

December 01, 2020

Karen Landry, Clerk
Town of Orangeville
87 Broadway Avenue
Orangeville, ON
L9W 1K1

Dear Karen:

This correspondence provides a summary of the 2021 Credit Valley Conservation (CVC) budget as well as details relating to the Town of Orangeville 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

The draft 2021 budget was presented to the CVC Board on October 16th, 2020 and endorsed for presentation to funding partners under Resolution #94/20. 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.

The CVC draft 2021 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 2021 levy apportionment and the year-to-year change 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	2021 %	2020 %	Apportionment Change	Apportionment Change (%)
Peel Region	91.6762%	91.7320%	-0.05574%	-0.061%
Halton Region	5.1446%	5.0626%	0.08200%	1.620%
Town of Orangeville	2.3854%	2.4078%	-0.02245%	-0.932%
Town of Erin	0.6114%	0.6176%	-0.00621%	-1.006%
Town of Mono	0.1126%	0.1126%	-0.00004%	-0.036%
Township of East Garafraxa	0.0588%	0.0565%	0.00229%	4.056%
Township of Amaranth	0.0112%	0.0111%	0.00014%	1.266%
TOTAL	100.00	100.00		

Budget 2021

Town of Orangeville's 2021 share is proposed to be \$292,800, an increase of 1.35% over 2020. The total funding request for Orangeville amounts to an increase of \$3,907 in 2021 over 2020 (see Table 2).

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

Municipality	2020 Total Levy	2021 Total Levy	% Change	\$ Change
Peel Region	\$24,611,096	\$25,230,382	2.52%	\$619,286
Halton Region	\$607,417	\$631,491	3.96%	\$24,074
Town of Orangeville	\$288,893	\$292,800	1.35%	\$3,907
Town of Erin	\$74,096	\$75,043	1.28%	\$947
Town of Mono	\$13,510	\$13,817	2.27%	\$307
Township of East Garafraxa	\$6,774	\$7,212	6.46%	\$437
Township of Amaranth	\$1,327	\$1,375	3.60%	\$48
Total Levy	\$25,603,113	\$26,252,120	2.53%	\$649,006

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 (shared)

The General levy is increasing by an average of 1.67% in 2021, down from 1.89% in 2020 (see Table 3).

Table 3: Municipal Apportionment of CVC General Levy for 2021
(% Share of Municipal General Levy and Funding based on Apportionment)

Municipality	2021 % Apportionment	\$ 2021 General Levy	\$ Change 2021 over 2020	% Change 2021 over 2020
Region of Peel	91.6762	\$9,102,958	\$227,378	2.56%
Region of Halton	5.1446	\$510,827	\$20,996	4.29%
Town of Orangeville	2.3854	\$236,852	\$3,884	1.67%
Town of Erin	0.6114	\$60,704	\$951	1.59%
Town of Mono	0.1126	\$11,177	\$282	2.59%
Township of East Garafraxa	0.0588	\$5,834	\$371	6.79%
Township of Amaranth	0.0112	\$1,112	\$42	3.92%
TOTAL	100	\$9,929,464	\$253,905	2.62%

CVC Special Levy Apportionment (shared)

The 2021 Special levy amount is increasing by \$22 or an average of 0.04% (see Table 4). Activities are funded by this Special levy 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 Levy based on 2021 CVA
(% Share of Municipal Special Levy and Funding based on Apportionment)

Municipality	2020 %CVA	Proposed 2020 \$ Apportionment	\$ Change	% Change
Peel Region	91.6762	\$2,150,225	0.92%	\$19,603
Halton Region	5.1446	\$120,663	2.62%	\$3,077
Town of Orangeville	2.3854	\$55,947	0.04%	\$22
Town of Erin	0.6114	\$14,339	-0.03%	-\$5
Town of Mono	0.1126	\$2,640	0.95%	\$25
Township of East Garafraxa	0.0588	\$1,378	5.08%	\$67
Township of Amaranth	0.0112	\$263	2.26%	\$6
TOTAL	100	\$2,345,455	0.98%	\$22,795

A package with individual business cases for projects funded through the Special levy is attached.

Budget Forecasts

Through the budgeting process CVC also undertakes forecasts for future budget years. The current 2022 budget forecast is at 3.12% and reflects both operating and capital related pressures that CVC anticipates.

Table 5, using 2021 apportionment, sets out the current forecast for 2022 only based on status quo. We would normally provide a three-year forecast but considering pending changes by the province our ability to forecast is impeded. The province has indicated that non-mandatory programs and services will require a Memorandum of Understanding (MOU) or service agreement between CVC and a benefiting municipality should they wish to continue the program in their jurisdiction. The province has suggested that they want to move ahead for the 2022 budget year. Completing all the necessary MOU negotiations in time for a 2022 budget will be a significant challenge for all funder municipalities in the midst of pandemic driven priorities and the municipal budget cycle that requires a preliminary draft budget by the end of Q2 for the Regions. The CVC board has already indicated that this is not a reasonable timeline. Town of Orangeville Council may also want to add their concerns and share with the province.

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 & Shared Special Levy based on 2021 Current CVA Forecast

Municipality	2021 Budget \$	2022 Forecast \$	% Change
Peel Region	\$11,253,183	\$11,604,150	3.12%
Halton Region	631,491	651,186	3.12%
Town of Orangeville	292,800	301,932	3.12%
Town of Erin	75,043	77,383	3.12%
Town of Mono	13,817	14,248	3.12%
Township of East Garafraxa	7,212	7,436	3.12%
Township of Amaranth	1,375	1,418	3.12%
TOTAL	\$12,274,919	\$12,657,752	3.12%

Provincial Changes

On November 5th, 2020, the province released the budget Bill 229 - Protect, Support and Recover from COVID-19 Act (Budget Measures), 2020. Bill 229 includes amendments to 44 Acts, including Schedule 6 the Conservation Authorities Act. These new amendments are described in the Environmental Registry (ERO) posting "to improve transparency and consistency in conservation authority operations, strengthen municipal and provincial oversight and streamline conservation authority roles in permitting and land use planning".

Draft regulations are expected from the province late in 2020 or early in 2021 and this will provide clarity on what remains in the levy and what will be covered under Memorandum of Understanding (MOU).

The changes outlined in the Act have the potential to fundamentally change the CA budget as well as limit revenue recovery from planning and permitting activities. Without the regulations we are unable to assess the full impact for future budget years. The 2021 CVC budget is not impacted by these changes.

Budget Process – Next Steps

The 2021 Budget will be considered and presented for final approval at the February 19th, 2021 CVC Board of Directors meeting pending completion of the Peel Region budget process. The alternate date for consideration of the 2021 budget will be March 12th, 2021, if required. Notice of the budget meeting will also be posted to the CVC website. The CVC Board meetings commence at 9:15 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. 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 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)

Summary Credit Valley Conservation Authority - Budget 2021

	2020 Budget		2021 Budget			
Object Code Description	Revenue (\$)	% of Total	Revenue (\$)	% of Total	Net Change YOY	Net Change %
General Levy	\$9,675,558	27%	\$9,929,464	28%	\$253,906	2.6%
Special Levy (Shared & Special Benefitting)	\$16,563,554	46%	\$16,423,190	46%	-\$140,364	-0.8%
Other Federal/Provincial Grants	\$289,458	1%	\$500,000	1%	\$210,542	72.7%
Other Incomes	\$5,990,265	16%	\$5,294,633	15%	-\$695,632	-11.6%
Admin Overhead from Special Projects	\$3,357,029	9%	\$3,281,064	9%	-\$75,965	-2.3%
Capital Contributions	\$508,166	1%	\$549,524	2%	\$41,358	8.1%
Grand Total	\$36,384,030		\$35,977,875		-\$406,155	-1.1%
	2020 Budget		2021 Budget			
Object Code Description	Expenses (\$)	% of Total	Expenses (\$)	% of Total	Net Change YOY	Net Change %
Wages & Benefits	\$24,693,364	68%	\$24,783,066	69%	\$89,702	0.4%
Administration O/H Chargeback	\$3,357,029	9%	\$3,281,064	9%	-\$75,965	-2.3%
Services	\$3,376,924	9%	\$3,180,418	9%	-\$196,506	-5.8%
Materials & Supplies	\$1,461,598	4%	\$1,106,052	3%	-\$355,546	-24.3%
IT/Telecomm Chargeback	\$714,173	2%	\$758,661	2%	\$44,488	6.2%
Fleet & Lease Charges	\$637,648	2%	\$637,347	2%	-\$301	0.0%
Other Miscellaneous	\$2,143,294	6%	\$2,231,267	6%	\$87,973	4.1%
Grand Total	\$36,384,030		\$35,977,875		-\$406,155	-1.1%