

Full Authority
20 January 2023
Agenda Item: 12

2023 Draft Budget Deliberations

At the September 2022 Board meeting, staff opened 2023 Draft Budget deliberations indicating the focus of the budget would be on 1) inflation, 2) addressing capacity concerns and 3) capital opportunities. Staff strongly suggested the CVCA Board endorse this approach and provide guidance especially due to the COVID influence on development which has exacerbated the urban to rural migration. This combination has applied significant pressure on the CVCA's programs and ability to absorb the increased development applications.

The Board agreed with the approach and staff drafted a budget for the 17 Nov 2022 Board meeting, which was postponed to the 7th of November due to a lengthy Hearing session held on the same day.

The following information was provided to the Board for the November (Dec) meeting.

Operational Considerations

Currently, permits, property inquiries, planning (severances, by-law amendments, minor variances), general inquiries, violations and planning hearings have increased significantly year over year yet again. This increased volume of work has not slowed down to a pre-COVID pace. The reverse has occurred for most aspects of this program area with increases in the 100% range compared to the prior year. This has resulted created problems or issues for staff trying to attain any reasonable turnaround time.

The only component of the regulations and planning program to consistently meet deadlines are the planning files. However, should the planning information not be sufficient, there have been many times when additional information is required before comments can be forwarded to the member municipalities. Hence, requests for deferrals have increased as well.

This situation is not just a CVCA problem. Most if not all of the conservation authorities face the same or similar issues. While most of these authorities already have the required range of staff to also augment their regulations and planning staff, they simply do not have enough extra staffing resources to get the work completed on time. The Lower Trent Conservation Authority recently added to their staff complement, yet are still not able to reduce workload demands.

The CVCA on the other hand, does not even have one of a planner, an engineer, biologist, GIS technician (for mapping), a dedicated violation person or IT personnel on staff. Rather, CVCA staff have to take on these roles when possible to help assist with the completion of permits. If the permit analysis is beyond CVCA skill sets, then assistance is sought with consultations within the organization, other CA staff or passed onto the applicant to seek consultant's expertise.

In addition to the lack of personnel, the CVCA does not have all of the tools to also aid with the turnaround times. For example, staff do not have up to date floodplain mapping for even a small percentage of the watershed.

Therefore, to assist the CVCA and reduce the unfair burden placed on the public to produce the information required to make informative decisions, adding capacity should be a priority.

CVCA staff will also include the cost of living allowance in order to avoid falling behind in subsequent years. The CVCA Board has recognized this as an important issue to address in each budget for the past number of years.

Capital Considerations

Addressing capacity issues will be a challenge. To move toward rectifying the problems that an increased workload presents to the organization, staff will consider hiring a planner (initially on a yearly contract basis), outsourcing planning, job sharing with either one or more of our neighbouring conservation authorities and an assessment of current staffing (LTD considerations).

In addition to the foregoing, staff will also consider more funding for The Gut Road, benthic monitoring and the CVCA report card.

Capital expense considerations may include, Chandos Gauge relocation, Chandos Lake Elevation Study Project, Floodplain Mapping Project, vehicle replacement, Belmont Dam access (stair/ramp replacement), improvements for pulley storage system on Belmont and Marmora Dam, upgrade of safety line at Wollaston Dam and possible Crowe Bridge Weir Assessment outcomes.

7 December 2022 Deliberations

Subsequently, at the December meeting, staff presented the budget as requested to address the capacity and capital requirements previously identified. The primary components which propelled the levy increase were:

1. Adding one staff position
2. Maintaining staff wages by using the October rate of inflation
3. Funding the two Flood Hazard Identification Mapping Projects (FHIMP) with levy

The Board rejected the increases and requested staff present a budget with a lower levy increase.

The Board also supported the use of reserves to fund the Flood Hazard Projects.

20 January 2023 Budget Considerations

At per the direction of the Board, staff revised the initial Draft 2023 Budget presented at the December 2022 meeting.

By removing the above noted 3 items, the Budget has been reduced to a combined increase of \$22,100.00 for 2023. This translates into an increase of 2.97%.

The ramifications of this budget could result in not addressing the capacity issues experienced in 2022.

However, there may be other mitigating factors which could assist the CVCA with this issue and are offered for your consideration:

1. A long term disability employee is gradually returning to work, which will allow for an internal reallocation of staff resources to assist with the Regulations and Planning department.
2. As a result of Bill 23, there are Provincial directives that will affect the CVCA mandate.
3. Permit applications *may* be reduced in the coming year as inflation and higher interest rates impact the public's decision to postpone development.
4. The demographic shift from urban to rural residences *may* have peaked, therefore reducing some demand on permit applications.
5. CVCA staff will be implementing internal administrative changes to the Regulations and Planning department to increase efficiencies.
6. The unexpected trend to work from home due to COVID *may* have a minor impact on development.

Draft Budget Highlights

Operations Budget

Revenue

- Briefly, on the revenue side of the equation, the highlights of this Draft Budget include an increase to the regulations and planning fees, as noted in the Fee Policy and Fee Schedule report.

- Staff have used the 5 year average to determine various other streams of revenue, such as the Orillia Power Plant profit sharing and Cordova Dam (Algonquin Power) operations.
- Staff have made an assumption Provincial grant transfer payments will remain at the same level.
- Hunting leases were modestly increased, as hunters have expressed concerns that the lease amounts are approaching levels that do not make their hunting viable.
- Cottage rental rates were increased by \$10.00/day.
- Staff included an application for a Canada Summer Jobs (CJS) grant funding to help offset expenses for the Benthic Monitoring Program.

Expenses

- An increase of 3.5% was applied to staff wages, which is half of the 2022 inflation rate and 7% applied to key operational expenses.
- Wage expenses for one summer student fully funded by CVCA and two funded by the CSJ grant.

Capital Budget

Revenue and Expenses

- Continue contributing to asset replacement program (32,942)
- Continue contributing to Infrastructure Replacement Program (25,000)
- WECI Projects include stairs at Belmont Dam and repairs to boxes at Marmora and Belmont Dams & Safety Line repairs at Wollaston Dam
- Flood Hazard Identification & Mapping Program (FHIMP) flood plain mapping for Chandos lake – staff recommend requesting North Kawartha & Chandos Lake cottage association contribute to help pay for CVCA's 50% (62,500)
- FHIMP – funding for flood plain mapping for Crowe River (137,500)
- Funding option currently proposed for FHIMP:
 - CVCA Reserves

CVCA Board Draft 2023 Budget Objectives

As part of the overall budget process, staff strongly recommend approving the circulation of the Draft Budget for municipal input. This would also give the Board Members and CVCA staff an opportunity to address the draft budget with municipal councils. Circulating the draft would also give the municipalities an indication of how much the levy could possibly be in 2023, which should aid with their budget approval process.

After careful consideration of the foregoing information in conjunction with the Draft 2023 Budget circulated for consideration and Board discussion, CVCA staff recommend the following:

Staff Recommendation

- 1) That the Draft 2023 Budget be circulated to the member municipalities for their 30 day review period in order to proceed with the Draft Budget approval process and***
- 2) The municipal input be reviewed at the next CVCA Board meeting to be held in February.***

Board Decision

TP