

**Full Authority  
21 January 2016  
Agenda Item: 12**

**Draft 2016 Budget**

Further to the distribution of the draft budget at the November 19 2015 Board meeting, the following update is provided for the Board's consideration. Should this version of the Draft Budget be approved in principle, it will allow the budget to be circulated to the member municipalities for their official 30 day review period. This circulation gives municipalities an opportunity to review the budget prior to the CVCA Board voting on final approval.

Since the November meeting, the CVCA Executive Committee met on December 17<sup>th</sup> to further discuss items and issues which would potentially affect the initial version of the Draft Budget. At the meeting, staff were directed to investigate additional staff related expenses and make changes to the budget for the Board to consider at our next meeting.

Staff also advised the Committee cost of living allowances have not always been included in all budgets since the adoption of the Long Range Plan in 2012. The Executive directed staff to include a 4% increase to staff wages to "catch up". Further investigation since the Executive Committee Meeting has shown one year COLA was not included. As a result, staff have adjusted the wage increase from the 1% in the November Draft Budget Version to 2.9% for all wages (and corresponding CPP, EI, EHT, WSIB Group Benefits and RRSP – OMERS accounts) in each Budget Section.

The net result of the request from the Executive Committee, changes proposed by staff and the additional (confirmed) revenue from a contract with South Nation Conservation Authority is a reduced levy requirement from 9.33% to 8.46%.

In addition, the insurance issue has yet to be resolved and could still offer some relief for the 2016 levy should a reduction to our current insurance rate be realized. If the insurance is reduced, quite conceivably, the 2016 Levy could be at or below the Long Range Plan of 6%. However, the Conservation Ontario Insurance Committee has yet to make a decision and forward the criteria to Marsh Insurance to establish the insurance premium. Staff have been informed a decision will be made prior to the CVCA's Board meeting and the Authority will be notified.

Regarding Source Water Protection revenue, staff continue to see positive indications the revenue will be higher than the .4FTE included in the 2016 Budget. Should this come to fruition, this will once again have a positive impact on the CVCA's revenue stream.

Additional changes are shown in the following chart.

<b>Budget Section</b>	<b>Line Description and Account Number</b>	<b>19 Nov 2015 Version Amount</b>	<b>21 Jan 2016 Version Amount</b>	<b>Difference +/-</b>
Water Operations	Dam Operations #5680-0002	\$8,000	\$7,000	-\$1,000
Water Operations	Flood Management – Unfunded Liabilities (payroll liability OT) #2150	\$10,000	\$7,029	-\$2,971
Water Operations	Repairs & Maintenance #5550-0001	\$3,587	\$2,654	-\$933
Land Operations	General Expense & Taxes McGeachie Conservation #5700-0009	\$9,644	\$9,586	-\$58
Generic Regulations & Planning	GIS Mapping Update/Tool	\$2,824	\$488	-\$2336
Generic Regulations & Planning	Wages – Generic Regulations (1.75 FTE) #5410-0004	\$100,644	\$96,869	-\$3775
Generic Regulations & Planning	Levies – Operations – Generic Regulations #4100-0004	\$50,027	\$46,252	-\$3,775
Special Projects	OBBN Identification Program #4172-0012	\$960	\$7,381	+\$6,421
Special Projects	OBBN Expenses	\$960	\$3,606	+\$2,646
Special Projects	Wages & MERC – OBBN ID Program	\$0	\$3,775	+\$3,775