

**Full Authority**  
**19 November 2020**  
**Agenda Item: 11**

**2021 Draft Budget Deliberations**

As per the discussion held at the 17 September 2020 meeting, staff have proceeded to develop a draft budget for 2021. The remarks made by the Board members dovetails with the initial thoughts by staff to create a budget that reflects the current financial circumstances at the Crowe Valley Conservation Authority.

Although all Board members recognize the challenges at the CVCA, the practicality of providing sufficient financial resources to address all issues all at once is not feasible. This is particularly true in light of funding changes to the financial model dictated to all conservation authorities by the Provincial government. As the Board is aware, the Provincial grant funds have been severely reduced and the government has shown signs of abdicating its role as an effective partner, especially for small rural conservation authorities like the CVCA. This situation was glaringly evident as the 2019 reduction came into effect in 2019.

Despite the Provincial reductions, the Board has once again shown its 100% determination and resolve to ensure the CVCA is able to deliver the services and programs for the residents and visitors to the Crowe Valley watershed.

Further to comments submitted for the Board's consideration at the September Board meeting, staff have proposed Operations and Capital Draft Budgets with a combined increase of 1.56% for 2021. The primary changes were made to include the following:

- A .75% COLA increase for staff (based on the average monthly to date)
- Established .75% increase for key expenses
- Wage adjustment
- Introduction of an Infrastructure Capital Asset Contribution
- Additional staff training
- Resources for the investigation of modernizing the Flood Forecasting and Warning (FF&W) system
- Maintained for additional resources for our conservation areas in order to cope with increased visitors
- Unforeseen COVID related expenses (such as accommodation for the public or staff requirements)

As stated previously, most of the CVCA's peers in Eastern Ontario are also considering small increases for their 2021 budgets in the 1% to 3% range.

Primary Influences on the 2021 Draft Budget

- The most significant change proposed for the 2021 Draft Budget includes the allocation of funding for the CVCA's capital infrastructure. The current asset allocation funding is for items such as vehicles or equipment. Included this year is money for dam infrastructure assets. The decision to include an amount in the Draft Budget this year is due to the following factors.
- First of all, the Marmora Dam, as identified in the 2020 budget will require repairs to the deck and the gain openings. This work needs to be completed or it will continue to deteriorate and ultimately the cost will be significantly higher. More importantly, the situation will pose a safety threat to either staff or the public.
- CVCA staff applied for Water and Erosion Control Infrastructure funding to make the necessary repairs in 2020. Regrettably, the WECI funding was not available to the CVCA as the project did not rank high enough in comparison to other projects submitted around the province.
- Staff will once again submit the project in 2021. Therefore, it will be prudent to have some of the necessary matching funding set aside at the very least and be prepared to allocate additional reserve funds if the submission is successful. If the project submission is not successful, other avenues will be explored, but the CVCA will need to make a decision regarding the repair (what level of repair and when).
- The second issue is staff related and will need to be discussed in an In Camera session.

This is a Draft Budget which maintains the current operational capabilities of the CVCA without a significant increase in the overall levy, especially compared to some of the recent years. The Board has understood the role and responsibilities of the CVCA and realizes the importance of those operations. The commitment by our local municipalities has remained steadfast and is the foundation for our success moving forward.

#### *Recommendation*

- 1) *Staff recommend that the Draft 2021 Budget be approved for circulation to the member municipalities for their minimum thirty day review period.*
- 2) *The CVCA Board receive and review the municipal comments in order to proceed with budget deliberations with the intent of approving the Draft Budget at the earliest possible date in 2021.*

#### *Board Decision*

*TP*