

**Full Authority
18 January 2024
Agenda Item: 10**

2024 Draft Budget Deliberations

Background

Please reference:

[21 September 2023 Agenda Item 10.](#)

[16 November 2023 Agenda Item 10.](#)

[16 November 2023 Business Case for Hiring Regulations Officer](#)

[16 November 2023 Full Authority Minutes](#)

29 November 2023 Additional Information Request for Hiring .5FTE

29 November 2023 Email from T. Pidduck

12 December 2023 Email from T. Pidduck

2024 Additional Draft Budget Notes for Consideration

The decision to move forward to increase the CVCA staff complement by .5 of an FTE in 2024 has been fully supported by the CVCA Board. I must take this opportunity to once again thank the Board for understanding the necessity to do so. I truly appreciate this support to fulfill our obligations to the Regulations and Planning Program to function as it should and serve all facets of the public.

The difficulty of course is how to fund a permanent position in a period when the mounting municipal pressures have resulted in significant percentage increases this year for many of our member municipalities throughout the CVCA watershed.

At the 16th of November 2023 Board meeting, there was a brief discussion to consider allocating reserve funding to cover a portion or all of the 2024 expenses for the .5FTE. Based on the information provided to the Board after the 16 November meeting, there was no clear consensus or majority of the direction to undertake. Hence, Chair Martin wished to have a further discussion on the issue.

With the extra time provided for sober second thoughts, I believe it may be beneficial to have the following information to assist with the discussion.

- a) Although the extra position is certainly warranted based on operational considerations, if the Board wishes to use 100% reserves to fund the position, it would be a short term solution to alleviate pressure on the 2024 Draft Budget.
- b) This would likely not be in the best financial interest of the CVCA in the following year(s) as the 2025 levy would be increased to cover the full FTE plus implementing a repayment to the reserves (if the Board chooses to do so). For example, if the repayment plan for the draw on reserves was ½ of the amount, this would result in approximately a 14-15% increase in the levy for 2025.
- c) Other financial considerations include the development of the Asset Management Plan, which needs to be completed by the end of 2024 (as per Ont. Regulation 687/21). Regrettably at this time, the financial implications of such a plan are an unknown. However, it is anticipated the capital levy put into reserves currently will not suffice moving forward. If an increase is required, it would add to the levy pressure for 2025 identified in point b).
- d) The “bonus” interest of approximately \$40,000 for 2024 is likely not sustainable for 2025 and beyond, therefore losing a portion of this revenue would result in the need to recover it through the levy once again adding to the 2025 increase.

Admittedly, it is difficult to quantify the unknowns, but at the very least there is a need to understand these items could play a significant role in the 2025 budget.

Board Decision

Staff Recommendations

- 1) ***Should the proposed .5FTE be included in the 2024 Draft Budget, staff be directed to revise the Draft reflecting the funding decision by the Board for the new position or any other changes brought forward.***
- 2) ***The Board direct staff to circulate the Draft Budget to the member municipalities for the 30 day review period in time to bring the Budget forward for further discussion or approval at the 22 February 2024 meeting.***
- 3) ***Staff recommend the reserves be repaid as soon as possible and the Board commit to a repayment schedule at the time the Draft 2024 Budget is approved.***

TP