

# Grand River Conservation Authority

**Report number:** GM-02-25-09

**Date:** February 28, 2025

**To:** Members of the Grand River Conservation Authority

**Subject:** Budget 2025

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## Recommendation:

To be read at agenda item 14d.

## Summary:

The proposed 2025 Budget includes total spending of \$40,029,965. It also includes the following Municipal Apportionment amounts, as approved by weighted majority at the January 24, 2025 General Membership meeting:

Category 1	\$ 9,366,112
Category 2	\$ 1,052,000
General Operating Expenses	\$ 3,338,888
TOTAL Municipal Apportionment	\$ 13,757,000

All members in attendance at the January 24, 2025 General Membership meeting voted to approve the Municipal Apportionment.

As per GRCA By-law 1-2025, approval of the budget is also conducted by weighted vote. Each member municipality's share of the 2025 Municipal Apportionment is calculated using "Modified Current Value Assessment" as per *O.Reg. 402/22 – Budget and Apportionment*. The allocations for weighted voting are shown in the attached '2025 GRCA Budget Weighted Vote' listing.

## Report:

Drafts of the 2025 Budget were presented to the General Membership on October 25, 2024, and January 24, 2025. Outlined below are changes made to the Budget 2025 Draft #2 that was provided at the January 24, 2025 meeting.

### **Summary – Proposed Budget 2025**

Revenue	\$ 37,740,188
Funding from Reserves	\$ 1,791,000
Year 2024 Surplus carry forward	\$ 498,777
Expenditures & Transfers to Reserves	<u>(\$ 40,029,965)</u>
Net Surplus/(Deficit)	<u>\$ <b>NIL</b></u>

### **Reserve Position**

Actual Balance 12/31/24	\$ 56,115,292
Budget 2025 NET Decrease to Reserves	<u>(\$ 1,724,500)</u>
Budgeted Balance 12/31/25	\$ 54,390,792

## Changes made since draft # 2 (January 24, 2025)

- A. Operating expenses/revenue increased \$190,000
- |             |  |
|-------------|--|
| \$ 35,000   | Nursery/Planting expenses decreased                              |
| \$ 25,000   | Burford Tree Nursery revenue increased                           |
| \$ 20,000   | Property Rental Misc Income increased                            |
| (\$ 55,000) | Hydro Revenue (Shand) decreased (due to planned shutdown)        |
| (\$ 25,000) | Conservation Areas – Hazard Tree Management expenses increased   |
| (\$100,000) | Conservation Areas - Compensation and Benefit expenses increased |
| (\$100,000) | Conservation Areas - Other expenses increased                    |
| \$ 200,000  | Conservation Area Fee revenue increased                          |
- B. Special Projects expenses/funding increased \$1,038,000
- |             |  |
|-------------|--|
| (\$650,000) | Guelph Lake Nature Centre NEW Building expense increased |
| \$ 650,000  | Funding from Land Sales Proceeds increased               |
| (\$250,000) | Floodplain Mapping expenses increased                    |
| \$ 250,000  | Funding from Land Sale Proceeds reserve increased        |
| (\$100,000) | WQ-Water Management Plan expenses increased              |
| \$ 100,000  | Provincial Funding increased                             |
| (\$ 38,000) | Freshwater Eco System Project expenses increased         |
| \$ 38,000   | Federal Funding increased                                |
- C. Some reallocations of operating expenses between Category 1 programs were made to better reflect the allocation of certain expenses under the new regulations (i.e administrative costs aligned with staffing costs per review of 2024 actuals).
- D. Surplus carried forward from 2024 is \$498,777 (details of distribution below)

## Year 2024 Surplus

The 2024 surplus is \$498,777 of which \$100,000 was built into previous budget drafts. The remaining \$398,777 surplus will be used to fund additional expenses as listed below.

## Allocation of \$398,777 Surplus

- Expenses Increased \$398,777:

\$ 100,000	Consulting and Legal
\$ 100,000	File Management Project
\$ 90,000	Labour Relations
\$ 25,000	Recruitment
\$ 60,000	Staff Development
\$ 20,000	Health & Safety
\$ 3,777	General Expense

## Stabilization Reserves (see November reserve report)

The year 2024 represents the first year of financial reporting using the defined reporting categories in accordance with the new regulations. The stabilization reserves were established in November 2024. The purpose of these reserves is to track annual year-end surpluses/deficits generated by the new reporting categories. These reserves facilitate tracking of surpluses generated by each category and subsequently using each reserve for expenses/deficits related to their designated category. Use of these reserves can be considered for future budgets and/or forecasts as necessary. At year-end 2024 \$550,000 is being transferred into the stabilization reserves.

## 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. For 2024, \$301,999 of the stabilization reserve was used to fund the Outdoor Education net deficit for 2024 (budgeted 2024 deficit \$312,000). In 2025, \$353,000 is budgeted to be used the fund the 2025 Outdoor Education deficit and \$100,000 is budgeted to be used to fund one property department position.

The following additional reports are attached:

- Summary Reserve Report– Budget 2025
- 2025 GRCA Budget Weighted Vote
- 2025 Budget Package

### **Financial Implications:**

The GRCA is proposing a \$40,029,965 budget (which includes the transfer of \$66,500 in hydro revenue to reserves). Reserves are budgeted to decrease by \$1,724,500.

### **Other Department Considerations:**

None

### **Prepared by:**

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### **Approved by:**

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