

Grand River Conservation Authority

Report number: GM-02-23-17

Date: February 24, 2023

To: Members of the Grand River Conservation Authority

Subject: Budget 2023

Recommendation:

See Annual General Meeting agenda item 14d.

Summary:

The proposed 2023 Budget includes total spending of \$35,426,690. It also includes the following General Levy amount:

Matching Levy	\$ 449,688
Non-Matching Levy	\$11,568,312
Capital Levy	\$ 950,000
TOTAL GENERAL LEVY	\$12,968,000

Each member municipality's share of the 2023 General Levy has been calculated using "Modified Current Value Assessment" as per *O.Reg. 670/00 Conservation Authority Levies*.

O.Reg. 139/96 Municipal Levies requires Conservation Authorities to give participating municipalities 30 days' notice of a meeting where the members approve the General Levy. This notice, along with a copy of the Preliminary 2023 Budget, was sent to participating municipalities on January 25, 2023, which is 30 days in advance of the February 24th, 2023 General Membership meeting where the members will vote on the 2023 Budget and General Levy.

Report:

Drafts of the 2023 Budget were presented to the General Membership on October 28, 2022, and January 27, 2023. Outlined below are changes made to the draft #2 budget 2023 that was provided at the January 27, 2023 meeting.

Summary – Proposed Budget 20233

Revenue	\$ 32,948,188
Funding from Reserves	\$ 1,916,000
Year 2023 Surplus	\$ 562,502
Expenditures & Transfers to Reserves	<u>(\$ 35,426,690)</u>
Net Surplus/(Deficit)	<u>\$ NIL</u>

Reserve Position

Actual Balance 12/31/22	\$48,759,238
Budget 2023 NET Decrease to Reserves	<u>(\$ 549,500)</u>
Budgeted Balance 12/31/23	\$48,209,738

Changes made since draft # 2 (January 27, 2023)

A. Operating expenses/funding increased \$25,000	
(\$25,000) Property Rentals – Property Taxes increased	
\$25,000 Property Rentals – Revenue increased	

- B. Special Projects expenses/funding increased \$125,000
(\$90,000) Floodplain Mapping expenses increased
\$45,000 Federal Funding increased
\$45,000 Funding from Land Sale Proceeds reserve increased
(\$35,000) Mill Creek Rangers expenses increased
\$35,000 Foundation Funding increased
- C. Surplus carried forward from 2022 is \$562,502 (details of distribution below)

Year 2023 Surplus

The 2022 surplus is \$562,502 of which \$100,000 was built into previous budget drafts. The remaining \$462,502 surplus will be used to fund additional expenses as listed below.

Allocation of \$462,502 Surplus

- Expenses Increased \$462,502:
 - \$150,000 Consulting and Legal (fee policy, new regulations, AODA)
 - \$100,000 Insurance (rate increases)
 - \$ 50,000 Labour Relations (collective bargaining)
 - \$ 50,000 File Management Project (carry forward from prior year)
 - \$ 40,000 Recruitment
 - \$ 25,000 Staff Development
 - \$ 40,000 Health & Safety
 - \$ 7,502 General Expense

Transition Reserve

The transition reserve was established at year-end 2020. The purpose of the reserve is to fund expenditures related to the transitioning of the GRCA to new provincial regulations requirements and/or to fund costs related to managing expenses impacted by COVID-19 or revenue losses due to COVID-19. The January 27 2023 budget report included a motion to transfer into the transition reserve any 2022 year-end operating surplus that is not included in the 2023 budget. The amount transferred into this reserve at year-end 2022 is \$450,000.

The following additional reports are attached: Summary Reserve Report– Budget 2023, and 2023 Budget Package

Financial Implications:

The GRCA is proposing a \$35,426,690 budget (2022: \$34,874,365). Reserves are budgeted to decrease by \$549,500.

Other Department Considerations:

None

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