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For Information

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DATE: April 3, 2012

REPORT TITLE: **2012 TORONTO AND REGION CONSERVATION AUTHORITY BUDGET**

FROM: Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

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### OBJECTIVE

To provide information on the components of the Toronto and Regional Conservation Authority (TRCA) Budget that will be presented to the TRCA Board on April 27, 2012.

### REPORT HIGHLIGHTS

- The TRCA Budget to be presented for approval to the TRCA Board on April 27, 2012
- There is no financial impact to the Region of Peel.
- Information is being provided on the components that comprise the TRCA budget.

### DISCUSSION

The Toronto and Region Conservation Authority (TRCA) has provided notification of its upcoming 2012 budget meeting which will take place on April 27, 2012. This notification enables participating municipalities to advise their representatives as to how they should vote in terms of the "non-matching levy". Conservation authorities require approval of the Authority Members of the annual budget. This approval is in addition to approval of TRCA's 2012 operating (general) and capital (special) levy approved by the Region of Peel Council during the Region's budget process.

According to the *Conservation Authorities Act, R.S.O. 1990 c. C27 (CA Act)* sections 26 and 27, conservation authorities are allowed to apportion costs to participating municipalities. In the case of TRCA the municipal levy funding is only a portion of budgeted revenue which is derived from other sources as well such as user fees, and other levels of government. The 2012 Region of Peel's Budget includes funding to TRCA in the amount of \$1.505 million for general levy costs (increase of \$66 thousand over 2011 budget due to cost of living adjustment) and \$12.5 million for special levy costs (increase of \$683 thousand over 2011).

TRCA's total 2012 general levy budget is \$12.082 million. According to the *CA Act*, conservation authorities' general levy costs (ongoing and general in nature) are apportioned to each participating municipality based mainly on each municipality's modified current value assessment (CVA) within the conservation authority's watershed area. This amount for the Region of Peel is equal to 11.5 per cent of TRCA's total operating costs for the year 2012. However, over the years, TRCA has had to add other components to balance to the different funding levels approved by its various funding municipalities. The \$1.505 million in funding from

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the Region of Peel, as approved by Regional Council, to the TRCA for 2012 budgeted general levy costs can be summarized as follows:

- \$1.310 million for levy apportionment based on modified CVA (per *CA Act*)
- \$0.097 million to recoup the cost of property taxes to the jurisdictions which levy taxes on non-revenue generating conservation lands (the City of Toronto exempts conservation lands used for parks from property taxes) per TRCA Board resolution
- \$0.016 million to fund Rouge Park costs apportioned on the basis of modified CVA formula per TRCA Authority resolution
- \$0.082 million for non-CVA levy represents that part of the levy that is over and above the pure result achieved by applying the traditional CVA based levy formula. This category came into existence per TRCA Authority approval during the 2011 budget year and reflects the fact that some TRCA participating municipal funders have approved varying increases (lower than Peel) through their respective municipal budget processes. In 2011 non-CVA levy for Peel totaled approximately \$8 thousand. Because the Region has based its budget approvals on an analysis of year over year activities and costs, and not on funding levels approved by the other funders, the Region is now paying \$82 thousand more for the general levy than it would be required to if it based its funding solely on the CVA formula.

TRCA project or special levy costs are summarized into three areas: watershed, infrastructure and climate change. In total TRCA's estimated 2012 Special Levy budget is \$25 million. Most TRCA projects have costs that are specific to the Region of Peel, for example, climate change projects and some projects where costs and benefits are apportioned amongst the funders. Project costs and details are shared with the respective funding municipalities. The \$12.5 million in project costs to be funded for 2012 from the Region of Peel can be summarized as follows: \$3.3 million for watershed projects, \$3.0 million for infrastructure projects, and \$6.2 million for climate change projects.

### FINANCIAL IMPLICATIONS

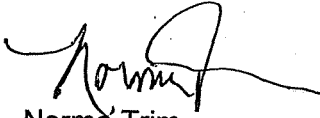
There is no impact to the 2012 budget as funding has already been approved during the Region's recent budget process. Of note is the fact that future non-CVA budget amounts could possibly increase due to budget decisions of the municipalities that provide funding to the TRCA. TRCA has always respected the Region's budget guidelines and adhered to funding approvals of Regional Council.

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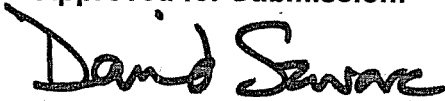
**CONCLUSION**

This report highlights the process that is followed for budget approval by conservation authorities which requires notification to participating municipalities.



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**Approved for Submission:**



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D. Szwarc, Chief Administrative Officer

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c. Legislative Services