

**Full Authority  
16 November 2023  
Agenda Item: 10**

**2024 Draft Budget Deliberations**

**Background**

Please reference 21 September 2023 Agenda Item 10.

**2024 Draft Budget Notes**

*Administrative*

As briefly discussed at the September meeting and presented in a report to the Board, the CVCA operations and capital infrastructure budget for 2024 will focus primarily on reflecting the changes to the *Conservation Act*, address inflationary pressures, cost of living allowance increases for staff, asset replacement and following up with In Camera direction to staff.

2024 will be a transition year for the presentation of the Draft Budget for the purposes of transparency, accountability and clarity for our member municipalities and the public. In order to understand where we are heading, staff believe it is best to have a copy of the current format version which has been used for a number of years by the CVCA. The proposed new version will match the Inventory of Services and Programs as directed by the Province. Both versions have been included for the budget discussions at the Board meeting.

For the purposes of reviewing the 2024 Draft Budget, it may make it easier for staff and this Board to better understand the revenues and expenses as there is significant detail for these line items.

For those Board members not familiar with the CVCA Budget, it is important to note most, but not all of the line items match directly to the chart of accounts used by Amanda on a daily basis. There are some instances for practicality purposes one line item in the budget would represent a compilation of accounts. For example, the CVCA pays taxes for a number of different properties throughout the watershed. Therefore, a number of them are placed under the broader category of “taxes” and not individually listed.

The 2025 version presented to the Board will use the new format, however, staff will continue to use the old format as a working copy, which also matches the budget to actual format the Board

has the opportunity to review mid-year. Of course, the Board will have access to the working copy and may view it at anytime.

### *Category 1, 2024 Draft Budget*

#### *Revenue*

- Briefly, on the revenue side of the equation, the highlights of this Draft Budget include an increase to interest revenue based on interest rates remaining high for the first half of 2024 and then a presumed lower rate for the second half of the year.
- Staff have reviewed the regulations and planning income and as noted in the Fee Policy Changes Report, no increases to the fees have been made. In order to arrive at the current estimated revenue, staff have used a 5 year rolling average in conjunction with estimating what type of development pressures may occur in 2024.
- Staff have also used the 5 year rolling average to determine various other streams of revenue, such as the Orillia Power Plant profit sharing and Cordova Dam (Algonquin Power) operations. It should be noted the Ministry of Natural Resources and Forestry two dam operating agreements are to be merged into one moving forward and CVCA staff have requested a cost of living allowance increase at the same time.
- Staff have made an assumption Provincial grant transfer payments will remain at the same level.
- Hunting leases were modestly increased based on the cost of living allowance. This should be discussed as hunters have expressed concerns that the lease amounts are approaching levels that do not make their hunting viable. The CVCA could potentially hold the line on those increases.
- Cottage rental rates were increased by COLA. Cottage rentals were based on 9 weekly rentals and 3 weekend rentals at the new rates.

#### *Expenses*

- To remain consistent with prior years and to keep pace with inflation, staff used the COLA rate for each month and then took the average of those 9 months to apply to the Draft Budget. The amount was calculated to be 4.09% and was applied to staff wages and a number expenses.

- Other notable expenses include the addition of monies allocated for:
  1. Boat rentals (\$1,800),
  2. Kisters software (for modernizing the lake level data collection and interpretation \$1,600),
  3. Sage accounting software (\$1,800),
  4. Increased legal fees,
  5. Conservation Act deliverables for 2024 (Watershed Based Strategy Plan, Asset Management Plan, etc., - see September 2023 GM Report re: Reg 686/21 - \$1,000),
  6. GIS Contracted Services from neighbouring CAs (\$1,000)

## **Capital Considerations**

### *Revenue and Expenses*

- Continue contributing to asset replacement program with an increase based on COLA (\$34,008)
- Continue contributing to Infrastructure Replacement Program (\$25,000)
- Purchase new vehicle to replace the 2009 Versa – included \$13,349 from reserves set aside as per the asset replacement program
- No Water and Erosion Control Infrastructure projects planned for 2024. Staff have determined the development of an Asset Management Plan should be the primary focus for 2024 and then it will map out projects for 2025 and beyond.

## **Potential Item to Include in the Draft 2024 Budget**

### Category 1

#### Natural Hazard Management – Regulation 156/09 Violations Officer

- Violations officer wages at entry level Regulations Officer
- Ontario Wetland Evaluation System & Provincial Offences Officer Training
- Computer & Office Supplies
- Gas, uniform allowance etc.
- Increases budget approximately 15%

*Please review the attached Business Case for additional information.*

***Board Discussion***

***Staff Recommendation***

- 1) That the Draft 2024 Budget be circulated to the member municipalities for their 30 day review period and***
- 2) That if no changes are adopted after the review by the member municipalities, the Draft 2024 Budget will be discussed for approval at the proposed 18 January 2024 CVCA Board meeting.***

***TP***