

Conservation Halton Finance & Audit Committee Meeting - 02 21

ZOOM Meeting:

<https://us02web.zoom.us/j/81607468539?pwd=UzZvV2s0NXVPZDVBMnpldEhDTkh0QT09> Passcode
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Start: Thursday, June 3, 2021 - 9:30am

End: Thursday, June 3, 2021 - 11:00am

1. Roll Call

2. Disclosure of Pecuniary Interest for Finance & Audit Committee Members

3. Acceptance of Agenda

4. Action Items

4.1. 2022 Preliminary Budget and Forecasts



2022 Preliminary Budget Finance and Audit Committee Report - June 3 2021 (FA 02 21 01)



Conservation Halton Budget 2022 Preliminary (Appendix A)

5. Other Business

6. Adjournment

REPORT TO: Finance & Audit Committee

REPORT NO: # FA 02 21 01

FROM: Marnie Piggot, Director Finance

DATE: June 3, 2021

SUBJECT: 2022 Preliminary Budget and Forecasts

Recommendation

THAT the Finance & Audit Committee recommends to the Conservation Halton Board of Directors that the attached 2022 preliminary budget be **approved for budget discussion purposes with funding watershed municipalities;**

And

THAT preliminary design, engineering, and consultation costs included in the 2022 budget that may be incurred in 2021 for the Crawford Lake Boardwalk capital project **be approved and funded by the Conservation Areas Capital Reserve if required until formal funding agreements are confirmed.**

Executive Summary

The development of the 2022 preliminary budget was based on Conservation Halton's current budget practices. The preliminary budget balances the delivery of core programs and services, with strategic priorities, inflationary and growth-related pressures and potential COVID-19 impacts on Conservation Areas park programs.

The 2022 preliminary budget financial amounts are contained in the financial attachment (Appendix A). This report provides an overview of the 2022 preliminary budget, major drivers of the budget increase and details on proposed capital projects.

Budget impacts of the Conservation Authority Act regulation revisions will be considered in the coming months when Ministry of the Environment, Conservation and Parks (MECP) staff and the CA Act Working Group are closer to confirming the provisions related to municipal levies and requirements for non-mandatory programs and services.

The 2022 preliminary budget totals almost \$40.2 million and is outlined in the chart below. The budget amounts are segregated according to Conservation Halton's primary budget categories with Watershed Management & Support Services (WMSS) totalling \$22 million and the Conservation Areas at \$18.2 million. The combined operating budget totals approximately \$33.4 million and the capital budget totals \$6.8 million.

Programs	2022 Preliminary Budget	2021 Budget	Increase / Decrease
Watershed Management & Support Services (WMSS)			
Operating	\$ 18,557,966	\$ 17,590,970	\$ 964,996
State of Good Repair (SOGR Levies)	\$ 480,500	\$ 478,500	\$ 2,000
	\$ 19,038,466	\$ 18,069,470	\$ 966,996
Capital	\$ 2,931,970	\$ 3,761,698	\$ (829,728)
Subtotal WMSS Budget	\$ 21,970,436	\$ 21,831,168	\$ 137,268
Conservation Areas			
Operating	\$ 14,385,263	\$ 13,843,514	\$ 541,749
Capital	\$ 3,812,903	\$ 1,143,412	\$ 2,669,491
Subtotal Conservation Areas Budget	\$ 18,198,166	\$ 14,986,926	\$ 3,211,240
Total Budget	\$ 40,168,602	\$ 36,818,094	\$ 3,348,508

Highlights of the 2022 preliminary budget include:

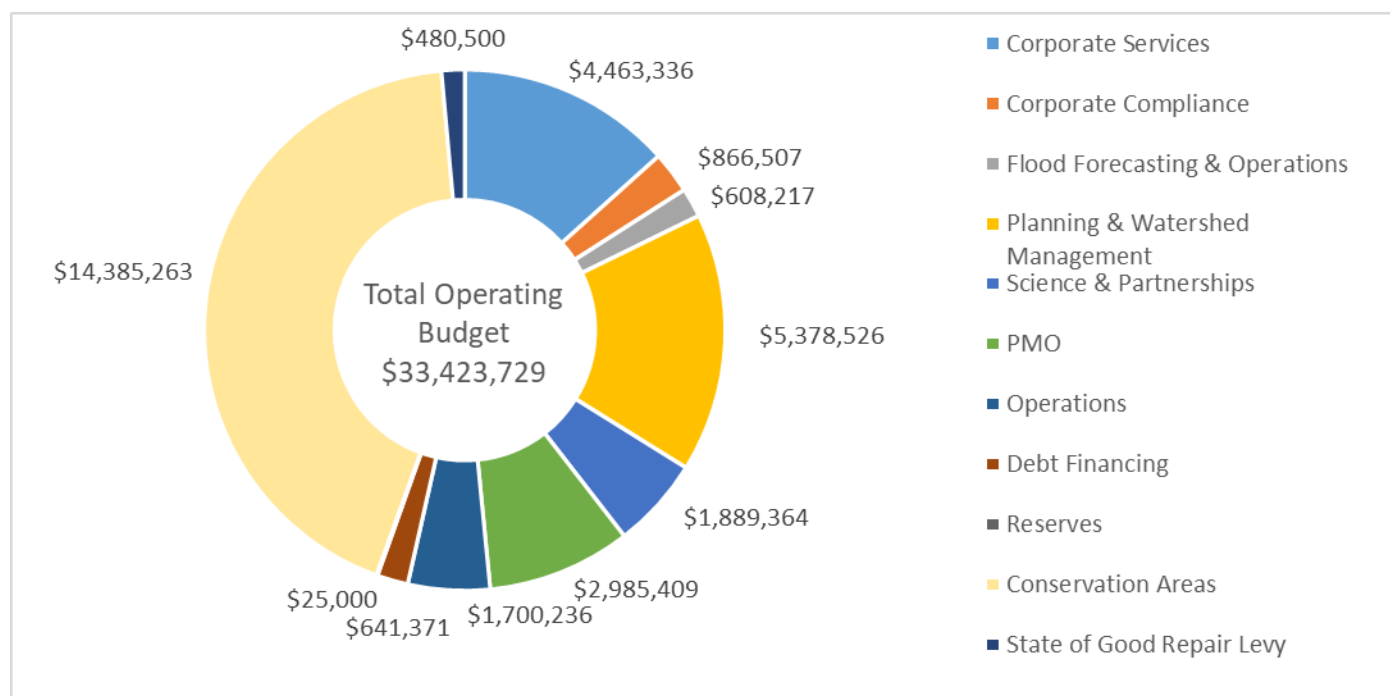
- The 2022 preliminary budget has increased by \$3.3 million over the 2021 budget of \$36.8 million. Major drivers of the budget increase include:
 - \$663,985 in staff salary and benefits costs based on a 1.75% inflation increase. Total overall staff full-time equivalents (FTE) have not changed from the 2021 budget;
 - \$100,000 in legal expenses related to Planning & Regulation activities;
 - \$150,000 in insurance expenses based on 2021 insurance premiums increases; and
 - \$2,280,000 for the Crawford Lake Boardwalk capital project with the recent announcement of the successful Investing in Canada Infrastructure Program (ICIP) grant.
- The Conservation Areas operating surplus in the 2022 preliminary budget of \$372,118 is higher than the 2021 budget surplus of \$251,284 and assumes a conservative recovery from the COVID-19 impacts on park programs.
- Municipal funding in the 2022 preliminary budget is \$10,792,456. The proposed municipal funding increase of 3.5% or \$361,577 is within Region of Halton guidelines established for the 2021 budget. Operating and capital forecasts have been prepared with annual municipal funding increases ranging from 3.1% to 4.5%. There is no new debt financing required in the 2022 preliminary budget.
- Municipal State of Good Repair (SOGR) levies are proposed to increase by \$2,000 in line with previous budget forecasts. A reallocation of \$60,000 from the Dams & Channels SOGR levy to the Facilities SOGR levy is recommended in the 2022 budget consistent with the reserve funding level in the Facilities Asset Management Plan.

Conservation Halton staff will be submitting the 2022 preliminary budget to Regional staff in the summer for their review and consideration. A comprehensive Budget & Business Plan document will be prepared in time for final budget approval by the Conservation Halton Board of Directors in October.

Report

2022 Preliminary Operating Budget

The operating budget of \$33.4 million provides for an investment of \$19 million in Watershed Management and Support Services (WMSS) programs and an investment of \$14.4 million in the Conservation Areas. The following graph shows the distribution of the operating budget by department.



Inflation has been assumed generally at a rate of 1.5-2.0% for 2022. The Bank of Canada aims to keep inflation at the 2 per cent midpoint of an inflation-control target range of 1 to 3 per cent.

Investing in Watershed Management & Support Services

The WMSS 2022 preliminary operating budget totals slightly over \$19 million. WMSS Operating Expense and Funding amounts are detailed in the chart below. The budget increase of \$968,966 is largely funded by program revenue, grants, reserves and internal chargebacks. Municipal operating funding for WMSS programs is proposed to increase by \$348,393 for programs and services and by \$2,000 to fund increases to the State of Good Repair Levies for dams, channels, and facilities.

Watershed Management & Support Services (WMSS)	2022 Preliminary Budget	2021 Budget	Increase / Decrease
Operating Expenses:			
Staff Salary & Benefits	\$ 13,191,614	\$ 12,481,385	\$ 710,229
Materials & Supplies	\$ 1,119,146	\$ 713,842	\$ 405,304
Purchased Services	\$ 2,841,184	\$ 3,124,481	\$ (283,297)
Financial	\$ 79,000	\$ 74,045	\$ 4,955
Internal Chargebacks	\$ 660,651	\$ 552,972	\$ 107,679
Debt Financing Charges	\$ 641,371	\$ 619,245	\$ 22,126
Transfer to Reserves - Land Securement	\$ 25,000	\$ 25,000	\$ -
Transfer to Reserves - SOGR Levy Dams & Channels	\$ 316,500	\$ 376,500	\$ (60,000)
Transfer to Reserves - SOGR Levy Buildings	\$ 164,000	\$ 102,000	\$ 62,000
Total Operating Expenses - WMSS	\$ 19,038,466	\$ 18,069,470	\$ 968,996
Funding of Operating Expenses:			
Program Revenue	\$ 3,192,120	\$ 2,691,458	\$ 500,662
Ministry of Natural Resources & Forestry - Operating Grant	\$ 155,034	\$ 155,034	\$ -
Municipal Funding	\$ 9,688,493	\$ 9,340,100	\$ 348,393
Municipal Funding - State of Good Repair Levies Dams & Channels and Buildings	\$ 480,500	\$ 478,500	\$ 2,000
Other Grants & Program Funding	\$ 3,142,438	\$ 3,231,098	\$ (88,660)
Internal Chargeback Recoveries	\$ 2,206,381	\$ 2,145,780	\$ 60,601
Transfers from Reserves - WMSS Stabilization, Water Festival, Stewardship and Restoration	\$ 173,500	\$ 27,500	\$ 146,000
Total Operating Funding - WMSS	\$ 19,038,466	\$ 18,069,470	\$ 968,996

Staff Salary & Benefits increases include:

- 2.75 FTE staff changes costing \$275,542 funded primarily by program revenue and other grants;
- Increased staff compensation of \$296,652 based on a 1.75% inflationary increase to the staff salary bands. Salaries are based on 96% of the top of the salary bands that approximate actual salary levels; and
- Benefit expense increases estimated to cost \$138,035.

Materials & Supplies and Purchased Services

A large part of the changes in these categories are the result of shifts between supplies and services for the Partnership Projects planned for 2022 that are fully funded by project grants and internal chargebacks to the projects.

Purchased Services also includes increased WMSS insurance costs of \$50,000 and a \$100,000 increase in the Planning & Regulation legal budget based on current increased activities. Staff are recommending that the \$100,000 increase in legal budget for 2022 be funded by a transfer from the WMSS Stabilization Reserve to assess whether a long-term legal budget increase is needed.

Debt Financing Charges

Debt Financing Charges in the 2022 preliminary operating budget of 641,371 includes \$591,371 municipal debt financing charges and \$50,000 for principal and interest payments on the property acquisition loan from the Hamilton Community Foundation (HCF). The original property loan received in 2015 was \$858,000. After the loan renewal in December 2020 the HCF loan balance at December 31, 2020 was \$212,369 and is anticipated to be repaid by July 2025.

Municipal debt financing charges are based on the amounts in the 2021 budget forecast for 2022 provided by Halton Region staff. Debt financing charges are subject to change when updated by Halton Region staff with the budget submission. Debt financing charges are currently calculated based on interest rates ranging between 3.0%-3.2%, with repayment over thirty years for the Kelso Dam Capital Project and twenty years for other projects. Projects that have been debt financed to date include significant dams and channels capital projects and Administration Office major renovations. The Halton Region loan balance as of December 31, 2020 was \$4,879,328.

State of Good Repair (SOGR) Levy

An increase of \$2,000 in the SOGR Levy is included in the 2022 preliminary budget for Facilities consistent with the 2022 forecast amount included in the 2021 budget. A reallocation of \$60,000 from the Dams & Channels SOGR levy to the Facilities SOGR levy is recommended in the 2022 budget to meet annual reserve level funding target in the Facilities Asset Management Plan.

The State of Good Repair Levy amounts are transferred to the Watershed Management Capital and Building SOGR Reserve to fund future capital works.

Program Revenue

The majority of this revenue increase is related to estimated planning and permit fees based on significantly increased activity in 2020 and projected trends related to the Halton Region allocation program.

Investing in our Parks

The Conservation Areas 2022 preliminary operating budget provides for an investment of \$14,385,263 into the Conservation Areas. Operating expenses have increased by \$541,749 as detailed in the chart below.

Conservation Areas	2022 Preliminary Budget	2021 Budget	Increase / Decrease
Operating Expenses:			
Staff Salary & Benefits	\$ 8,057,964	\$ 8,104,208	\$ (46,244)
Materials & Supplies	\$ 1,874,353	\$ 1,844,639	\$ 29,714
Purchased Services	\$ 2,245,528	\$ 1,953,983	\$ 291,545
Financial	\$ 471,200	\$ 296,200	\$ 175,000
Internal Chargebacks	\$ 1,364,100	\$ 1,393,200	\$ (29,100)
Transfer to Reserve - Operating Surplus	\$ 372,118	\$ 251,284	\$ 120,834
Total Operating Expenses - Conservation Areas	\$ 14,385,263	\$ 13,843,514	\$ 541,749
Funding of Operating Expenses:			
Program Fees	\$ 13,946,430	\$ 13,416,330	\$ 530,100
Municipal Funding - Park Education programs & Outreach	\$ 361,463	\$ 355,279	\$ 6,184
Internal Chargeback Recoveries	\$ 77,370	\$ 63,290	\$ 14,080
Transfer from Reserves	\$ -	\$ 8,615	\$ (8,615)
Total Operating Funding - Conservation Areas	\$ 14,385,263	\$ 13,843,514	\$ 541,749

Staff Salary & Benefits are decreasing by (\$46,244) as a result of a reduction in 3.0 FTE positions offset by increased seasonal salaries and benefits.

Internal Chargebacks to the Conservation Areas for support services have decreased in the 2022 preliminary operating budget by (\$29,100) related to support staffing changes and estimated allocation of time spent on park programs.

Purchased Services increase of \$291,545 includes estimated insurance costs increases of \$100,000 based on 2021 premiums. Also included in the category is \$105,000 in services related to Digital Transformation initiatives.

Financial expense increase of \$175,000 is attributed to increased credit card fees and point of sales system fees. These expense increases are more than offset by proposed increased park program fees.

Program fees have been conservatively increased by \$530,100 with the impacts of COVID-19 on park programs unknown at this time. This revenue increase is based on assumed continued growth in park visitation and the implementation of fee increases approved for spring 2021 that have been delayed until after the current provincial shutdown.

2022 Preliminary Capital Budget

The 2022 preliminary capital budget represents an investment of \$6.7 million into infrastructure and studies allocated to WMSS programs of \$2.9 million and Conservation Areas of \$3.8 million.

The capital budget provides funding for the rehabilitation of flood control infrastructure, updating of flood plain mapping, investments in digital transformation and technology upgrades, vehicle and

equipment replacements, development of studies and plans, managing the impacts of Emerald Ash Borer, land management initiatives and infrastructure improvements at the Conservation Areas.

Capital Budget	2022 Preliminary Budget	2021 Budget	Increase / Decrease
Capital Expenses:			
Dams & Channels SOGR Maintenance	\$ 700,970	\$ 1,203,000	\$ (502,030)
Flood Forecasting & Warning Program	\$ 90,000	\$ 70,000	\$ 20,000
Flood Plain Mapping	\$ 525,000	\$ 500,000	\$ 25,000
Emerald Ash Borer	\$ 820,000	\$ 820,000	\$ -
Digital Transformation			
-IT Infrastructure	\$ 52,000	\$ 122,000	\$ (70,000)
-Document Digitization	\$ 200,000	\$ -	\$ 200,000
PMO Facilities			
-Administration Office SOGR & Renovations	\$ 200,000	\$ 570,136	\$ (370,136)
Other Projects			
-Compensation Review, Asset Management Plan Update, GIS Data, Property Management, Watershed Planning, WMSS Vehicles	\$ 344,000	\$ 476,562	\$ (132,562)
Subtotal Capital Expenses - WMSS	\$ 2,931,970	\$ 3,761,698	\$ (829,728)
Conservation Areas			
-Facility, Infrastructure & Ski Hill	\$ 1,432,903	\$ 1,018,412	\$ 414,491
-Crawford Lake Boardwalk	\$ 2,280,000	\$ -	\$ 2,280,000
-Kelso Quarry Park / Area 8	\$ 100,000	\$ 125,000	\$ (25,000)
Subtotal - Conservation Areas	\$ 3,812,903	\$ 1,143,412	\$ 2,669,491
Total Capital Projects	\$ 6,744,873	\$ 4,905,110	\$ 1,839,763

Watershed Management & Support Services Capital Investments:

Dams & Channels SOGR Maintenance costs of \$700,970 are based on staff assessments of capital work priorities according to consulting engineering studies such as dam safety reviews. These costs are assumed to be funded 50% provincially and 50% municipally through the State of Good Repair Levy reserve funding. The overall amount in the 2022 preliminary budget and forecast has been reduced compared to prior budget capital forecasts as a result of estimates in updated Dam Safety Reviews and Channels Study.

Asset Management Plan - Dams & Channels is scheduled to be updated in 2022. Asset Management (AM) Plans have been completed for all Conservation Halton assets and are planned to be updated every five years.

Digital Transformation initiatives of \$200,000 in 2022 are associated with the implementation of a digital file management system including digitizing of existing paper files/records. Project expenses for 2022 are proposed to be funded by a transfer from the Digital Transformation Reserve.

PMO Facilities Administration Office capital work of \$200,000 will fund state of good repair maintenance and office space renovations. Office renovations work will consider the impact of the virtual office continuing in some form after COVID-19. The Operations Centre proposed in the 2021 budget forecast for 2022 is being deferred in the forecast to revisit staff space needs post COVID-19.

Conservation Area Capital Investments:

Facility, Infrastructure & Ski Hill costs of \$1,432,903 include \$213,000 in state of good repair work and IT infrastructure, \$950,000 for improvements in snowmaking and facilities as well as rental fleet and snow groomer replacements, and \$269,903 in vehicle and equipment replacements.

Crawford Lake Boardwalk project with an estimated cost of \$2,280,000 was announced in April 2021 as a successful grant through the Investing in Canada Infrastructure Program (ICIP) and is being added to the 2022 capital budget. ICIP will provide Federal and Provincial funding totalling \$1,671,924 with the balance of \$608,076 to be funded by Conservation Halton. The Board approved in October 2019 the grant application submission and the use of Developer Contributions collected by Halton Region to fund Conservation Halton's portion of the project. The funding agreement with ICIP is still to be received. Preliminary engineering design work will commence later this year. This project will include improvements to extend the boardwalk's lifespan, meet accessibility requirements and is expected to be completed by late 2024.

Kelso Quarry Park / Area 8 - Capital work has been included in the 2022 preliminary budget and 2021 budget to begin to gradually open this area to the public through a reservation system. Increased public demand for park space as a result of COVID-19 and area growth has been a driver in advancing the Kelso Quarry Park enhancements. The Kelso Master Plan, first presented to the Board in June 2018 and approved in fall 2020 contains improvements at Kelso Quarry Park of approximately \$7 million including trails, boardwalk, seasonal activities and visitor centre. The Conservation Halton Foundation is in the process of developing a capital fundraising campaign to support funding needs with the remainder of project funding proposed to come from Developer Contributions collected by Halton Region. The 2022 budget capital forecast includes estimated capital outlays for this area that are subject to revision as the capital campaign and capital priorities are further refined.

Sources of Capital Budget Funding

A summary of the 2022 proposed capital funding sources is provided in the chart below:

Capital Budget Funding	2022 Preliminary Budget	2021 Budget	Increase / Decrease
WMSS:			
Provincial Funding - Dams & Channels	\$ 350,485	\$ 601,500	\$ (251,015)
Municipal Funding	\$ 262,000	\$ 257,000	\$ 5,000
Municipal Funding Other - EAB	\$ 804,000	\$ 804,000	\$ -
Municipal Funding Other - Flood Plain Mapping	\$ 525,000	\$ 500,000	\$ 25,000
Municipal Debt Financing	\$ -	\$ 526,500	\$ (526,500)
Other Funding Grants and Program Funding	\$ 146,000	\$ 116,000	\$ 30,000
Transfer from Reserves	\$ 844,485	\$ 956,698	\$ (112,213)
Conservation Areas:			
Transfer from Reserves	\$ 1,532,903	\$ 1,143,412	\$ 389,491
Other Funding Grants and Program Funding	\$ 1,671,924	\$ -	\$ 1,671,924
Developer Contributions	\$ 608,076	\$ -	\$ 608,076
Total Capital Funding	\$ 6,744,873	\$ 4,905,110	\$ 1,839,763

Other Municipal Funding for Emerald Ash Borer (EAB) treatment and Flood Plain Mapping are consistent with the business plans submitted to Halton Region Council for these projects. There is no debt financing requested in the 2022 preliminary capital budget based on proposed capital projects.

Reserve Transfers

The summary below provides the recommended transfers to and from reserves in the 2022 preliminary budget and the resulting projected reserve balances at December 31, 2022. A reserve continuity schedule with reserve balances to 2031 is also provided in the financial attachment.

	Reserves Projected Balance Dec. 31, 2021	Contribution from Municipal Funding	Contribution from Surplus	State of Good Repair Levy	Contribution to Capital Projects	Contribution to Operating Expenses	Reserves Projected Balance Dec. 31, 2022
Conservation Halton Reserves							
Watershed Management & Support Services							
Vehicle and Equipment	625,967				(94,000)		531,967
Building	153,470				(100,000)		53,470
Building - State of Good Repair	299,757			164,000	(100,000)		363,757
Watershed Management Capital - Municipal Funds and Self Generated Funds	954,564			316,500	(350,485)		920,579
Watershed Management & Support Services Stabilization	1,789,212					(100,000)	1,689,212
Capital Projects - Debt Financing Charges	425,564						425,564
Digital Transformation	254,900				(200,000)		54,900
Legal - Planning & Watershed Management	258,891						258,891
Legal - Corporate	200,000						200,000
Water Festival	170,296					(10,000)	160,296
Land Securement	85,437	25,000					110,437
Property Management	80,629						80,629
Stewardship and Restoration	259,011					(63,500)	195,511
Conservation Areas							
Capital	2,402,091		372,118		(1,532,903)		1,241,306
Stabilization	1,000,568						1,000,568
Total Reserves	8,960,357	25,000	372,118	480,500	(2,377,388)	(173,500)	7,287,087

Municipal Funding

Municipal funding in the 2022 preliminary budget totals almost \$10.8 million. The \$361,577 increase in municipal funding is 3.5% more than was requested in 2021. The increase requested is within the Region of Halton budget guideline established for the 2021 budget. The guideline for the 2022 budget is anticipated to be received in July 2021.

Total Municipal Funding:	Preliminary Budget 2022	Budget 2021	\$ Increase (Decrease)	% Increase
Operating	\$10,049,956	\$9,695,379	\$354,577	3.7%
Capital	262,000	257,000	5,000	1.9%
	10,311,956	9,952,379	359,577	3.6%
State of Good Repair (SOGR) Levy - Dams & Channels; Buildings	480,500	478,500	2,000	0.4%
Municipal Funding total	\$10,792,456	\$10,430,879	\$361,577	3.5%

Municipal funding continues to be less than 30% of funding sources in the budget. The municipal funding increase included in the 2021 budget forecast for 2022 was 4.1%. A municipal funding forecast is provided in the financial attachment with annual municipal funding increases ranging from 3.1% to 4.5%.

2022 Preliminary Budget and Operating Forecast 2023-2031

Key assumptions and drivers included in the budget and operating forecast are as follows:

- The addition of two new staff positions per year have been assumed in the Watershed Management and Support Services (WMSS) operating forecast that reflect future growth and maintaining program service levels. Program service level reviews are completed annually as part of the budget process to reflect service level changes.
- Compensation and other expenses in the forecast have been assumed to increase annually at the estimated rate of inflation of 2%.
- Program revenues for Watershed Management and Support Services program are assumed to increase annually by inflation and increase 2% to 5% in the Conservation Areas.

The operating forecast includes the estimated costs of servicing existing debt and new debt financing for anticipated capital projects for the 50% municipal portion of dams and channels capital projects and for major facility projects proposed at the Administration Office and Operations Centre. The estimated debt financing charges included in the operating forecast related to municipal debt financing have been provided by Region of Halton staff for the 2021 budget forecast and are subject to revision.

2022 Preliminary Budget and Capital Forecast 2023-2031

The development of the capital budget forecast and overall financing strategy considers the following: 1) strategic initiatives in Conservation Halton's Strategic Plan Momentum; 2) capital priorities identified in Asset Management Plans; 3) Emerald Ash Borer and Flood Plain Mapping Business Plans; and 4) Park Master Plans. The capital budget as proposed will ensure assets are maintained in

a state of good repair and address the impact of growth in the region on Conservation Halton's infrastructure while ensuring long-term fiscal sustainability.

The largest portion of the Watershed Management and Support Services capital budget is related to dams and channels rehabilitation and replacement projects. The dams and channels capital projects are based on information prepared by Conservation Halton's Capital Project staff. Dams and channels capital projects are assumed to be funded 50% municipally through the State of Good Repair Levy reserve funding and debt financing for channel and Scotch Block Dam repairs and the remaining 50% provincially which is approved through a grant application process.

Conservation Areas capital projects in the capital forecast continue to include three projects totalling approximately \$24 million based on business cases previously provided to the Board. The capital projects are related to recreation centres and water distribution and sewer collection systems. These projects will be reassessed over the next year when vacant staff resources are in place and with a new lens in light of COVID-19 impacts on park operations and changing visitor demands. This reassessment will ensure Conservation Halton is making wise capital investments that are financially sustainable and leverages available infrastructure grant funding.

The Strategic Plan initiatives included in the capital forecast will enable Conservation Halton to invest in innovation and technology to continue to modernize operations, streamline service delivery and improve resource management.

Impact on Strategic Goals


This report supports the Momentum priority of Organizational Sustainability.

Financial Impact

Conservation Halton staff have developed a preliminary budget for 2022 with consideration of current fiscal pressures and the need to balance these pressures with providing core services in a growing watershed and meeting strategic plan objectives.

The 2022 preliminary budget addresses increased costs through operational efficiencies and continuous improvements and includes an increase of 3.5% in municipal funding. The proposed 2022 preliminary budget continues to provide for investments in programs to enhance service delivery, supports digital transformation initiatives, watershed planning work, greenspace and property management initiatives, floodplain mapping, flood forecasting, and enhances user experiences at our parks.

Signed & respectfully submitted:


Marnie Piggot
Director, Finance

Approved for circulation:


Hassaan Basit
President & CEO/Secretary-Treasurer

FOR QUESTIONS ON CONTENT:

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CONSERVATION HALTON

2022 PRELIMINARY BUDGET

JUNE 2021

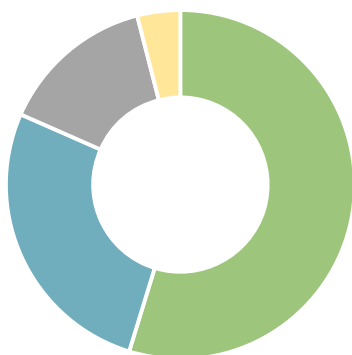


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2022 PRELIMINARY BUDGET SUMMARY

Total Budget Funding Sources
\$40,168,602



- Program Revenue, Chargebacks & Reserves 55%
- Municipal Funding 27%
- Other Funding 14%
- Provincial Funding 4%

Operating Budget

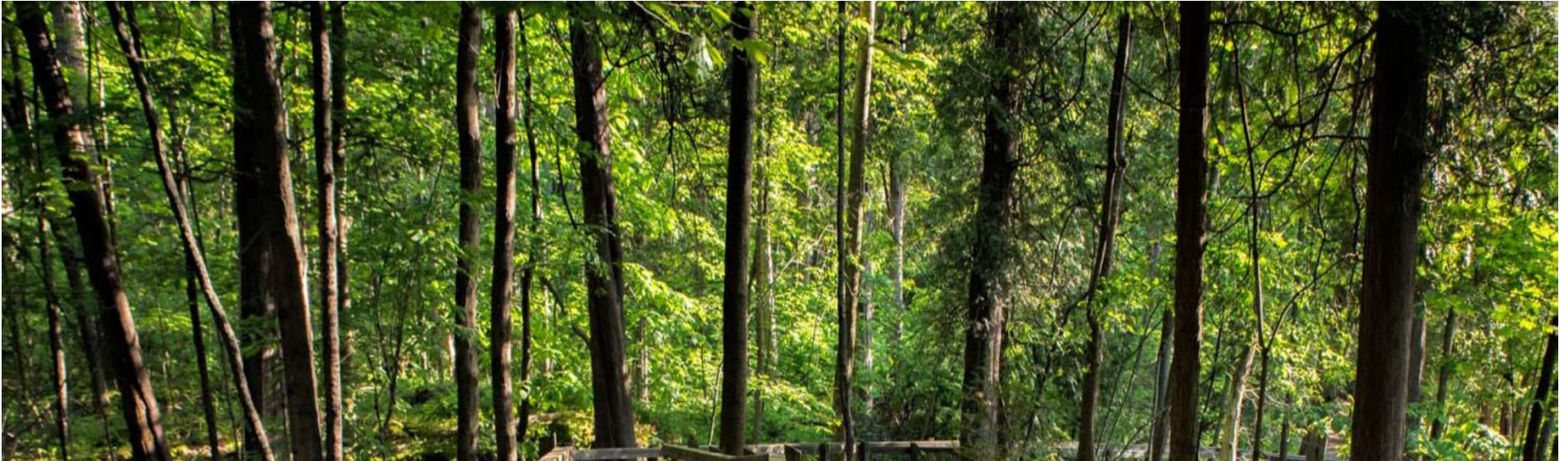
	2022 Budget	2021 Budget
Corporate Services	4,463,336	4,432,544
Corporate Compliance	866,507	774,777
Flood Forecasting & Operations	608,217	508,284
Planning & Watershed Management	5,378,526	4,893,668
Science & Partnerships	1,889,364	1,992,466
Project Management Office	2,985,409	2,721,509
WMSS Operations	1,700,236	1,623,476
Debt Financing	641,371	619,245
Reserves	25,000	25,000
Conservation Areas	14,385,263	13,843,514
State of Good Repair Levy	480,500	478,500
	33,423,729	31,912,984

Capital Budget

	2022 Budget	2021 Budget
Corporate Services	70,000	15,000
Other Foundation Funded Projects	100,000	100,000
Corporate Compliance	25,000	-
Flood Forecasting & Operations	790,970	1,273,000
Planning & Watershed Management	580,000	550,000
Science & Partnerships	-	-
Project Management Office	200,000	714,136
Emerald Ash Borer	820,000	820,000
IT Infrastructure & Digital Transformation	252,000	122,000
Vehicle & Equipment Replacement	94,000	167,562
Conservation Areas	3,812,903	1,143,412
	6,744,873	4,905,110

Total Operating & Capital Budget

\$ 40,168,602 \$ 36,818,094



2022 PRELIMINARY OPERATING BUDGET



WATERSHED MANAGEMENT & SUPPORT SERVICES

2022 PRELIMINARY OPERATING BUDGET

Description	% Increase (decrease) over 2021 Budget	2020 Actual	2021 Budget Expenses	2022 Preliminary Budget Expenses	2022 Preliminary Budget Funding Sources					
					Program Revenue	Provincial Funding	Other (Grants, Sp. Project, Debt financing)	Chargeback Recoveries (CHF, SPP, CAP, Cons. Areas)	Reserve Funding	Municipal Levy & Funding
WATERSHED MANAGEMENT & SUPPORT SERVICES (WMSS) PROGRAMS										
1 CORPORATE SERVICES										
Office of the President & CEO		681,369	665,847	711,907				22,500		689,407
Conservation Halton Foundation Administration		151,555	148,504	153,015				30,000		123,015
Finance		810,766	809,270	779,944	80,500			238,300		461,144
General Corporate Services		25,109	-	-						-
Information Technology		641,375	500,021	477,979				61,000		416,979
Geographical Information Systems (GIS)		439,150	496,844	526,918	6,500					520,418
Chief Operating Officer / Digital Transformation		178,650	355,507	299,847				58,400		241,447
Human Resources		497,007	677,743	703,866				206,700		497,166
Marketing		496,262	427,019	438,225				168,200	10,000	260,025
Communications		138,512	351,789	371,635				136,800		234,835
	0.7%	4,059,755	4,432,544	4,463,336	87,000	-	-	921,900	10,000	3,444,436
2 CORPORATE COMPLIANCE										
Corporate Compliance		716,109	774,777	866,507				197,300		669,207
Risk & Lands		-	-	-				-		-
	11.8%	716,109	774,777	866,507	-	-	-	197,300	-	669,207
3 FLOOD FORECASTING & OPERATIONS										
Flood Forecasting		471,778	508,284	608,217		155,034	-	36,000		417,183
	19.7%	471,778	508,284	608,217	-	155,034	-	36,000	-	417,183
4 PLANNING & WATERSHED MANAGEMENT										
Planning & Regulations		3,300,433	3,885,613	4,410,991	2,890,600			39,500	100,000	1,380,891
Floodplain Mapping (prev. Engineering)		324,632	239,437	246,492	-			-		246,492
Regional Infrastructure Team		441,752	495,154	509,902			522,650			(12,748)
Source Protection		238,272	273,464	211,141		211,141		-		-
	9.9%	4,305,089	4,893,668	5,378,526	2,890,600	211,141	522,650	39,500	100,000	1,614,635

WATERSHED MANAGEMENT & SUPPORT SERVICES

2022 PRELIMINARY OPERATING BUDGET

Description	% Increase (decrease) over 2021 Budget	2020 Actual	2021 Budget Expenses	2022 Preliminary Budget Expenses	2022 Preliminary Budget Funding Sources					
					Program Revenue	Provincial Funding	Other (Grants, Sp. Project, Debt financing)	Chargeback Recoveries (CHF, SPP, CAP, Cons. Areas)	Reserve Funding	Municipal Levy & Funding
5 SCIENCE & PARTNERSHIPS										
Ecology		452,293	636,555	630,848	7,840			21,670		601,338
Stewardship		452,111	575,773	619,394	70,680			170,177	22,500	356,037
HHRAP		262,249	338,004	289,092			300,000			(10,908)
Partnership Projects		237,350	442,134	350,030			350,030			-
	(5.2%)	1,404,003	1,992,466	1,889,364	78,520	-	650,030	191,847	22,500	946,467
6 PROJECT MANAGEMENT OFFICE										
Administration Office Facility		176,052	197,468	199,840						199,840
Project Management		356,503	456,415	434,469			50,000	129,200		255,269
Restoration		252,181	356,569	486,395	-			356,934		129,461
Construction		241,663	249,544	282,088				51,300		230,788
Partnership Projects		461,997	1,461,513	1,582,617			1,541,617		41,000	-
	9.7%	1,488,397	2,721,509	2,985,409	-	-	1,591,617	537,434	41,000	815,358
7 OPERATIONS										
Vehicles and Equipment		147,007	160,589	160,589						160,589
Property Management		41,179	91,770	118,890	36,000	125,000				(42,110)
Security		409,947	445,307	449,070				172,400		276,670
Forestry Operations		379,398	548,347	585,421	-		42,000	10,000		533,421
Forestry Tech. Team		283,195	377,463	386,266	100,000			100,000		186,266
	4.7%	1,260,726	1,623,476	1,700,236	136,000	125,000	42,000	282,400	-	1,114,836
8 DEBT FINANCING CHARGES	3.6%	744,009	619,245	641,371						641,371
TRANSFER TO RESERVE - VEHICLE & EQUIPMENT		-	-	-						-
STABILIZATION, PROPERTY MANAGEMENT, STEWARDSHIP AND RESTORATION; ALLOCATED SURPLUS		1,183,900	-	-						-
TRANSFER TO RESERVES - STATE OF GOOD REPAIR (SOGR) LEVY	0.4%	439,200	478,500	480,500						480,500
TRANSFER TO RESERVE - LAND SECUREMENT	0.0%	25,000	25,000	25,000						25,000
TOTAL OPERATING WATERSHED MGMT & SUPPORT SERVICES (WMSS)	5.4%	16,097,967	18,069,470	19,038,466	3,192,120	491,175	2,806,297	2,206,381	173,500	10,168,993

CONSERVATION AREAS

2022 PRELIMINARY OPERATING BUDGET

Description	% Increase (decrease) over 2021 Budget	2020 Actual	2021 Budget Expenses	2022 Preliminary Budget Expenses	2022 Preliminary Budget Funding Sources					
					Program Revenue	Provincial Funding	Other (Grants, Sp. Project, Debt financing)	Chargeback Recoveries (CHF, SPP, CAP, Cons. Areas)	Reserve Funding	Municipal Levy & Funding
<u>CONSERVATION AREAS</u>										
11 <u>Conservation Areas</u>										
Conservation Areas Administration		1,198,921	1,094,102	1,466,508	1,165,000			71,770		
Vehicle and Equipment Operations - Parks		108,850	105,090	117,090						
Kelso/Glen Eden		6,096,461	8,011,909	8,153,133	9,589,250					
Crawford Lake/Mountsberg/Robert Edmondson		1,739,503	2,039,720	2,026,675	1,793,000		-			240,000
Rattlesnake Point/Hilton Falls/Mount Nemo		547,519	630,735	559,896	1,200,500					
Outreach		126,510	317,474	325,743	198,680			5,600	-	121,463
Transfer Surplus to Conservation Area reserves		1,072,029	251,284	372,118						
SUBTOTAL CONSERVATION AREAS - OPERATING BEFORE SUPPORT SERVICES CHARGEBACK										
	4.6%	10,889,793	12,450,314	13,021,163	13,946,430	-	-	77,370	-	361,463
Support Services Chargeback	(2.1%)	926,900	1,393,200	1,364,100						
TOTAL OPERATING CONSERVATION AREAS										
	3.9%	11,816,693	13,843,514	14,385,263	13,946,430	-	-	77,370	-	361,463
TOTAL OPERATING PROGRAMS										
	4.7%	27,914,660	31,912,984	33,423,729	17,138,550	491,175	2,806,297	2,283,751	173,500	10,530,456



2022 PRELIMINARY CAPITAL BUDGET



2022 PRELIMINARY CAPITAL BUDGET SUMMARY

Description	% Increase (decrease) over 2021 Budget	2020 Actual	2021 Budget Expenses	2022 Preliminary Budget Expenses	2022 Preliminary Budget Funding Sources					
					Program Revenue	Provincial Funding	Other (Grants, Sp. Project, Debt financing)	Chargeback Recoveries (CHF, SPP, CAP, Cons. Areas)	Reserve Funding	Municipal Levy & Funding
CAPITAL										
Capital - Watershed Management & 12a Support Services (WMSS)										
<u>Corporate Services</u>										
Asset Management Plan		39,987	-	40,000						40,000
Compensation review		-	-	30,000						30,000
Ortho Imagery		-	15,000	-						-
IT Infrastructure		89,883	122,000	52,000						52,000
Digital Transformation		23,953	-	200,000					200,000	-
<u>Corporate Compliance</u>										
Property Management Projects		-	-	25,000						25,000
Clappison & Waterdown Woods		-	25,000	-						-
Land Acquisition		488,411	-	-						-
<u>Flood Forecasting & Operations</u>										
Dams & Channels SOGR Maintenance		956,221	1,203,000	700,970		350,485	-		350,485	-
Flood Forecasting & Warning Program		157,969	70,000	90,000						90,000
<u>Planning & Watershed Management</u>										
Watershed Planning		31,500	25,000	55,000			30,000			25,000
Flood Plain Mapping Update		220,118	500,000	525,000			525,000			-
<u>Project Management Office</u>										
Administration Office Renovations		-	500,000	100,000			-		100,000	-
Facilities - State of Good Repair		169,573	70,136	100,000					100,000	-
Operations Centre		-	-	-			-			-
Speyside Weir Removal		-	144,000	-					-	-
Emerald Ash Borer		928,231	820,000	820,000	16,000		804,000			-
Vehicle and Equipment Replacement		242,475	167,562	94,000					94,000	-
Other Foundation Funded Projects		-	100,000	100,000			100,000			-
TOTAL CAPITAL WMSS	(22.1%)	3,348,322	3,761,698	2,931,970	16,000	350,485	1,459,000	-	844,485	262,000
12b Capital - Conservation Areas										
Skihill Improvements		-	500,000	950,000					950,000	-
Facility Major Maintenance & IT Infrastructure		47,000	370,000	213,000					213,000	-
Vehicle and Equipment Replacement		588,291	148,412	269,903					269,903	-
Developer Contribution Projects		116,082								-
-Crawford Lake Boardwalk		-	-	2,280,000		759,924	1,520,076		-	-
-Kelso Quarry Park / Site 8		-	125,000	100,000					100,000	-
TOTAL CAPITAL CONSERVATION AREAS	233.5%	751,372	1,143,412	3,812,903	-	759,924	1,520,076	-	1,532,903	-
TOTAL CAPITAL PROJECTS	37.5%	4,099,694	4,905,110	6,744,873	16,000	1,110,409	2,979,076	-	2,377,388	262,000



2022 PRELIMINARY OPERATING BUDGET & FORECAST 2023-2031



2022 PRELIMINARY OPERATING BUDGET & FORECAST 2023-2031

Ten Year Operating Expenditures and Funding Budget & Forecast - Watershed Management & Support Services (WMSS)

Conservation Halton WMSS Operating Expenditures

	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Salaries & Benefits										
Balance, beginning of year	12,481,385	13,191,614	13,629,614	14,079,614	14,542,614	15,018,614	15,507,614	16,009,614	16,525,614	17,055,614
Staffing changes (2022 2.75 FTE increase; 2 FTE 2023-2031)	275,542	153,000	156,000	159,000	162,000	165,000	168,000	171,000	174,000	177,000
Compensation Increases (2022 1.75%, 2022-30 2% inflation; 96% of range)	296,652	209,000	216,000	223,000	230,000	238,000	245,000	253,000	261,000	270,000
Increase in benefits (2022 5%; 2023-2031 2% inflation)	138,036	76,000	78,000	81,000	84,000	86,000	89,000	92,000	95,000	98,000
Balance, end of year	13,191,614	13,629,614	14,079,614	14,542,614	15,018,614	15,507,614	16,009,614	16,525,614	17,055,614	17,600,614
Materials & Supplies										
Balance, beginning of year	713,842	1,119,146	1,130,346	1,152,946	1,176,046	1,199,546	1,223,546	1,248,046	1,273,046	1,298,546
Science & Partnerships program materials	(31,330)									
Project Management Office (PMO) program materials	450,284									
General decrease and increases (Assumed 2022-2031 2% inflation)	(13,650)	11,200	22,600	23,100	23,500	24,000	24,500	25,000	25,500	26,000
Balance, end of year	1,119,146	1,130,346	1,152,946	1,176,046	1,199,546	1,223,546	1,248,046	1,273,046	1,298,546	1,324,546
Purchased Services										
Balance, beginning of year	3,124,481	2,841,184	2,884,184	2,927,184	2,971,184	3,016,184	3,069,184	3,130,184	3,193,184	3,257,184
Corporate Compliance - Insurance and Legal cost increases	65,000									
COO / Digital Transformation program services	105,000									
Planning & Watershed Management - Legal and consulting increase	97,000									
Science & Partnerships - HHRAP and Partnership Projects services	(142,633)									
Project Management Office (PMO) - Restoration Partnership Projects	(436,501)									
WMSS Operations program services	24,000									
General increases (Assumed 2022-2031 2% inflation)	4,837	43,000	43,000	44,000	45,000	53,000	61,000	63,000	64,000	65,000
Balance, end of year	2,841,184	2,884,184	2,927,184	2,971,184	3,016,184	3,069,184	3,130,184	3,193,184	3,257,184	3,322,184
Financial										
Balance, beginning of year	74,045	79,000	80,600	82,200	83,800	85,500	87,200	88,900	90,700	92,500
General increases (2022-2031 Assumed 2.0% inflation)	4,955	1,600	1,600	1,600	1,700	1,700	1,700	1,800	1,800	1,900
Balance, end of year	79,000	80,600	82,200	83,800	85,500	87,200	88,900	90,700	92,500	94,400
Internal Chargebacks										
Beginning of year	552,972	660,651	673,864	687,341	701,088	715,110	729,412	744,000	758,880	774,058
General increases	107,679	13,213	13,477	13,747	14,022	14,302	14,588	14,880	15,178	15,481
Balance, end of year	660,651	673,864	687,341	701,088	715,110	729,412	744,000	758,880	774,058	789,539
Debt Financing Charges (Hamilton Community Fdn & Halton Region)										
Balance, beginning of year	619,245	641,371	677,183	774,879	683,369	580,608	564,490	552,965	545,959	534,879
Decrease in debt financing charges - Ham. Comm. Foundation	-	-	-	(25,000)	(25,000)	-	-	-	-	-
Increase/(decrease) in debt financing charges - Halton Region	22,126	35,812	97,696	(66,510)	(77,761)	(16,118)	(11,525)	(7,005)	(11,080)	-
Total Debt Financing Charges	641,371	677,183	774,879	683,369	580,608	564,490	552,965	545,959	534,879	534,879

2022 PRELIMINARY OPERATING BUDGET & FORECAST 2023-2031

Ten Year Operating Expenditures and Funding Budget & Forecast - Watershed Management & Support Services (WMSS)

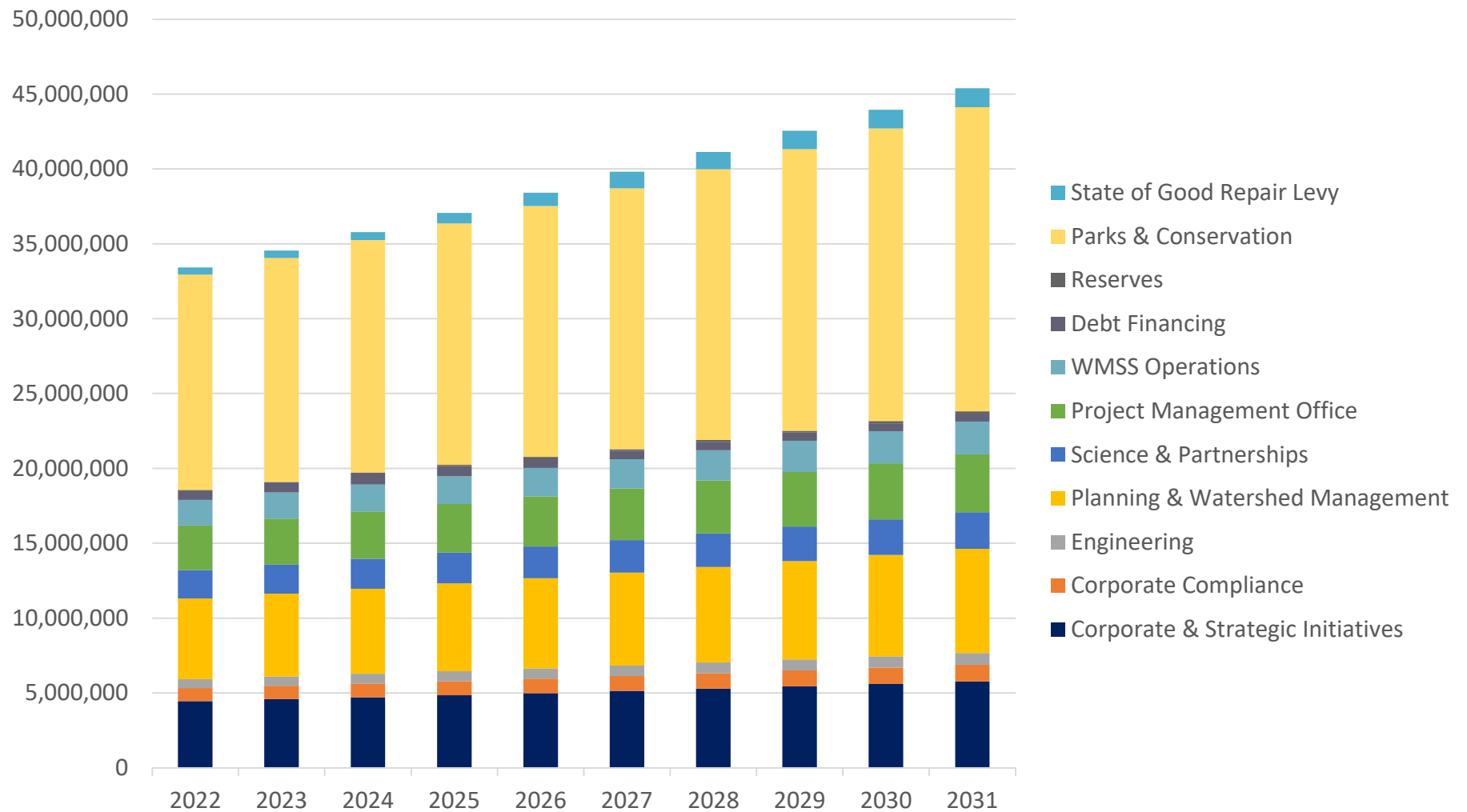
Conservation Halton WMSS Operating Expenditures	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Preliminary									
Transfer to Reserves - State of Good Repair Levy (Dams and Channels)	316,500	327,100	350,600	521,800	700,900	931,500	950,200	1,056,000	1,054,600	1,075,000
Transfer to Reserves - State of Good Repair Levy (Buildings)	164,000	167,300	170,600	174,000	177,500	181,100	184,700	188,400	192,200	196,000
Transfer to Reserves - Land Securement	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transfers to Reserves - Motor Pool	-	-	-	50,000	125,000	75,000	100,000	100,000	125,000	125,000
Total Operating Expenses - WMSS	19,038,466	19,595,191	20,250,364	20,928,901	21,643,962	22,394,046	23,033,609	23,756,783	24,409,581	25,087,162
Funding of Operating Expenditures										
Program Revenue	3,192,120	3,351,700	3,519,300	3,589,700	3,661,500	3,844,600	3,921,500	3,999,900	4,079,900	4,161,500
Ministry of Natural Resources & Forestry - Operating Grant	155,034	155,034	155,034	155,034	155,034	155,034	155,034	155,034	155,034	155,034
Municipal Funding - Operating (Total incl. Education)	10,049,956	10,464,349	10,825,596	11,187,454	11,544,487	11,771,696	12,204,341	12,753,657	13,214,459	13,674,310
Municipal State of Good Repair Levies - Dams & Channels and Buildings	480,500	494,400	521,200	695,800	878,400	1,112,600	1,134,900	1,244,400	1,246,800	1,271,000
Other Grants & Program Funding	3,142,438	3,202,800	3,264,400	3,327,300	3,391,400	3,456,800	3,523,500	3,591,500	3,660,900	3,731,600
Internal Chargeback Recoveries	1,844,918	1,896,908	1,934,834	1,973,613	2,013,141	2,053,316	2,094,334	2,012,293	2,052,488	2,093,718
Transfers from Reserves - WMSS Stabilization, Water Festival, Stewardship and Restoration	173,500	30,000	30,000	-	-	-	-	-	-	-
Total Operating Funding - WMSS	19,038,466	19,595,191	20,250,364	20,928,901	21,643,962	22,394,046	23,033,609	23,756,783	24,409,581	25,087,162

2022 PRELIMINARY OPERATING BUDGET & FORECAST 2023-2031

Ten Year Operating Expenditures and Funding Budget & Forecast - Conservation Areas

Conservation Halton Conservation Areas Operating Expenditures	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Salaries & Benefits	8,057,964	8,219,123	8,383,506	8,551,176	8,722,199	9,027,476	9,343,438	9,670,458	10,008,924	10,359,237
Materials & Supplies	1,874,353	1,911,840	1,950,077	1,989,078	2,028,860	2,099,870	2,173,366	2,249,433	2,328,163	2,409,649
Purchased Services	2,245,528	2,290,439	2,336,247	2,382,972	2,430,632	2,515,704	2,603,753	2,694,885	2,789,206	2,886,828
Financial	471,200	480,624	490,236	500,041	510,042	527,894	546,370	565,493	585,285	605,770
Internal Chargebacks	1,364,100	1,391,400	1,419,200	1,447,600	1,476,600	1,506,100	1,536,200	1,566,900	1,598,200	1,630,200
Transfer to Reserve - Operating Surplus	372,118	651,180	946,859	1,259,848	1,590,973	1,735,818	1,889,264	2,051,772	2,223,824	2,405,827
Total Operating Expenses - Conservation Areas	14,385,263	14,944,606	15,526,126	16,130,716	16,759,306	17,412,862	18,092,391	18,798,941	19,533,602	20,297,510
Operating Funding - Conservation Areas										
Program Fees	13,946,430	14,496,996	15,069,564	15,665,023	16,284,299	16,928,355	17,598,194	18,294,860	19,019,439	19,773,064
Municipal Funding - Parks education programs & Outreach	361,463	368,692	376,066	383,587	391,259	399,084	407,066	415,207	423,512	431,982
Internal Chargeback Recoveries	77,370	78,917	80,496	82,106	83,748	85,423	87,131	88,874	90,651	92,464
Total Operating Funding - Conservation Areas	14,385,263	14,944,606	15,526,126	16,130,716	16,759,306	17,412,862	18,092,391	18,798,941	19,533,602	20,297,510

2022 PRELIMINARY OPERATING BUDGET & FORECAST 2023-2031

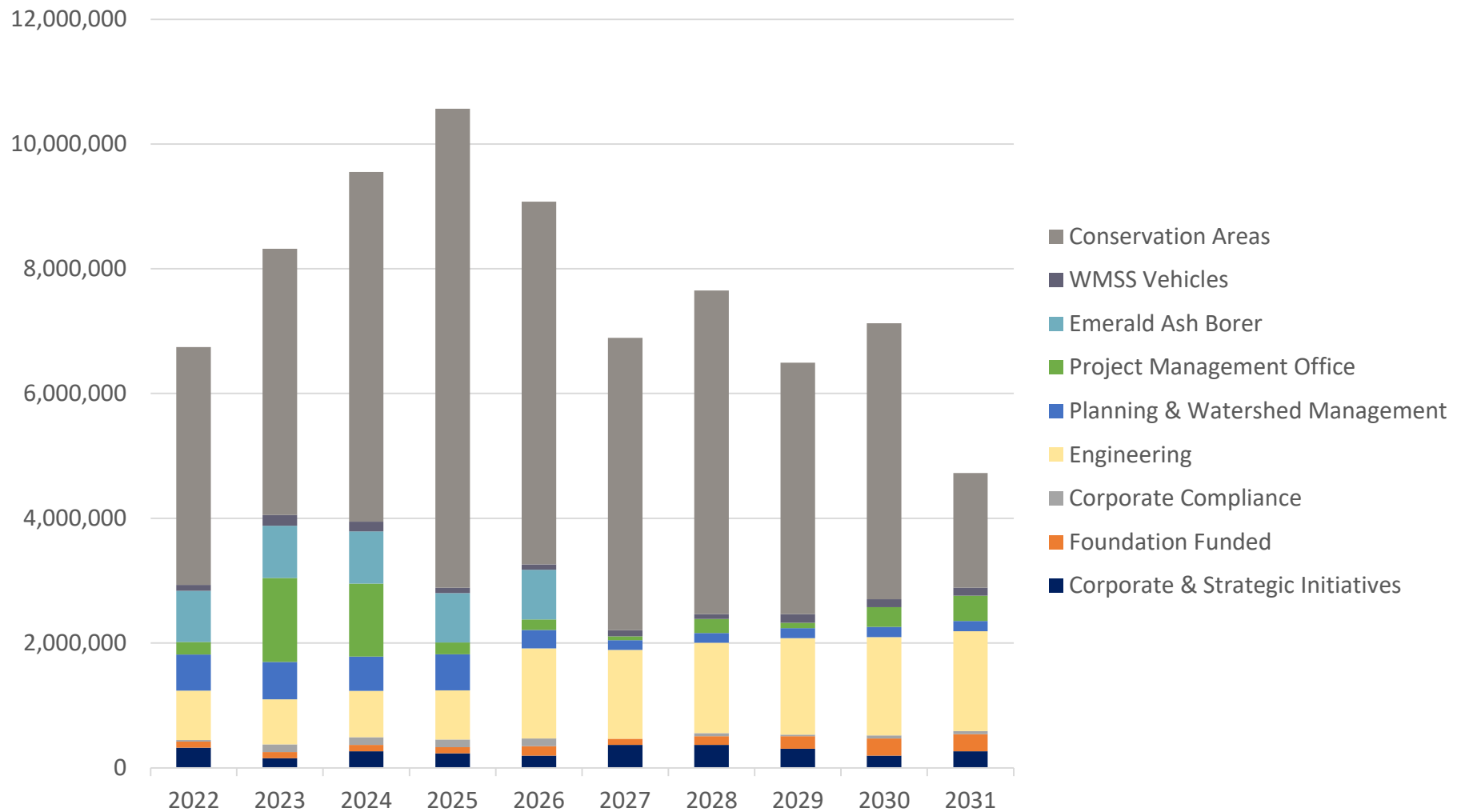




2022 PRELIMINARY CAPITAL BUDGET & FORECAST 2023-2031



2022 PRELIMINARY OPERATING BUDGET & FORECAST 2023-2031



2022 PRELIMINARY CAPITAL BUDGET & FORECAST 2023-2031

Ten Year Capital Expenditures and Funding Budget & Forecast - Watershed Management & Support Services

Conservation Halton WMSS Capital Expenditures	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Flood Forecasting & Operations										
Flood Forecasting	90,000	80,000	75,000	70,000	70,000	40,000	40,000	40,000	40,000	32,500
Scotch Block Major Maintenance	25,000	53,000	169,000	91,000	-	-	115,000	-	-	-
Hilton Falls Major Maintenance	130,000	-	228,000	-	-	-	-	118,000	-	-
Morrison-Wedgewood major maintenance	-	-	-	51,000	668,000	400,000	587,000	599,000	477,000	623,000
Kelso Dam Major Maintenance	275,970	240,000	-	-	-	-	-	118,000	-	-
Mountsberg Major Maintenance	80,000	112,000	-	-	-	-	-	-	-	-
Dams and Channels Maintenance Projects	190,000	234,000	270,000	530,000	705,000	927,000	704,000	671,000	1,056,000	941,000
Dam Public Safety Projects	-	-	-	43,000	-	58,000	-	-	-	-
	790,970	719,000	742,000	785,000	1,443,000	1,425,000	1,446,000	1,546,000	1,573,000	1,596,500
Corporate Services										
Asset Management Plan Consulting	40,000	25,000	25,000	-	-	-	75,000	25,000	-	-
Program Rates & Fees Review	-	-	30,000	30,000	-	-	-	60,000	-	-
Engagement Survey	-	31,000	-	15,000	-	-	35,000	-	-	-
Compensation Review	30,000	-	-	-	-	35,000	-	-	-	-
GID Data Acquisition	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Website Upgrade	-	-	-	-	-	100,000	-	-	-	-
Digitizing of paper files	200,000	-	-	-	-	-	-	-	-	-
IT Infrastructure - Digital Transformation	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
IT Infrastructure - upgrades - WMSS	52,000	98,000	97,000	72,000	82,000	117,000	144,000	107,000	82,000	152,000
	322,000	154,000	267,000	232,000	197,000	367,000	369,000	307,000	197,000	267,000
Corporate Compliance										
Giant's Rib GeoPark	-	100,000	100,000	100,000	100,000	-	-	-	-	-
Property Management Projects	25,000	25,000	25,000	25,000	25,000	-	50,000	25,000	50,000	50,000
	25,000	125,000	125,000	125,000	125,000	-	50,000	25,000	50,000	50,000
Planning & Watershed Management										
Watershed Planning	55,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000
Flood Plain Mapping	525,000	550,000	500,000	525,000	240,000	100,000	102,000	104,000	106,000	108,000
	580,000	601,000	552,000	578,000	294,000	155,000	158,000	161,000	164,000	167,000

2022 PRELIMINARY CAPITAL BUDGET & FORECAST 2023-2031

Ten Year Capital Expenditures and Funding Budget & Forecast - Watershed Management & Support Services

Conservation Halton WMSS Capital Expenditures	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Science & Partnerships										
Watershed Implementation Plan	-	-	-	-	50,000	-	40,000	100,000	175,000	175,000
Emerald Ash Borer (EAB) Management	820,000	834,000	834,000	794,000	794,000	-	-	-	-	-
Conservation Halton Foundation funded projects	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	<u>920,000</u>	<u>934,000</u>	<u>934,000</u>	<u>894,000</u>	<u>944,000</u>	<u>100,000</u>	<u>140,000</u>	<u>200,000</u>	<u>275,000</u>	<u>275,000</u>
Project Management Office										
Administration Office & Other Facility Renovations	200,000	316,505	157,011	184,468	170,595	60,633	225,179	84,936	316,413	406,574
Speyside Weir Removal	-	30,000	12,000	5,000	-	-	-	-	-	-
Operations Centre	-	1,000,000	1,000,000	-	-	-	-	-	-	-
	<u>200,000</u>	<u>1,346,505</u>	<u>1,169,011</u>	<u>189,468</u>	<u>170,595</u>	<u>60,633</u>	<u>225,179</u>	<u>84,936</u>	<u>316,413</u>	<u>406,574</u>
WMSS Operations										
Vehicle & Equipment Replacement	94,000	174,500	158,500	82,500	87,500	98,000	78,000	143,000	126,000	125,000
	<u>94,000</u>	<u>174,500</u>	<u>158,500</u>	<u>82,500</u>	<u>87,500</u>	<u>98,000</u>	<u>78,000</u>	<u>143,000</u>	<u>126,000</u>	<u>125,000</u>
Total Capital Expenditures - WMSS	2,931,970	4,054,005	3,947,511	2,885,968	3,261,095	2,205,633	2,466,179	2,466,936	2,701,413	2,887,074
Capital - Funding										
Provincial Grants	350,485	319,500	333,500	357,500	686,500	692,500	703,000	753,000	766,500	782,000
Municipal Funding	262,000	284,000	392,000	352,000	367,000	482,000	626,000	601,000	593,000	657,500
Municipal Funding Other - EAB	804,000	834,000	834,000	794,000	794,000	-	-	-	-	-
Municipal Funding Other - Flood Plain Mapping	525,000	550,000	500,000	525,000	240,000	-	-	-	-	-
Other Funding Grants and Program Funding	146,000	226,000	227,000	228,000	229,000	130,000	131,000	132,000	133,000	134,000
Transfer from Reserves	844,485	640,505	561,011	629,468	944,595	901,133	1,006,179	980,936	1,208,913	1,313,574
Municipal Debt Financing	-	1,200,000	1,100,000	-	-	-	-	-	-	-
Total Capital Funding - WMSS	2,931,970	4,054,005	3,947,511	2,885,968	3,261,095	2,205,633	2,466,179	2,466,936	2,701,413	2,887,074

2022 PRELIMINARY CAPITAL BUDGET & FORECAST 2023-2031

Ten Year Capital Expenditures and Funding Budget & Forecast - Conservation Areas

Conservation Halton Conservation Areas Capital Expenditures	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital Expenditures Conservation Areas										
Expenditures funded by Capital Reserve:										
Vehicle and equipment replacement	269,903	122,000	46,500	95,000	53,000	75,553	147,500	150,500	176,000	125,000
Facility and Infrastructure Major Maintenance	175,000	250,000	175,000	250,000	180,000	470,000		800,000	250,000	300,000
Ski/Snowboarding Capital Expenditures	950,000	400,000	900,000	800,000		775,000	2,000,000		2,950,000	600,000
Park Master Plans	-	50,000	50,000	50,000	50,000	50,000	-	-		
Information Technology Infrastructure	38,000	38,000	78,000	48,000	53,000	38,000	38,000	78,000	48,000	48,000
Subtotal Capital Expenditures Conservation Areas	1,432,903	860,000	1,249,500	1,243,000	336,000	1,408,553	2,185,500	1,028,500	3,424,000	1,073,000
Conservation Area - Developer Contribution Projects										
Projects partly funded by Development Contributions collected by Region of Halton:										
Kelso/Glen Eden Water Distribution and Collection	-	2,754,475	2,754,475	2,754,475						
Kelso Recreation and Trail Centre	-		500,000	2,259,900	3,259,900	1,159,900				
Crawford Lake Visitor Centre and Education Facility	-					500,000	3,000,000	3,000,000	1,000,000	767,050
Crawford Lake Boardwalk	2,280,000									
Kelso Quarry Park / Site 8	100,000	650,000	1,100,000	1,420,000	2,220,000	1,620,000				
Subtotal Costs - Developer Contribution Projects	2,380,000	3,404,475	4,354,475	6,434,375	5,479,900	3,279,900	3,000,000	3,000,000	1,000,000	767,050
Total Conservation Areas Capital Expenditures	3,812,903	4,264,475	5,603,975	7,677,375	5,815,900	4,688,453	5,185,500	4,028,500	4,424,000	1,840,050



2022 PRELIMINARY BUDGET - MUNICIPAL FUNDING



2022 PRELIMINARY MUNICIPAL FUNDING

Total Municipal Funding:	Preliminary Budget 2022	Budget 2021	\$ Increase (Decrease)	% Increase
Operating	\$10,049,956	\$9,695,379	\$354,577	3.7%
Capital	262,000	257,000	5,000	1.9%
	10,311,956	9,952,379	359,577	3.6%
State of Good Repair (SOGR) Levy - Dams & Channels; Buildings	480,500	478,500	2,000	0.4%
Municipal Funding total	\$10,792,456	\$10,430,879	\$361,577	3.5%

2022 PRELIMINARY MUNICIPAL APPORTIONMENT

Municipal funding is apportioned to the Region of Halton, City of Hamilton, Region of Peel and Township of Puslinch.

Apportionment refers to the proportion of funding allocated to the municipalities within the Conservation Halton watershed as outlined in Ontario Regulation 670/00. The municipal apportionment percentages are provided annually to Conservation Authorities by the Ontario Ministry of the Environment, Conservation and Parks.

Under the legislation, Conservation Authorities apportion costs to the participating municipalities on the basis of the benefit derived or to be derived by each participating municipality determined by calculating the ratio that each participating municipality's current value assessment modified for the area of the municipality that lies within the watershed to the total modified current value assessment in the Conservation Authority's watershed.

The 2022 preliminary apportionment is based on 2021 apportionment percentages. Updated current value assessment data and apportionment will be received from the province in September 2021.

Municipality:	Apportionment Estimate % 2022	Municipal Funding 2022	Apportion - ment % 2021	Municipal Funding 2020	% Increase
Region of Halton	87.8421%	\$9,480,320	87.8421%	\$9,162,704	3.5%
Region of Peel	4.7534%	513,008	4.7534%	495,821	3.5%
City of Hamilton	7.1875%	775,708	7.1875%	749,719	3.5%
Township of Puslinch	0.2170%	23,420	0.2170%	22,635	3.5%
	100.0000%	\$10,792,456	100.0000%	\$10,430,879	

2022 PRELIMINARY MUNICIPAL FUNDING FORECAST

The State of Good Repair long-term financing strategy developed in the 2019 budget proposed a municipal funding increase in the budget and operating forecast between 4 – 4.5% annually. The annual increases will ensure funds are available to meet both current and future programming and organizational needs.

	BUDGET	FORECAST			
	2022 Preliminary	2023	2024	2025	2026
Municipal Funding					
Operating	\$ 10,049,956	\$ 10,464,349	\$ 10,825,596	\$ 11,187,454	\$ 11,544,487
Capital	\$ 262,000	\$ 284,000	\$ 392,000	\$ 352,000	\$ 367,000
Municipal Funding - Total excluding SOGR Levy	\$ 10,311,956	\$ 10,748,349	\$11,217,596	\$ 11,539,454	\$ 11,911,487
State of Good Repair (SOGR) Levy	\$ 480,500	\$ 494,400	\$ 521,200	\$ 695,800	\$ 878,400
Municipal Funding - Total including SOGR Levy	\$ 10,792,456	\$ 11,242,749	\$11,738,796	\$ 12,235,254	\$ 12,789,887
% Change	3.5%	4.2%	4.4%	4.2%	4.5%



2022 PRELIMINARY BUDGET - RESERVES

RESERVES

	Reserves Projected Balance Dec. 31, 2021	Contribution from Municipal Funding	Contribution from Surplus	State of Good Repair Levy	Contribution to Capital Projects	Contribution to Operating Expenses	Reserves Projected Balance Dec. 31, 2022
Conservation Halton Reserves							
Watershed Management & Support Services							
Vehicle and Equipment	625,967				(94,000)		531,967
Building	153,470				(100,000)		53,470
Building - State of Good Repair	299,757			164,000	(100,000)		363,757
Watershed Management Capital - Municipal Funds and Self Generated Funds	954,564			316,500	(350,485)		920,579
Watershed Management & Support Services Stabilization	1,789,212					(100,000)	1,689,212
Capital Projects - Debt Financing Charges	425,564						425,564
Digital Transformation	254,900				(200,000)		54,900
Legal - Planning & Watershed Management	258,891						258,891
Legal - Corporate	200,000						200,000
Water Festival	170,296				-	(10,000)	160,296
Land Securement	85,437	25,000					110,437
Property Management	80,629						80,629
Stewardship and Restoration	259,011				-	(63,500)	195,511
Conservation Areas							
Capital	2,402,091		372,118		(1,532,903)		1,241,306
Stabilization	1,000,568						1,000,568
Total Reserves	8,960,357	25,000	372,118	480,500	(2,377,388)	(173,500)	7,287,087

RESERVE CONTINUITY

		RESERVE CONTINUITY										
Conservation Halton		Projected 2021	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Watershed Management & Support Services Reserves												
Vehicle and Equipment, beginning	\$ 723,967	\$ 625,967	\$ 531,967	\$ 357,467	\$ 198,967	\$ 166,467	\$ 203,967	\$ 180,967	\$ 202,967	\$ 159,967	\$ 158,967	
Transfer to Reserve - Reserve funding (municipal)	-	-	-	-	50,000	125,000	75,000	100,000	100,000	125,000	125,000	
Transfer from Reserve - Capital expenditures	(98,000)	(94,000)	(174,500)	(158,500)	(82,500)	(87,500)	(98,000)	(78,000)	(143,000)	(126,000)	(125,000)	
Vehicle and Equipment	\$ 625,967	\$ 531,967	\$ 357,467	\$ 198,967	\$ 166,467	\$ 203,967	\$ 180,967	\$ 202,967	\$ 159,967	\$ 158,967	\$ 158,967	
Building, beg. of year	\$ 373,137	\$ 153,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470
Transfer from Reserve - Capital expenditures	(219,667)	(100,000)	-	-	-	-	-	-	-	-	-	-
Building	\$ 153,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470	\$ 53,470
Building - State of Good Repair, beginning of year	\$ 315,611	\$ 299,757	\$ 363,757	\$ 414,552	\$ 528,141	\$ 517,673	\$ 524,578	\$ 645,045	\$ 604,566	\$ 708,030	\$ 583,817	\$ 583,817
Transfer to Reserve - SOGR Levy	102,000	164,000	167,300	170,600	174,000	177,500	181,100	184,700	188,400	192,200	196,000	196,000
Transfer from Reserve - Capital expenditures	(117,854)	(100,000)	(116,505)	(57,011)	(184,468)	(170,595)	(60,633)	(225,179)	(84,936)	(316,413)	(406,574)	
Building - State of Good Repair	\$ 299,757	\$ 363,757	\$ 414,552	\$ 528,141	\$ 517,673	\$ 524,578	\$ 645,045	\$ 604,566	\$ 708,030	\$ 583,817	\$ 373,243	
Watershed Mgmt Cap.-Municipal & Self Generated	1,200,892	\$ 954,564	\$ 920,579	\$ 928,179	\$ 945,279	\$ 1,109,579	\$ 1,123,979	\$ 1,362,979	\$ 1,610,179	\$ 1,913,179	\$ 2,201,279	\$ 2,201,279
Transfer to Reserves - SOGR Levy	376,500	316,500	327,100	350,600	521,800	700,900	931,500	950,200	1,056,000	1,054,600	1,075,000	1,075,000
Transfer from Reserves - Capital expenditures	(622,828)	(350,485)	(319,500)	(333,500)	(357,500)	(686,500)	(692,500)	(703,000)	(753,000)	(766,500)	(782,000)	
Watershed Management Capital - Municipal	\$ 954,564	\$ 920,579	\$ 928,179	\$ 945,279	\$ 1,109,579	\$ 1,123,979	\$ 1,362,979	\$ 1,610,179	\$ 1,913,179	\$ 2,201,279	\$ 2,494,279	
Watershed Mgmt & Support Services Stabilization	1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212
Transfer from Reserve	-	(100,000)	-	-	-	-	-	-	-	-	-	-
Watershed Mgmt & Support Serv.	\$ 1,789,212	\$ 1,689,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212	\$ 1,789,212
Capital Projects - Debt Financing Charges	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564	\$ 425,564

RESERVE CONTINUITY

Conservation Halton	Projected 2021	RESERVE CONTINUITY									
		2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Digital Transformation, beginning of year	254,900	\$ 254,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900
Transfer from Reserve	-	(200,000)	-	-	-	-	-	-	-	-	-
Digital Transformation	\$ 254,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900	\$ 54,900
Legal - Planning & Watershed Management	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891	\$ 258,891
Legal - Corporate	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Water Festival	188,911	\$ 170,296	\$ 160,296	\$ 145,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296
Transfer from Reserve	(18,615)	(10,000)	(15,000)	(15,000)	-	-	-	-	-	-	-
Water Festival	\$ 170,296	\$ 160,296	\$ 145,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296	\$ 130,296
Land Securement	60,437	\$ 85,437	\$ 110,437	\$ 135,437	\$ 160,437	\$ 185,437	\$ 210,437	\$ 235,437	\$ 260,437	\$ 285,437	\$ 310,437
Transfer to Reserve - Reserve funding (municipal)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Land Securement	\$ 85,437	\$ 110,437	\$ 135,437	\$ 160,437	\$ 185,437	\$ 210,437	\$ 235,437	\$ 260,437	\$ 285,437	\$ 310,437	\$ 335,437
Property Management	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629	\$ 80,629
Stewardship & Restoration	420,511	\$ 259,011	\$ 195,511	\$ 180,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511
Transfer to (from) Reserve	(161,500)	(63,500)	(15,000)	(15,000)	-	-	-	-	-	-	-
Stewardship and Restoration	\$ 259,011	\$ 195,511	\$ 180,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511	\$ 165,511

RESERVE CONTINUITY

Conservation Halton	RESERVE CONTINUITY										
	Projected 2021	2022 Preliminary	2023	2024	2025	2026	2027	2028	2029	2030	2031
Conservation Areas Stabilization	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568	\$ 1,000,568
Capital	3,294,219	2,402,091	1,241,306	1,032,486	729,845	746,694	2,001,666	2,328,931	2,032,695	3,055,967	1,855,790
Transfer to Reserve - Operating Surplus	251,284	372,118	651,180	946,859	1,259,848	1,590,973	1,735,818	1,889,264	2,051,772	2,223,824	2,405,827
Transfer from Reserve - Capital expenditures	(1,143,412)	(1,532,903)	(860,000)	(1,249,500)	(1,243,000)	(336,000)	(1,408,553)	(2,185,500)	(1,028,500)	(3,424,000)	(1,073,000)
Capital	\$ 2,402,091	\$ 1,241,306	\$ 1,032,486	\$ 729,845	\$ 746,694	\$ 2,001,666	\$ 2,328,931	\$ 2,032,695	\$ 3,055,967	\$ 1,855,790	\$ 3,188,617
TOTAL RESERVES	\$ 8,960,357	\$ 7,287,087	\$ 7,057,161	\$ 6,721,710	\$ 6,884,890	\$ 8,223,668	\$ 8,912,400	\$ 8,869,885	\$ 10,281,620	\$ 9,269,331	\$ 10,709,583

momentum

GREEN • RESILIENT • CONNECTED

THANK YOU

Diversity and Inclusion

We endeavor to understand, accept and appreciate the value of our differences and encourage authenticity.

Learning and Innovation

We embrace the need for continuous improvement, the opportunity to learn from others and the benefits of sharing knowledge.

Person-Centered Service

We make people a priority through customer-centric engagement, proactive problem-solving and high-quality service.

Collaboration

We seek out and trust in the skills, expertise and experience of others in order to achieve our common ambition.

Sustainability

We consider the environmental impact of everything we do and always keep future generations in mind when making decisions.

Integrity

We make decisions with accountability, transparency and a strong sense of personal responsibility for our choices and actions.

Resilience

We are positive and proud of our ability to quickly and effectively respond to change.