

Full Authority
21 April 2016
Addendum to General Manager's Report

CVCA Budget Voting Process

The need to have a voting procedure which is definitive, clear and consistent for the Board members should be the foundation for establishing the CVCA's budgets. This will eliminate confusion and the application of different voting processes at different times for different purposes, which has occurred in the past. The aim is to adopt a consistent approach to apply to future budgets and the CVCA's solicitor, Mr. David Demille's advice is a step in that direction. Therefore, in addition to the letter from our solicitor and his presentation, I would like to offer the following to the Board Members as a summary to assist the Board and its deliberations at the CVCA meeting on the 21st.

Budget Voting Process and Implications for Each Section of the Budget

There are two voting mechanisms available to the CVCA to establish the levy and to provide the necessary funding for the budgeted programs and services for the current year. Those voting methods are a 1) one for one vote and 2) a weighted vote. Each voting system is to be used for only specific section(s) of the budget and are not interchangeable.

The one for one vote (one municipality = one vote) is a democratic vote everyone is obviously familiar with and the most commonly used. The 1 for 1 vote is applied to the sections of the budget where provincial dollars are contributed to the CVCA budget to assist with the delivery of core programs (such as flood forecasting and warning, operation of CVCA dams, administrative expenses and provincial planning). This system is based on the definitions in the CA Act regarding maintenance and administrative expenses.

The weighted vote is a system which changes the "value" of the vote of each Board Member. The following chart shows the value of each vote in percentages. This weighted vote is based on the Current Value Assessment given to the Authority by the Ministry of Natural Resources and Forestry every year.

Municipality	Weighted Vote Percentage
Faraday	6.6183
Havelock-Belmont-Methuen	38.6587
Highlands East	9.2028
Limerick	4.7462
North Kawartha	11.6761
Marmora and Lake	16.6754
Stirling-Rawdon	1.1218
Trent Hills	2.9445
Tudor and Cashel	2.2312
Wollaston	6.1251

The weighted voting system recognizes for certain projects/programs the CVCA delivers that only municipal dollars are used to fully fund certain sections of the budget. In the absence of provincial dollars to support a particular program or project, the province has determined (through the adoption of Ont. Reg 139/06) a weighted vote could be used to decide whether these expenses should be funded on a “pay for say” structure. In other words, those municipalities that will be paying more to support these projects should have more to say in the voting process whether to proceed or not with the program/project in question.

Therefore, based on the CVCA’s solicitor interpretation of Ont. Reg. 139/96, the Joint Protocol between AMO and the ACAO (now Conservation Ontario) and the C.A. Act and his subsequent advice, the version of the 2016 Draft Budget was realigned to reflect the intent of the aforementioned documents. The following changes were made and the Draft 2016 Budget was distributed at the meeting held on the 3rd of March. A copy has also been provided in this agenda package.

The Regulation and Planning Budget Section in its entirety was transferred to the Water Operations Section and renamed “Water Operations and Administration”. This decision was a direct result of Mr. Demille’s interpretation of the pertinent sections of the CA Act. Therefore, expenses pertaining to the Regulation program have been deemed to be Administrative.

Since this Water Operation and Administration Section is provided with MNRF funding (without question underfunded by the Province, but nonetheless it does make a contribution), therefore the one municipality = one vote system is applied and will be carried with a majority vote of the members present for the vote.

The Lands Section of the budget has had administrative expenses also transferred to the Water Operations and Administration section. This reduced the expenses of this section and then eliminated the need for municipal levy support for the projects/services in this section. Without municipal funding to completely support this section (there is none at all), the weighted vote will not apply. In effect, no municipality in our Authority has to bear the financial burden for this section. No municipal funding means there is no requirement to have a weighted distribution of the funding to meet expenses. Therefore, the one for one vote will be implemented.

The Special Project Section also does not have any municipal levy supporting the projects since it has sufficient Source Water Protection, Risk Management Official and contract funding. The same logic will be applied as for the Lands Section and the one for one vote will be used.

The Capital Section, because it does not have any provincial funding (at the onset of the budget and WECl funding is subject to an additional approval mechanism) and is to be funded completely through municipal support (should WECl funding not be approved) the weighted voting process will be used. This makes sense since the municipal partners who will have to pay more for these projects should have the greatest say whether to proceed with the projects or not. Traditionally, even with the weighted vote, the member municipalities have willingly accepted working together to support these projects since it benefits all of the members and their respective municipalities.

Finally, should the CVCA choose to proceed with a weighted vote in the Capital Section and the vote defeats this section, the entire budget is not considered defeated, rather the total levy amount will be reduced accordingly and provided the one for one voting supports the remainder of the budget, the levy

will be established at that rate in order for the CVCA to operationally deliver its identified services and programs.

Recommendation:

That the Board apply the one for one vote and the weighted vote system as described by the CVCA's solicitor to the applicable sections to the realigned CVCA 2016 Budget distributed at the March 3rd meeting. By establishing the appropriate voting methods for each section of the Budget, this will ensure consistency for the approval process of future budgets.

Board Decision