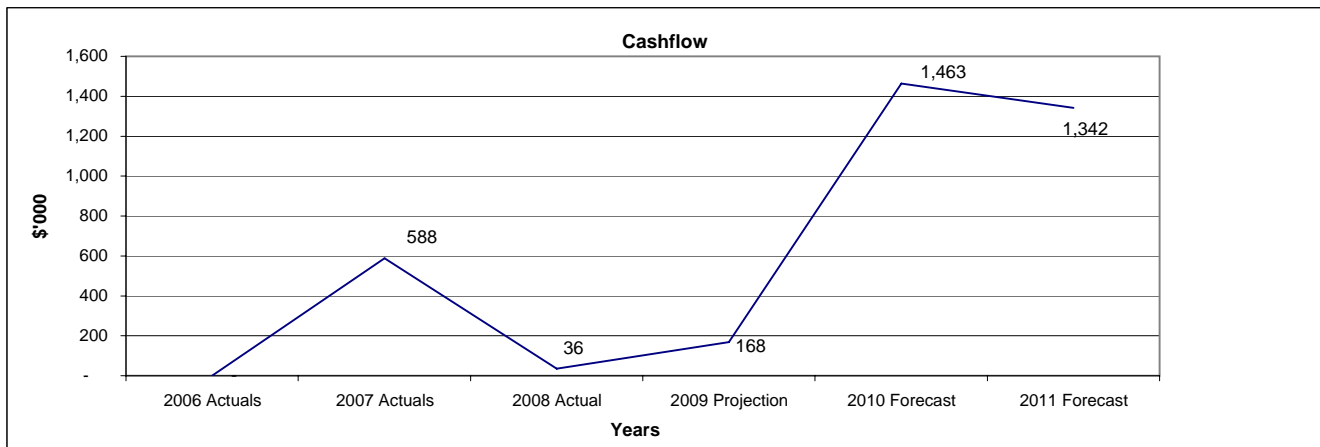
**APPENDIX II
CONSERVATION AUTHORITIES
2010 CAPITAL OVERVIEW (\$'000)**

Greenlands Securement Capital	Capital Budget	
	Number of Projects	Total Budget
Carry Forward: January 1, 2009	3	1,376
Additions:		
2009 Capital Plan - Greenlands Securement		
New 2009 Projects	1	500
New funding to Existing Projects		
In year Approvals (i.e. Council Approved, Redeployments)		
Subtractions:		
Budget Reductions		
Closed Projects		
Expenditures to September 30, 2009		(152)
Subtractions: Projections from October 1 - December 31, 2009		
Closed Projects		-
Expenditures		(16)
Balance: December 31, 2009	4	1,708
Additions:		
New Proposed 2010 Capital Plan		
New 2010 Projects	1	500
New funding to Existing projects		
Balance: January 1, 2010 with approval	5	2,208
Subtractions:		
Projected 2010 Cashflow		1,463
Projected Balance: December 31, 2010		745

Comments on Changes in Funding:

Eventhough, the Greenlands Securement program started in 2006, spending started in 2007 due to the time required for each securement project to be approved. The spending for 2008 was very low due to lack of staffing. Approvals and spending are back on track for 2009. Of the December 2009 balance, about \$1,083,000 has been earmarked for specific acquisition projects. Of note is the fact that requests out weigh available funds.

Note: Conservation authority project costs are included in the Special Levy amounts.



**APPENDIX III
CONSERVATION AUTHORITIES
2010 NEW CAPITAL DETAIL**

2010 Financing Sources and Funding Status (\$'000)

2010 Funding Status:
Approved or Pending

(A/P)



Project #

Project Name

Ward

<i>2010</i>			
<i>Total Expense</i>	<i>Funding</i>		<i>DCA</i>
	<i>External</i>	<i>Internal</i>	

Infrastructure & Administration
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A	10-3310 CONSERVATION LAND SECUREMENT	Peel	500	0	500	0
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<i>Totals for Budget Year: 2010</i>	500	0	500	0
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APPENDIX IV
CONSERVATION AUTHORITIES
TEN YEAR CAPITAL PLAN

Ten Year Combined Capital Program (\$'000)

<u>Sub Type</u>	<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Yrs 6-10</u>	<u>Gross</u>
Infrastructure & Administration								
Projects related to the conservation areas located within regional boundaries. The conservation areas are: Credit Valley Conservation, Conservation Halton, and Toronto and Region Conservation Authority.								
10-3310	CONSERVATION LAND SECUREMENT FUNDING TO ALLOW FOR THE PROTECTION OF KEY NATURAL HERITAGE FEATURES, FUNCTIONS AND ATTRIBUTES USING A RANGE OF TOOLS, INCLUDING BUT NOT LIMITED TO PLANNING POLICY; STEWARDSHIP; MONITORING; AND ACQUISITION THROUGH BEQUESTS, EASEMENTS, DONATIONS OR PURCHASE.	500	500	500	500	500	2,500	5,000
10 Year Totals For: CONSERVAUTH		500	500	500	500	500	2,500	5,000
Totals for 10 Year Capital Plan:		500	500	500	500	500	2,500	5,000

REPORT

The purpose of this report is to provide the Region of Peel with additional information on Credit Valley Conservation Authority's (CVC) 2010 Budget request. This report contains the following sections: 2010 Total Budget for CVC, the total Levy being requested by CVC, Peel's share of the 2010 CVC Levy, CVC Forecast information, CVC Reserve information, and 2010 CVC Budget Pressures and Issues.

2010 CVC TOTAL BUDGET

The following table summaries CVC's 2010 Total Proposed Budget.

CVC TOTAL BUDGET \$000's	2009 Budget	2010 Budget	Budget/Budget	
			\$ Change	% Change
EXPENDITURES				
OPERATING	\$ 12,010	\$ 13,268	1,258	10.50
CAPITAL	19,494	15,218	(4,276)	(21.90)
CVC TOTAL EXPENDITURES	\$ 31,504	\$ 28,486	(3,018)	(9.60)

The CVC's 2010 proposed operating and capital budget totals \$28.5 million, which results in a decrease in expenditures of 9.6 per cent over the 2009 budget. There is a 9.9 per cent increase to the CVC Total Budget of \$1.1 million (total of \$852 thousand for Operating Expenditures and \$276 thousand for Capital Expenditures as shown in the two charts below) for Personnel Services which is 55 per cent attributed to salary increases for existing staff both as movement with the salary plan and impact of cost of living. Another 33 per cent of this increase is attributable to annualization cost for staff (13) hired during 2009 and the balance accounts for the four staff planned to be hired in 2010. This increase is more than offset by the reduction in purchased services planned for 2010.

Revenue for CVC's budget totals \$28.5 million of which 21.9 per cent is funded from the General Levy, 6.4 per cent is funded from the Capital Levy (based on current value assessment) and 26.9 per cent is funded from the Special Benefiting Levy. Another 14.5 per cent is provided by mortgage financing provided by the Region of Peel for the head office addition currently being constructed. The balance of revenue is received from self generated revenue such as user fees, tree planting fees, regulation fees, plan review fees and property rentals, Government grants and other revenue including, interest income and donations, which represents an increase of 30.3 per cent.

The total CVC operating budget is \$13.3 million, 10.5 per cent over 2009. The operating revenue and expenditure details, including funding sources are noted in the chart below:

**APPENDIX VI
2010 CVC BUDGET DOCUMENT**

CVC Operating Expenditures \$000's	2009	2010	Budget/Budget	
	Budget	Budget	\$ Change	% Change
Personnel Services	\$ 8,262	\$ 9,114	852	10.32
Materials & Supplies	926	979	53	5.68
Purchased Services	2,348	2,502	154	6.54
Minor Capital	43	215	172	401.04
Internal Chargebacks	431	458	27	6.14
Total CVC Operating Expenditures	\$12,010	\$13,268	1,258	10.47
Funding of Operating Expenditures (all sources) \$000's	2009	2010	Budget/Budget	
	Budget	Budget	\$ Change	% Change
User Fees	\$ 1,376	\$ 1,895	519	37.75
Provincial Funding	185	185	-	-
Municipal Funding	5,886	6,240	354	6.01
Other Grants and Program Funding	357	306	(51)	(14.29)
Transfer from Reserves	98	275	177	180.81
Internal Chargebacks	4,108	4,367	259	6.30
Total CVC Funding for Operations	\$12,010	\$13,268	1,258	10.47

The total CVC capital budget is \$15.2 million and this has decreased by 21.9 per cent over 2009 mainly due to a reduction in Purchased Services. The capital revenue and expenditure details, including funding sources are noted in the chart below:

CVC Capital Expenditures \$000's	2009	2010	Budget/Budget	
	Budget	Budget	\$ Change	% Change
Personnel Services	\$ 3,034	\$ 3,310	276	9.06
Materials & Supplies	2,275	1,867	(408)	(17.91)
Purchased Services	10,860	6,738	(4,122)	(37.96)
Internal Chargebacks	3,325	3,303	(22)	(0.65)
Total CVC Capital Expenditures	\$19,494	\$15,218	(4,276)	(21.94)
Funding of Capital Expenditures (all sources) \$000's	2009	2010	Budget/Budget	
	Budget	Budget	\$ Change	% Change
User Fees	\$ 248	\$ 301	53	21.40
Provincial Grants	141	181	40	28.01
Municipal Funding	9,694	9,487	(207)	(2.13)
Debt Financing	6,590	4,129	(2,461)	(37.35)
Other Grants and Program Funding	87	93	6	6.84
Transfer from Reserves	2,734	1,027	(1,707)	(62.44)
Total CVC Funding for Capital	\$19,494	\$15,218	(4,276)	(21.94)

2010 CVC TOTAL LEVY REQUEST

The CVC's municipal funding request is divided into three levies: General Levy and Capital Levy (special levy shared by all municipal funders) shares are based on apportionment and Special Benefiting Levy is based on the benefiting municipality in which the project is undertaken.

**APPENDIX VI
2010 CVC BUDGET DOCUMENT**

The CVC's total 2010 Municipal Levy request is \$15.7 million. This is composed of \$6.2 million for the General Levy, \$1.8 million for the Special Levy based upon Municipal Apportionment and \$7.7 million for the Special Levy directly assessed to the benefitting municipality, resulting in an increase of 0.9 per cent over 2009 for the General, Capital and Special Levies combined.

On a positive note as mentioned above, the total 2010 Municipal Levies is increasing by only 0.9 per cent while the self generated revenue is increasing by 35.3 per cent or \$572 thousand over the 2009 budget, primarily due to the anticipation of increased planning application review revenue. The Region of Peel and City of Brampton are both providing on-going additional funding to address environmental assessment purposes. The developer community have also provided strong indications that new residential development will increase in the very near future in Brampton.

Total CVC General Levy	2010			
Per cent Share of Total Municipal Levy and Funding based on Apportionment	Apport.%	2010	\$	%
	CVA	Apport.	Change	Change
Halton Region	4.8325	\$ 301,548	\$ 20,628	7.30
Peel	91.5348	5,711,758	315,892	5.90
Amaranth	0.0118	734	72	10.80
East Garafraxa	0.0657	4,098	561	15.80
Erin	0.7161	44,684	4,321	10.70
Mono	0.1133	7,073	618	9.60
Orangeville	2.7258	170,092	11,583	7.30
TOTAL	100.00	\$ 6,239,987	\$ 353,675	6.00

The General Levy which covers CVC's operating expenditures is increasing by \$354 thousand or 6 per cent. The Capital Levy for 2010 is increasing by \$54 thousand or 3 per cent and is composed of capital items including ongoing studies in the areas of subwatershed studies, natural heritage programs, terrestrial watershed monitoring projects, infrastructure major maintenance and dam major maintenance.

PEEL'S SHARE OF THE 2010 CVC LEVY

Peel Region's total share of the Municipal Levy is \$14.7 million, which is comprised of \$5.7 million for the General Levy, \$1.7 million for the Special Levy (projects commonly shared by all municipal funders) and \$7.3 million for the Special Benefiting Levy which is made up of the following 12 projects:

- Terra Cotta Education Centre Renovation Project (50 per cent shared with Region of Halton)
- Brampton Effectiveness Monitoring
- Credit River Management Strategy Implementation
- Peel Rural Water Quality
- Green Cities
- Urban Subwatersheds
- Emergency Preparedness
- Impact Monitoring
- Stewardship Ecosystem projects
- Natural Heritage Ecosystem projects
- Core 10 Properties
- Environmental Education.

**APPENDIX VI
2010 CVC BUDGET DOCUMENT**

Due to a CVA shift, the Region of Peel apportionment per cent for 2010 has been reduced from 91.6680 per cent for 2009 to 91.5348 per cent for 2010. This reduction results in a \$10,740 savings to the General Levy for Region of Peel.

Total Levy Request – Peel’s share \$000’s	2009 Budget	2010 Budget	Budget/Budget	
			\$ Change	% Change
General Levy	\$ 5,396	\$ 5,712	316	5.90
Capital Levy based on share per apportionment	1,621	1,668	47	2.90
Special Levy	7,105	7,317	212	3.00
TOTAL Peel Levy Request	\$ 14,122	\$14,697	575	4.10

CVC FORECAST

The General Levy is forecasted to increase 8.2 per cent in 2011 and 5.3 per cent in 2012, primarily due to increased costs associated with operating costs (including debt repayment) for the head office addition. In order to achieve a six per cent increase, the use of operating surplus might be a requirement if self generating revenue is not forthcoming or other cost cutting measures are not effective. CVC’s long-term plan is to keep the General Levy at or under a 6 per cent increase.

The 2010 Budget includes an amount of \$4.2 million (to be received in 2010) for mortgage financing provided by the Region of Peel to fund construction of the addition to the CVC head office which began in 2009. The repayment to Peel is not planned to start until 2011 when the building is anticipated to be completed and occupied. The impact of the repayment is expected to be partially offset by a reduction in lease cost payments and as indicated above does have an impact to the General Levy.

CVC RESERVE INFORMATION

The CVC has nine specific reserves with a total balance of \$393 thousand as of January 1, 2009. In addition, CVC has operating fund balance not classified as specific reserve with a balance of \$1.5 million as of January 1, 2009. This fund is utilized by CVC as a General Levy stabilization fund and the 2009 budget reflected a requirement of \$87 thousand to achieve its 6 per cent maximum increase for 2009. Current projects appear to indicate that this deficit maybe as high as \$290 thousand due to the slowdown in subdivision applications.

2010 CVC BUDGET PRESSURES AND ISSUES

The Current budget document includes an amount of \$ 893 thousand in plan review fees which may or may not be collectible. In 2009 CVC has collected \$450 thousand to date with a budgeted expectation of \$730 thousand which may not be attainable in the current economy. And there are a number of major unknown and unfunded activities such as Ontario Municipal Board (OMB) issues such as the Rockfort Quarry.

Submitted by:
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REPORT

The purpose of this report is to provide additional information pertaining to the Region of Peel's portion of Toronto and Region Conservation Authority (TRCA) 2010 Budget. This report contains the following sections: Region of Peel's share of TRCA's budget, TRCA's revenue sources and expenditures, information pertaining to the three categories of capital projects including the Region of Peel's Special levy amounts, details of the Region of Peel's share of TRCA operating expenditures, and the 2010 TRCA Budget pressures and issues.

SUMMARY OF PEEL'S SHARE OF TRCA BUDGET

TRCA staff have consulted with Region of Peel staff during the preparation of the 2010 capital and operating budget. All projects meet the objectives of the Region of Peel/Credit Valley Conservation/Toronto and Region Conservation Service Strategy Business Plan (SSBP). The following Figure 1 summarizes the 2009 approved budget, the 2010 proposed budget and the 2011 forecast budget.

PEEL'S SHARE OF TRCA BUDGET \$000's	Approved 2009	Proposed 2010	\$ Change	% Chg	Forecasted 2011
Watershed Management (Works) Capital	\$2,944	\$3,182	\$238	8%	\$3,177
Conservation Capital	\$2,006	\$2,451	\$445	22%	\$3,196
Subtotal - Capital	\$4,950	\$5,633			\$6,373
Climate Change Mitigation and Adaptation	\$5,430	\$5,325	(\$105)	-2%	\$6,706
Total Capital Levy	\$10,380	\$10,958	\$578	6%	\$13,079
Operating Levy	\$1,359	\$1,413	\$54	4%	n/a
Total Capital and Operating Levy	\$11,739	\$12,371	\$632	5%	\$13,079

Figure 1: Capital and Operating Budget Summary (includes 2009 TRCA Board adjustment)

2010 TRCA Budget Variance:

The 2010 dollar value and percentage change over 2009 is provided in Figure 1 above. A brief explanation of the budget variances is provided in the sections that follow.

2009 TRCA REVENUE SOURCES AND EXPENDITURES

Revenues for TRCA’s total budget in 2009 were \$92.6 million (Figure 2a). The Region of Peel contributed 15 per cent. The remainder came from a variety of sources including: Other Municipalities (32 per cent), Planning, Admissions and Other User Fees (23 per cent), Toronto Waterfront Revitalization Corporation (TWRC)/Land Acquisition (19 per cent), and Federal/Provincial (9 per cent) and Conservation Foundation (2 per cent).

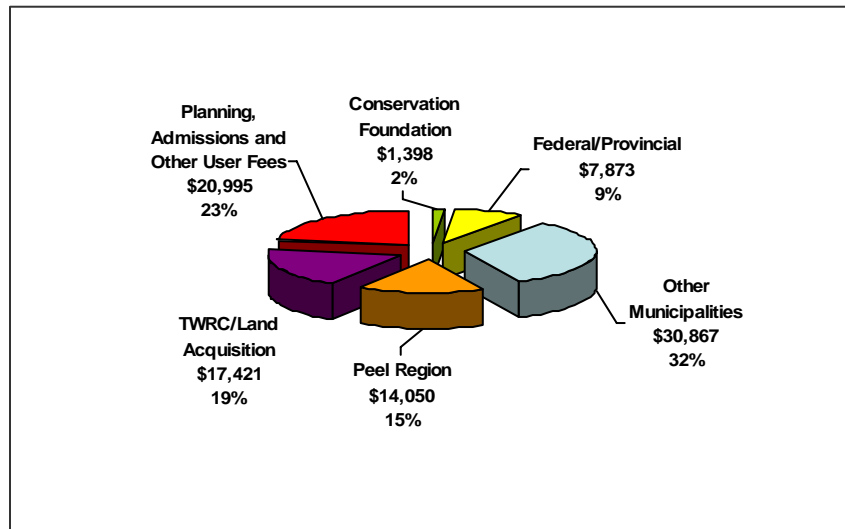


Figure 2a: 2009 Contribution Break-down by Funding Agency (in millions).

As noted in the chart below (Figure 2b), the Region of Peel is contributing 11.5 per cent of the total TRCA General Levy cost for 2009.

Total TRCA General Levy Per cent Share of Total Municipal Levy and Funding based on Apportionment	2009 Apport. % CVA	2009 Apport.	\$ Change	% Change
Adjala-Tosorontio	0.0081	\$1,886	\$141	8.10
Durham	3.1527	\$450,379	\$37,477	9.10
Toronto	65.7235	\$7,213,291	\$240,793	3.50
Mono	0.0085	\$1,137	\$47	4.30
Peel	11.5447	\$1,344,616	\$51,782	4.00
York	19.5625	\$2,360,691	\$124,260	5.60
TOTAL	100.00	\$11,372,000	\$454,500	4.20

Figure 2b: 2009 Total TRCA General Levy apportionment excluding Rouge Park \$128,800

Expenditures in 2009 included \$57.7 million in capital and \$34.9 million in operating. About 75 per cent of the operating budget is salary, wages and benefits. In terms of the \$57.7 million capital, 37.6 per cent went to TWRC and land acquisition; 12 per cent was Peel Climate Change; 15.9 per cent to flood works, erosion and regeneration; 16.4 per cent to watershed management and sustainable communities; 9.0 per cent TRCA infrastructure and 9.1 per cent to Toronto and Durham waterfront.

TRCA CAPITAL PROGRAM DESCRIPTIONS:

TRCA capital projects fall into three categories Watershed Management (Works) Capital, Conservation Capital, and Climate Change Mitigation and Adaptation Capital. With minor exceptions for capital projects shared with TRCA's other municipal partners, Peel capital spending is entirely for projects and programs in Peel Region. The following is a brief description of each of these categories including cost drivers:

WATERSHED MANAGEMENT (WORKS) CAPITAL BUDGET:

The Watershed Management (Works) capital budget is part of the TRCA base budget. There are eight programs that are described below. In 2009, programs in the Water Management (Works) capital budget received an estimated \$4.6 million from other partners. This doubled the budget provided by the Region of Peel. The Region of Peel's financial support is extremely important for leveraging other funding sources.

1. Watershed/Subwatershed Planning

There are eight components in this program generally aimed at maintaining state-of-the-art planning tools and advancing the science necessary to guide growth and ensure a robust, diverse and healthy natural environment is maintained and enhanced. Flood risk assessment and emergency planning is a priority as is preparing guidelines for floodplain management, Stormwater management and stream crossings. Mapping for regulatory and planning responsibilities will be maintained and policies will be prepared to assist municipalities with Official Plan updates and amendments. A sustainable neighbourhood retrofit action plan will be initiated which will focus all available sustainable practices on a priority neighbourhood. Water management, energy conservation, waste management, terrestrial and aquatic natural heritage, recreation and heritage elements will be targeted. Also included in the sustainable neighbourhood retrofit action plan will be a social marketing plan, financial support strategy and performance monitoring component.

2. Groundwater Management Strategy

This program continues to lead groundwater management science. Regular maintenance and upgrades are necessary to maintain the quality and usefulness of the efforts to date. The project will continue to provide data accessibility via internet for water well and borehole information. The groundwater flow model will be updated to include recharge (water infiltration into the ground). Flow and groundwater levels in Brampton Esker will be undertaken. Outputs are incorporated into Official Plans and Conservation Authority policies for improved management of groundwater.

3. Terrestrial Natural Heritage

This program ensures expertise, new information and advances in terrestrial natural science continues to be state-of-the-art, defensible and responsive to the specific needs of municipalities in terms of accessibility to data for specific partner initiatives in growth areas and greening strategies. More specifically, the program will provide specialized expertise for species recovery plans, invasive species management, urban forest assessment for climate change mitigation, and field inventory of 1,000 hectares annually. New for 2010 is an assessment of wildlife movement with respect to roads. This data will assist transportation planners in reducing wildlife mortality due to vehicle collisions.

4. Natural Heritage Regeneration Projects

This program has fifteen components aimed at implementing habitat restoration recommendations from planning documents such as watershed plans and fisheries management plans. Specific activities include 25 hectares of reforestation, 285 hectares of forest management, 7 km of streambank planting, four hectares of wetland creation, in-stream fish habitat improvement, propagation of 33 thousand units of native plants, and goose management. In 2008, for example, the TRCA planted in over 131 thousand plants in Peel Region: 38 thousand shrubs, 10 thousand deciduous trees, 10 thousand caliper trees/balled & burlapped trees, and 73 thousand coniferous seedlings.

Municipal staff are frequently consulted on their naturalization and planting projects. Therefore, duplication of effort does not occur. The expertise, objectives and work plans of each agency are shared so that projects are complementary.

5. Sustainable Communities

This program has twenty one components aimed at increasing public awareness on environmental issues to change public attitudes and behaviours resulting in more sustainable communities. These projects promote a culture of conservation and introduce watershed constituents to local natural heritage to increase community support of watershed management strategies.

Thirty thousand people will be engaged in a variety of outreach education such as Family Nature Events, Multi-Cultural Stewardship, Healthy Yards, Rural Clean Water Program, Watershed on Wheels, Yellow Fish Road and Aquatic Plants. TRCA will contribute to the successful Peel Water Festival which attracts over nine thousand visitors annually. Urban agricultural partnerships are being sought to promote local food and train new farmers in a new way of doing business. The Sustainable Technologies Evaluation projects analyze and report on new technologies such as rainwater harvesting, permeable pavement, phosphorus removal, Green heating, ventilation, and air conditioning (HVAC) systems, and solar photovoltaics.

Although the Region of Peel, CVC and TRCA are involved in many education projects, duplication of effort is not an issue. For example, the Region of Peel and TRCA staff meet annually to discuss opportunities for cooperation and cross-promoting the Region's Water Smart Outdoors and TRCA's Healthy Yards Programs. The Peel Rural Water Quality Program is a joint initiative delivered across Peel Region by staff at CVC and TRCA and is coordinated by the Region of Peel staff. TRCA and CVC work together to deliver seamless in-class and on-site conservation education programs within Peel Region.

6. Regional Watershed Monitoring and Reporting

This program provides TRCA and its partners a comprehensive, integrated and coordinated approach to environmental monitoring. This information is compiled to establish benchmarks from which trends can be detected. Data management and mapping services are provided to municipalities. The program contributes to Peel Region's environmental reporting and informs infrastructure projects. West Nile Virus is also monitored in Stormwater ponds and natural wetlands. This information is provided to the municipality to assist in detection and sickness prevention strategies.

7. Flood Control Works

Emergency preparedness plans are a mandated responsibility of the municipality. The Flood Control Works program has six components that offer the municipality a flood forecasting and warning system. Flood line mapping data is kept current which is used to reduce the risk to both life and property caused

by flooding and erosion. The program deals with necessary upgrades and repairs to dams and flood conveyance channels. It also encompasses safety reviews and the preparation of operations, maintenance and surveillance manuals for flood and erosion control facilities. The program provides erosion remedial works to protect bridges, buildings and underground utilities.

Peel Region has encountered major rainfall events which seem to occur more frequently and with greater severity than in the past. In some cases, these major rain events have resulted in temporary street and basement flooding. Temporary street flooding is sometimes the result of undersized Stormwater conveyance systems which can be old and inadequate for dealing with conditions aggravated by the effects of climate change. In some recent Stormwater management systems, temporary Stormwater storage on streets is by design to slow drainage to rivers and streams which, if left unchecked, causes excessive erosion and destruction to infrastructure and natural habitats. TRCA's flood control program does not deal directly with street and basement flooding as these two issues are the responsibility of the municipalities.

8. Environmental Assessment Review

This program supports a team of TRCA staff dedicated to the review and approval of Region of Peel capital projects to ensure work plans and timelines are met. Projects pertain to Environmental Assessment and applications related to Ontario regulations. It also ensures that service delivery standards are being met.

Cost Drivers for Increases to the Water Management (Works) Capital Budget:

- An overall increase of eight per cent (\$238 thousand) over 2009 is requested in 2010.
- \$150 thousand in upgrades to Floodline mapping and flood warning. It is a mandated responsibility of the municipalities to have emergency preparedness plans. Specific work includes upgrades to hydrologic/hydraulic models and mapping due to land use changes, evaluation of flooding impacts due to development beyond urban boundaries, upgrades and maintenance to gauging, installation of a new weather station, and improved access to all stations via the internet.
- \$50 thousand - added a Roads and Wildlife Project to understand wildlife movement, and advise transportation planning on wildlife crossing mitigation to maintain habitat connectivity as required in the Provincial Policy Statement, Official Plans and TRCA policy.
- \$40 thousand - enhanced terrestrial fixed plot monitoring to determine bird, amphibian and vegetation trends in urban, urbanizing and rural area by adding 45 additional sites.
- \$70 thousand - Environmental Assessment review of the Region of Peel projects. Salary adjustments and one half of one new position are required to meet future service delivery standards.

CONSERVATION CAPITAL BUDGET:

This capital budget is part of the TRCA base budget. There are 10 programs (Figure 3).

The general objectives of these programs are to:

- Upgrade and maintain capital assets and workplace technologies in a good state of repair;
- Demonstrate corporate commitment to sustainable communities through energy and water conservation, waste reduction and recycling and state-of-the-art construction technologies;

**APPENDIX VII
2010 TRCA BUDGET DOCUMENT**

- Provide safe, healthy and productive working conditions for staff; and
- Respond to customer expectations at TRCA public recreation and education facilities which will increase revenues.

Conservation Capital Projects \$000's	Approved 2009	Proposed 2010	Forecasted 2011
Major Facilities Retrofit	\$69	\$80	\$92
Kortright Centre / The Living City Campus	\$175	\$175	\$175
Public Use Infrastructure	\$35	\$41	\$46
Conservation Centre Design/Build	\$115	\$0	\$462
Washroom Upgrades	\$100	\$100	\$105
Campground & Conservation Areas Improvements	\$318	\$325	\$400
Heart Lake Master Plan Implementation	\$140	\$697	\$695
Conservation Land Care	\$993	\$972	\$1,149
Conservation Open Space	\$14	\$15	\$15
Data Management and Information Technology	\$47	\$46	\$57
Total	\$2,006	\$2,451	\$3,196

Figure 3: Conservation Capital Budget Summary between 2009 and 2011

The specific nature of each conservation capital program is described below:

1. Major Facilities Retrofit *- maintenance and retrofits to Head Office and Boyd Office
2. Kortright Centre *- solar and thermal demonstrations and repairs to the visitor centre
3. Public Use Infrastructure *- barrier free retrofits, defibrillator purchase, road repairs and picnic shelter upgrades
4. Conservation Centre Design/Build *- new Administrative Office design, cost estimate, and zoning application
5. Washroom Upgrades - upgrades and retrofits of washrooms at Albion Hills and Heart Lake Conservation Areas
6. Campground & Conservation Areas Improvements - energy conservation plans and implementation, point of sale software system purchase, pool repairs at Indian Line Campground, and Albion Hills Campground store assessment and redesign

7. Heart Lake Master Plan Implementation - administrative center design development, road repairs, workshop renovations
8. Conservation Land Care - 3,765 hectares (9,412 acres) or 23 per cent of TRCA land is in Peel Region. Budgets are directed at boundary fencing, illegal dumping, hazard tree removal, permitted use signs, trail decommissioning, management plan preparation, inventory of cultural heritage landscapes, archaeological investigations, First Nations consultations and related community outreach
9. Conservation Open Space * - assists with costs related to obtaining property rights through donations, easements and land exchanges such as legal, survey, registration and appraisal fees
10. Data Management and Information Technology*- ongoing upgrades to servers, network devices, and computers to improve staff efficiencies and knowledge management

* Cost shared with TRCA municipal partners using CVA

Cost Drivers for Increases to the Conservation Capital Budget:

- An overall increase of \$445 thousand (22 per cent) over 2009 is requested in 2010.
- The increase is due, in large part, to aggressively implementing the Heart Lake Master Plan which has been endorsed by the Region of Peel and municipalities of Brampton and Caledon. Actions are needed to address public use demands, land management issues and to enhance the environmental quality of the area. Additional funding will assist with meeting the Audubon Cooperative Sanctuary Program, an education and certification program that will help TRCA protect the environment in a popular recreational area as well as enhance the financial bottom line of the organization leading to more self sufficiency.

PEEL CLIMATE CHANGE MITIGATION AND ADAPTATION BUDGET

Following much research and analysis, the Intergovernmental Panel on Climate Change (IPCC), the leading international body charged with deciphering what climate change holds for our future, concludes that the “warming of the climate system is unequivocal” (IPCC, 2007), and continued warming is projected for our future.

For most of Canada, this translates into temperature increases both on a seasonal basis, with winters warming more than summers, and on a daily basis, with evenings warming more than days. Along with increased warming, Canada is expected to experience changes in precipitation patterns, changes in climate variability, and shifts in the frequency and intensity of extreme climate events. (NRCan, 2004).

At a region level, the Great Lakes and Southern Ontario can expect annual temperature increases of about 2° to 5° Celsius, and increased precipitation in the range of 15 per cent. Yet despite increased precipitation, the Great Lakes could experience a mean annual water level decline of about 1 metre by the middle of this century (NRCan, 2006).

Locally, climate change brings home the very important message of conservation, which is the foundation of the TRCA’s vision: *The Living City*. Acceptance that current warming is the result of

excessive burning of fossil fuels, conservation becomes an important strategic direction for future thoughts and actions. However, action needs to be taken soon and quickly.

On a watershed scale, some of the expected effects of climate change include:

- Increased risk of extreme and erratic weather
- Increased risk of heavy-rapid rainfalls
- Increased risk of flooding and drought events
- Increased risk for bank erosion
- Increased risk for flooding and erosion
- Increased water turbidity, decreased water quality
- Increased stress on aquatic and terrestrial biodiversity
- Increased stress on water management structures and municipal infrastructure

Looking forward, TRCA appreciates that climate change will exacerbate the stresses already present in our watersheds. Therefore, the TRCA believes that a comprehensive understanding of climate trends and projections is important in developing mitigative and adaptive strategies to help cope with the change.

TRCA’s Climate Change Mitigation and Adaption budget helps accelerate high priority watershed management projects which assist the Region of Peel and its partners in meeting existing targets quicker. This budget is divided into three programs; Water Management, Ecosystem Management, and Education & Sustainable Community. The proposed 2010 budgets and percentage change over 2009 are provided in Figure 4.

Climate Change Capital Projects \$000's	Approved 2009	Proposed 2010	\$ Change	% Chg	Forecasted 2011
Water Management	\$1,395	\$850	(\$545)	-39%	\$1,720
Ecosystem Management	\$2,130	\$2,330	\$200	9%	\$2,440
Education & Sustainable Community	\$1,905	\$2,145	\$240	13%	\$2,546
Total	\$5,430	\$5,325	(\$105)	-2%	\$6,706

Figure 4: Peel Climate Change Capital Budget Summary between 2009 and 2011

I. Water Management Program

There are five projects in this program. The focus is on accelerating water management projects already described above in the Watershed Management (Works) base budget. The primary objective is protecting human life, personal property, and municipal infrastructure due to severe precipitation events expected in the future.

1. Flood Channel Remediation - proactive treatment including naturalization of flood channels reaching the end of their normal life expectancy to avoid piecemeal emergency prescriptions.

2. Flood Remedial Works - conduct flood risk assessments, consider mitigation options, and work with municipalities to identify and implement priority flood remedial works.
3. Erosion and Remedial Capital Works - design and implement high priority erosion control works to protect private and municipal property and structures.
4. Spills Prevention and Response - spills occur in epidemic proportions which severely degrade water quality. This project will produce a web-based responder tool and geo-referenced database to identify catchment areas for the tracking of the sources of spills to assist with subsequent containment and clean-up.
5. Headwater Small Tributary Guidelines - up to 80% of a watershed's drainage consists of small headwater watercourse features. The effect of eliminating these headwater features on flow regulation and the productive capacity of a watershed is investigated.

Cost Drivers for Decreases to the Climate Change Water Management Program Budget:

- A decrease of \$545 thousand over the 2009 capital budget is due primarily to the removal of Stormwater management pond and outfall retrofits.

II. Ecosystem Management Program

There are seven projects in this program. The primary objective is to accelerate “in-the-ground” work already described in the Watershed Management capital base budget. The projects are aimed at protecting and enhancing terrestrial and aquatic habitats. Recommended projects come from the watershed management plans and other science based documents, in part, funded by the Region of Peel. In other words, actions are following a strategic approach in priority areas to maximize effect. The projects have many benefits not the least of which is the mitigation and adaptation of climate change such as more carbon sequestration, reduction of heat island effect, and enhancement of biodiversity for long term environmental resilience. The magnitude of required eco-system management is huge. For example, with respect to forest establishment, it is estimated that to reach the forest cover target in the Humber, Etobicoke and Mimico watersheds, an investment of over \$25 million will be required. However, forest cover is just one element of a healthy city region. One must also consider other components and the total investment required to protect and improve the basic elements for survival such as water and healthy living space.

1. Urban Forest Canopy - determines the form, function and value of existing urban forests in terms of climate change regulation, pollution reduction, water management, energy use reduction and vulnerability to disease and pests.
2. Claireville Eco-system Restoration - invasive species removal, wetland creation, reforestation and streambank planting.
3. Claireville Programs and Infrastructure – a large part of this 840 hectare (2,100 acre) property in Brampton has been closed since the early 1990's and, as a result, has not been actively managed. A large urban community has grown around the property and this demands serious action to protect the integrity of this greenspace and make it available for limited public use. This project will assist in the “Opening of Claireville” yet maintain a natural environment management philosophy.

4. Habitat Restoration – includes fourteen projects - forest management on TRCA and private lands, including the preparation of management plans, forest tending, reforestation, wetland management and riparian planting.
5. Centerville Creek Implementation - implementing the recommendations of the subwatershed study - wetland creation, reforestation, streambank planting on private and public land in this priority subwatershed of the Humber in the Town of Caledon.
6. Audubon Certification - transforms Parks and Culture facilities into sanctioned Audubon facilities through best management practices including energy use reduction, water conservation, waste management, and natural environment improvements.
7. Stewardship Partnership Services - collaboration with Credit Valley Conservation in offering enhanced community-based outreach education projects.

Cost Drivers for Increases to the Climate Change Ecosystem Management Program Budget:

- An increase of \$200 thousand over the 2009 capital budget is primarily for expanded in-the-ground habitat management activities.

III. Education – Sustainable Community Program

Increasing the culture of conservation in the population is imperative to achieving sustainable community objectives in the long term. There are eleven projects in this program. They enhance and accelerate those projects identified above in the Sustainable Communities Program of the base budget.

1. Pearson Eco-Industrial - Partners in Project Green is an initiative that aims to transform the industrial area surrounding Toronto Pearson airport into an internationally recognized eco-business zone. This involves efficiencies in energy and water use, reductions in waste generation, improved Stormwater management and expansion of the natural heritage system. TRCA staff manage the implementation of the initiative and work in conjunction with Region of Peel staff in order to ensure the goals and objectives of the municipality are included in all programming. Region of Peel staff are included in the numerous Project Teams. Existing Region of Peel programming is utilized for businesses, with Partners in Project Green driving companies to the opportunities the municipalities provide.

The Region of Peel provides a staff person to sit on the Partners in Project Green Steering Committee. Johanne Manente is this staff person and is TRCA's main Region of Peel contact. In addition, Councillors Maja Prentice and Eve Adams sit on the Partners in Project Green Steering Committee.

2. Albion Hills Environment Weeks - supports the residential outdoor education for Peel schools including climate change and adaptation science and applications.
3. Sustainable Neighbourhood Retrofit Plan - accelerates and expands the sustainable neighbourhood retrofit action plan already identified in the watershed/subwatershed planning program in the base budget. The project focuses all available sustainable practices on a priority neighbourhood. Included will be a social marketing plan, financial support strategy and performance monitoring component. Water management, energy conservation, waste management, terrestrial and aquatic natural heritage,

recreation and heritage elements will also be targeted.

4. Green Building Councils - supports the World Green Building Council and the Canada Green Building Council (Toronto Chapter) to promote the advancement of greener buildings. These groups are located at TRCA's Living City Campus at Kortright.
5. Climate Science Applications - develops local projections of climate change, predicts potential hydrological changes, flood frequency, magnitude and risk, assesses impacts on municipal infrastructure and operations, and communicates developments to partners and stakeholders.
6. Living City Report Card - develops a leading edge report that will document indicators for measuring the level of sustainability in communities. Measures and targets will be chosen for reporting on the successes and areas for improvement.
7. Communications Plan (www.LifeisBetterinPeel) - promotes project accomplishments to the media, residents and partners regarding the investment that the Region of Peel is making to combat climate change and promote the connection between climate change and the day to day activities of residents.
8. Eco Schools - this is an environmental education program aimed at Climate Change; more specifically, saving energy and minimizing waste. The Peel District School Board's (PDSB) Ontario Eco Schools program was launched in 2008. Seventeen schools were certified in 2009 which represents only seven per cent of PDSB schools. This project aims for 20 per cent participation in 2010.
9. Community Transformation - staff work with municipalities, retail and health care facilities to change behaviors and operating procedure to improve their environmental performance. Energy efficiency, alternative energy, green buildings, water conservation, waste reduction and pollution prevention is targeted.
10. Sustainable Technologies for Water and Energy - monitors and evaluates new and innovative technologies that help conserve and protect water and energy resources. Current work is on rainwater harvesting, bio-retention swales, wind turbine technology and solar hot water evaluation.
11. Albion Hills Center Renovations - the original centre was one of Canada's first outdoor education centres built in 1962. It has served the community well; however, it lacks the conservation efficiencies required to meet today's challenges. The work to date includes the installation of a low reflective roof and efficient appliances, fixtures and operating systems. Work in 2010 will include exterior insulation, siding, windows and geothermal heating and cooling.

Cost Drivers for Increases to the Climate Change Education-Sustainable Community Program Budget:

- There is a \$240 thousand increase over the 2009 capital budget.
- This increase is to support more business outreach activities associated with the Pearson Eco-Industrial Project (\$100 thousand). The remaining \$140 thousand was for education projects aimed at enhancing the culture of conservation throughout all stakeholder groups.

PEEL’S SHARE OF TRCA OPERATING BUDGET:

2009 Base Operating Budget in \$000's	\$1,379
Less final budget adjustment	(\$20)
Revised 2009 Base Operating Budget	\$1,359
2010 Non-Discretionary	
Annualizations / increments / reclassifications	\$8
COLA / Economic factors	\$40
CVA / Tax adjustment shifts	\$6
Subtotal	\$54
2010 Proposed Operating Budget *	\$1,413

* 4.0% over Revised 2009 Base (2.5% over Original Base).

Figure 5: Summary of Proposed Operating Budget for 2010

Cost Drivers for Increases to the Operating Budget:

- The operating budget for 2010 is \$1.4 million; an increase of \$54 thousand (4 per cent) over the revised 2009 base operating budget.
- Increases are attributed to:
 - annualization, increments, and reclassifications
 - cost-of-living adjustments (COLA) and economic factors
 - Current Value Assessment (CVA) tax adjustments

TEN YEAR FORECAST:

Going forward into 2012 to 2019, the proposed increases for the Region of Peel’s share of capital and operating budget stabilizes with an average increase of 2 per cent annually.

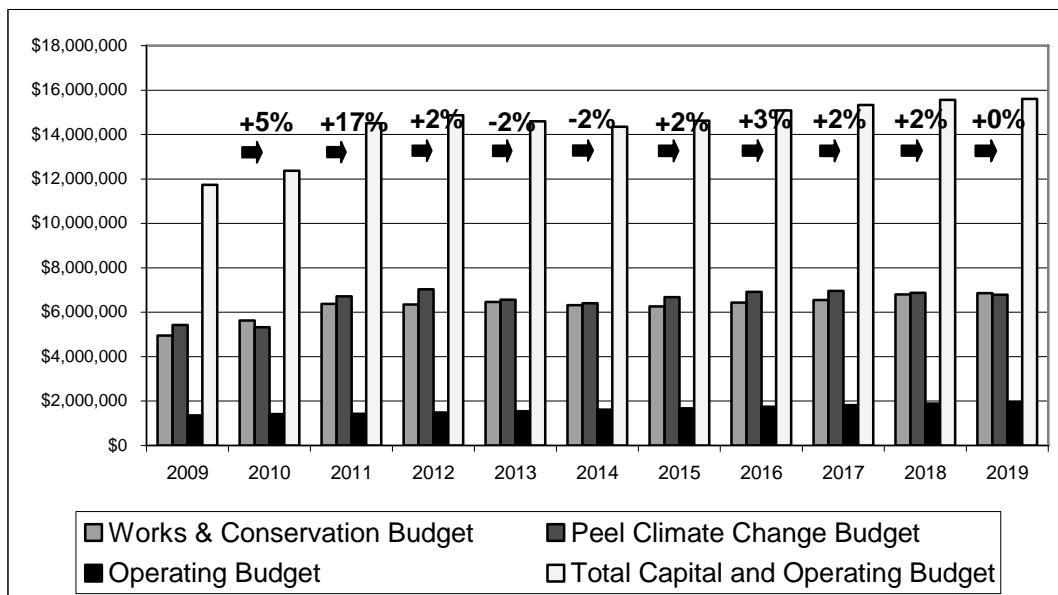


Figure 6: Ten-Year Forecast of Capital and Operating Budget (2009-2019)

2010 TRCA BUDGET PRESSURES AND ISSUES:

In terms of capital, TRCA must address its long term office accommodation requirements. Buildings used to house TRCA head office functions are aging and inadequate. Recent repairs and major maintenance have only marginally extended the life of these structures one of which is 40 years old and the other has a core structure more than 75 years old. TRCA has leased space but the lease will expire in 2014.

As a result of meetings with the Region of Peel CAO and other senior municipal staff, staff has deferred the request for funding in 2010. A complete business case will be finalized by March of 2010 and the long term office accommodation project will be recommended to the Authority and its funding partners.

Operating budget pressures persist. About 75 per cent of expenditures relate to salary, wages and benefits. In 2009, anticipating issues with 2009 revenues due to the economic downturn, TRCA implemented a zero per cent increase for COLA. Recently, TRCA has frozen all salary adjustments except for increments. In 2010, TRCA staff is proposing a two per cent adjustment for COLA recognizing that our municipal comparators, most of whom are unionized, have implemented COLA increases over 2009 - 2010 in excess of our average of 1 per cent annually. TRCA's 2010 operating estimates approved by the Authority have an increase in gross expenditures of 0.9 per cent or \$318 thousand.

Operating revenues suffered in 2009 as a result of poor weather and the stalled economy. In 2010, TRCA has been conservative in estimating revenue but there remains concern that continued economic pressure on the development industry will erode planning and permit fees and fundraising revenue. Under the modified Current Value Assessment formula, Peel's share of the operating levy is 11.5 per cent. The City of Toronto contributes 65.7 per cent and the balance from the other funding partners.

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