



November 18, 2021

XX, Clerk
Town of XX
123 XX Avenue
Mississauga, ON
A1A 1A1

Dear XX:

This correspondence provides a summary of the 2022 Credit Valley Conservation (CVC) budget as well as details relating to the Town of XX levy apportionment.

Overview

Conservation Authorities are involved in a wide range of environmental based services and activities in support of local residents, member municipalities, the Province, as well as other stakeholders and agencies. The following list, summarizes the program areas that CVC provides or partners in the delivery of across the watershed, these include:

Flood Forecasting and Warning
Floodplain Mapping and Hydrology
Water Management Infrastructure
Storm Water Management
Watershed Plans
Source Water Protection
Water Quality and Quantity Monitoring
Climate Change

Plan Input, Plan Review and Permitting
Natural Heritage Systems Planning
Natural Areas Inventory and Monitoring
Forestry Management
Conservation Lands Management
Conservation Area Programs
Education and Outreach
Restoration and Stewardship Programs

Budget Process - To Date

It is important to note that the 2022 budget process is not impacted by changes to the *Conservation Authorities Act*. Those changes will align with the 2024 budget. The draft 2022 budget was presented to the CVC Board on October 15th, 2021 and endorsed for presentation to funding partners under Resolution #106/21. The full report is publicly posted on the CVC website or is available upon request. The information contained in this memo is a high-level summary. As always, we are happy to discuss details with staff or council at any time.

The CVC draft 2022 budget has been shared with Peel Region and Halton Region staff and we have met with senior staff at both Regions. The draft budget is in line with budget directions received to date from the two Regions. The two Regions combined represent nearly 97% of total CVC levy funding.

Apportionment Formula

Table 1 shows the 2022 levy apportionment and the year-to-year change from 2021 based on the data prepared by Municipal Property Assessment Corporation (MPAC) for the Ministry of Environment, Conservation and Parks (MECP).

Table 1: Municipal Apportionment for CVC Funders (% Share of Levy Apportionment)

Municipality	Apportionment of 2021 CVA	Apportionment of 2022 CVA	Change	% Change
Peel Region	91.6762	91.6492	-0.0270	-0.03%
Halton Region	5.1446	5.1757	0.0311	0.61%
Town of Orangeville	2.3854	2.3773	-0.0081	-0.34%
Town of Erin	0.6114	0.6141	0.0028	0.45%
Town of Mono	0.1126	0.1129	0.0003	0.30%
Township of East Garafraxa	0.0588	0.0595	0.0008	1.28%
Township of Amaranth	0.0112	0.0113	0.0001	0.89%
TOTAL	100%	100%	-	-

Budget 2022

Town of Orangeville's 2022 share is proposed to be \$302,515, an increase of 3.32% over 2021. The total funding request for Orangeville amounts to an increase of \$9,716 in 2022 over 2021 (see Table 2).

Table 2: Year-Over-Year Proposed CVC Total Levy Change

Municipality	2021 Total Levy	2022 Total Levy	\$ Change	% Change
Peel Region	\$25,230,382	\$25,829,506	\$599,124	2.37%
Halton Region	\$631,491	\$658,617	\$27,126	4.30%
Town of Orangeville	\$292,800	\$302,515	\$9,716	3.32%
Town of Erin	\$75,043	\$78,145	\$3,103	4.13%
Town of Mono	\$13,817	\$14,367	\$550	3.98%
Township of East Garafraxa	\$7,212	\$7,571	\$360	4.99%
Township of Amaranth	\$1,375	\$1,438	\$63	4.59%
Total Levy	\$26,252,118	\$26,892,159	\$640,041	2.44%

CVC's total levy is composed of the General levy, the Shared Special levy and the Special Benefitting levy (Peel Region only). Additional information is provided in Appendix 1.

CVC General Levy Apportionment

The 2022 General levy is increasing by \$6,937 or an average of 2.93% in 2022, up from 1.67% in 2021 (see Table 3).

Table 3: Municipal Apportionment of CVC General Levy for 2022

Municipality	Apportionment of 2022 CVA	2022 General Levy	\$ Change	% Change
Region of Peel	91.6492	\$9,398,515	\$295,557	3.25%
Region of Halton	5.1757	\$530,762	\$19,935	3.90%
Town of Orangeville	2.3773	\$243,789	\$6,937	2.93%
Town of Erin	0.6141	\$62,975	\$2,271	3.74%
Town of Mono	0.1129	\$11,578	\$401	3.59%
Township of East Garafraxa	0.0595	\$6,102	\$268	4.60%
Township of Amaranth	0.0113	\$1,159	\$47	4.20%
TOTAL	100%	\$10,254,880	\$325,416	3.28%

CVC Special Levy Apportionment (shared)

The 2022 Special Shared Levy amount is increasing by \$2,779 or an average of 4.97% (see Table 4). Activities funded by this Special Shared levy are apportioned on the same basis as the General levy and include ongoing work in the areas of subwatershed studies, natural heritage programs, terrestrial watershed monitoring projects, infrastructure major maintenance and dam major maintenance.

Table 4: Municipal Apportionment for CVC Special Shared Levy based on 2022 CVA

Municipality	2022 %CVA	Proposed 2022 \$ Apportionment	\$ Change	% Change
Peel Region	91.6492	\$2,264,000	\$113,775	5.29%
Halton Region	5.1757	\$127,855	\$7,191	5.96%
Town of Orangeville	2.3773	\$58,726	\$2,779	4.97%
Town of Erin	0.6141	\$15,170	\$831	5.80%
Town of Mono	0.1129	\$2,789	\$149	5.64%
Township of East Garafraxa	0.0595	\$1,470	\$92	6.67%
Township of Amaranth	0.0113	\$279	\$16	6.26%
TOTAL	100%	\$2,470,289	\$124,834	5.32%

A package including the individual business cases for projects funded through the Special shared levy (Capital Reports) has been provided to the municipal Clerk. These documents are available from CVC or the municipal Clerk upon request.

Budget Forecasts

Through the budgeting process CVC also undertakes forecasts for future budget years. The current 2023 budget forecast is at 4.01% and reflects both operating and capital related pressures that CVC anticipates, but includes limited external funding assumptions as many alternative funding sources can only be projected closer to actual budget time.

Table 5, using 2022 apportionment, sets out the current forecast for 2023 based on status quo. We would normally provide a three-year forecast but in light of pending changes under the CA Act that will impact the 2024 budget, we are not able to forecast for 2024 and beyond (noted using the red box in Table 5). As of January 1, 2024, the province now stipulates that non-mandatory programs and services will require a Memorandum of Understanding (MOU) or service agreement between CVC and a benefiting municipality should the municipality wish to continue the program in their jurisdiction. It is however important that benefiting municipalities understand that CVC's current service levels are enabled through the collective sharing of program costs across the watershed.

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

Table 5: Municipal Apportionment of CVC General Levy and Special Shared Levy based on 2022 budget and Current CVA Forecast (forecast does not reflect CA Act changes)

Municipality	2023 Forecast \$	% Change	2024 Forecast \$	% Change	2025 Forecast \$	% Change
General Levy	10,583,036	3.10%	10,921,331	3.10%	11,263,395	3.04%
Shared & Special Levy	17,247,476	3.54%	17,810,075	3.16%	18,394,703	3.18%
Total	27,830,512	4.01%	28,731,406	3.43%	29,658,098	3.36%

Provincial Updates

The province has engaged a multistakeholder working group over the course of 2021 to consult on changes, in regulation, under the CA Act. The stakeholder group has been a very positive development and has demonstrated a willingness by the government to ensure that the changes proposed meet the requirements of the CAs and their partners. Early in October of 2021 the province released Regulation 687/21, titled "Transition Plans and Agreements for Programs and Services under Section 21.1.2 of the CA Act", setting out the deliverables and the timelines. The work of the stakeholder group continues, and further regulatory updates will be forthcoming from the province, including updates to the Levy Regulation. The changes outlined in the CA Act and detailed in regulation will fundamentally change the CA budget starting in 2024. The 2022 CVC budget is not impacted by these changes, this is a status quo budget.

CVC has reached out to all benefiting municipalities in 2021 to inform you of the pending changes and start the discussion regarding pending changes. As we enter 2022, we look

forward to working with our partners to establish MOU's for the continued delivery of existing programs and services that are not mandated by the province.

Budget Process – Next Steps

The 2022 Budget will be considered and presented for final approval at the February 18th, 2022 CVC Board of Directors meeting. The alternate date for consideration of the 2022 budget will be March 11th, 2022, if required. Notice of the budget meeting will also be posted to the CVC website. The CVC Board meetings commence at 9:30 AM and may be held by electronic means (remote access) or in person at the Authorities offices located at 1255 Old Derry Road, Mississauga (depending on local public health requirements in response to the pandemic at the specified meeting date). Please check the CVC website in the week prior to the meeting to confirm details. The meeting will be open to the public, persons wishing to attend must request to do so two full business day in advance of the meeting to ensure electronic (remote) meeting access or to verify any necessary public health screening protocols if in person. Full copies of all public reports, the agendas and the minutes for the CVC Board meetings are available on the CVC website or by contacting the Authority directly.

CVC is very appreciative of the strong partnership and support provided by the municipalities of the CVC watershed. Your ongoing commitment is vital to ensuring a natural environment that connects, protects and sustains our communities.

Further details are available upon request.

Sincerely,

Jeff Payne

Deputy CAO and Director, Corporate Services
CVC

Encl:

Appendix – 1 (Summary Credit Valley Conservation Authority - Budget 2021)

Appendix – 1

Summary Credit Valley Conservation Authority - Budget 2022

Object Code Description	2022 Budget		2021 Budget		Net Change YOY	Net Change %
	Revenue (\$)	% of Total	Revenue (\$)	% of Total		
General Levy	\$10,254,880	27%	\$9,929,464	28%	\$325,416	3.3%
Special Levy (Shared & Special)	\$16,637,279	44%	\$16,423,190	46%	\$214,089	1.3%
Other Federal/Provincial Grants	\$715,404	2%	\$595,606	2%	\$119,798	20.1%
Other Incomes*	\$6,430,896	17%	\$5,199,027	14%	\$1,231,869	23.7%
Admin Overhead from Special Projects	\$3,388,787	9%	\$3,281,064	9%	\$107,723	3.3%
Capital Contributions	\$594,397	2%	\$549,524	2%	\$44,873	8.2%
Grand Total	\$38,021,643		\$35,977,875		\$2,043,768	5.7%
Object Code Description	2022 Budget		2021 Budget		Net Change YOY	Net Change %
	Expenses (\$)	% of Total	Expenses (\$)	% of Total		
Wages & Benefits**	\$26,487,154	70%	\$24,783,066	69%	\$1,704,088	6.9%
Administration O/H Chargeback	\$3,388,787	9%	\$3,281,064	9%	\$107,723	3.3%
Services**	\$2,465,362	6%	\$2,321,305	6%	\$144,057	6.2%
Materials & Supplies	\$1,100,342	3%	\$1,106,052	3%	-\$5,710	-0.5%
IT/Telecomm Chargeback	\$769,026	2%	\$758,661	2%	\$10,365	1.4%
Consulting Services	\$730,554	2%	\$859,113	2%	-\$128,559	-15.0%
Other Miscellaneous	\$3,080,418	8%	\$2,868,614	8%	\$211,804	7.4%
Grand Total	\$38,021,643		\$35,977,875		\$2,043,768	5.7%

*In 2021 Belfountain Conservation Area was closed for capital works, the increase in revenue for 2022 reflects the return to operations of this conservation area.

**The reopening of Belfountain Conservation Area in 2022 has a corresponding increase in staff and services costs, these costs are offset by the increased revenues.