

**Board of Directors**  
**Meeting No. BOD-04-21**  
**Friday, March 26, 2021**  
**10:30 a.m.**

## **Agenda**

**Meeting Location:**

To be held virtually by Zoom

Minutes and agendas are available at [www.LSRCA.on.ca](http://www.LSRCA.on.ca)

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### **Upcoming Events**

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**Board of Directors' Meeting**

Friday, April 23 at 9:00 a.m.

To be held virtually by Zoom

A full listing of events can be found at [www.LSRCA.on.ca](http://www.LSRCA.on.ca)

## I. Acknowledgement of Indigenous Territory

## II. Declarations of Pecuniary Interest and Conflicts of Interest

## III. Approval of Agenda

Pages 1 - 5

**Recommended:** That the content of the Agenda for the March 26, 2021 meeting of the LSRCA Board of Directors be approved as presented.

## IV. Adoption of Minutes

Pages 6 - 13

### a) Board of Directors

Included in the agenda is a copy of the minutes of the Board of Directors' Meeting, No. BOD-02-21, held on Friday, February 26, 2021.

**Recommended:** That the minutes of the Board of Directors' Meeting, No. BOD-02-21, held on Friday, February 26, 2021 be approved as circulated.

## V. Announcements

## VI. Presentations

### a) 4th Quarter Financial Report and Proposed 2021 Capital and Operating Budget

Pages 14 - 55

General Manager, Corporate and Financial Services/CFO, Mark Critch, will provide an overview of the Authority's 4<sup>th</sup> Quarter Financial Report and 2021 Proposed Capital and Operating Budget. This presentation will be provided at the meeting and will be available on our website following the meeting.

**Recommended:** That the presentation by General Manager, Corporate and Financial Services / Chief Financial Officer, Mark Critch, regarding the Authority's 4th Quarter Financial Report and the 2021 Proposed Capital and Operating Budget be received for information.

Included in the agenda is Staff Report No. 13-21-BOD regarding the Authority's 4th Quarter Financial Report.

**Recommended:** That Staff Report No. 13-21-BOD regarding the Authority's Fourth Quarter Unaudited Financial Report for the period ending December 31, 2020 be received for information.

Included in the agenda is Staff Reports No. 14-21-BOD regarding the Authority's the 2021 Proposed Capital and Operating Budget.

**Recommended:** That Staff Report No. 14-21-BOD regarding the Authority's 2021 Proposed Capital and Operating Budget be received: and

**Further that** the 2021 Proposed Capital and Operating Budget and all projects therein be adopted: and

**Further that** staff be authorized to enter into agreements and/or execute documents with private sector organizations, non-governmental organizations or governments and their agencies for the undertaking of projects for the benefit of The Authority and funded by the sponsoring organization or agency, including projects that have not been provided for in the approved budget; and

**Further that** as required by Ontario Regulation 139/96 (formerly O.S. 231/97), this recommendation and the accompanying budget documents, including the schedule of matching and non-matching levies, be approved by weighted vote.

## **VII. Hearings**

There are no Hearings scheduled for this meeting.

## **VIII. Deputations**

There are no Deputations scheduled for this meeting.

## **IX. Determination of Items Requiring Separate Discussion**

(Reference Page 5 of the agenda).

## **X. Adoption of Items Not Requiring Separate Discussion**

## **XI. Consideration of Items Requiring Separate Discussion**

## **XII. Closed Session**

The Board will move to Closed Session to deal with confidential land and legal matters.

**Recommended:** That the Board move to Closed Session to deal with confidential land and legal matters; and

**Further** that the Chief Administrative Officer, members of the Executive Management Team, the Land Securement Officer, and the Coordinator BOD/CAO remain in the meeting for the discussion on Item a); and

**Further** that the Chief Administrative Officer, members of the Executive Management Team, and the Coordinator BOD/CAO remain in the meeting for the discussion on Items b) and c).

The Board will rise from Closed Session and report findings.

**Recommended:** That the Board rise from Closed Session and report findings.

**a) Confidential Land Matter**

**Recommended:** That Confidential Staff Report No. 18-21-BOD regarding a confidential land matter be received; and

**Further That** the recommendations within the report be approved.

**b) Confidential Legal Matter**

**Recommended:** That the update on a Confidential legal matter be received for information.

**c) Confidential Legal Matter**

**Recommended:** That the update on a Confidential legal matter be received for information.

### **XIII. Other Business**

#### **Next Meeting**

The next meeting of the LSRCA Board of Directors will be held at @ 9:00 a.m. on Friday, April 23, 2021. This meeting will be held via Zoom, access details to be provided prior to the meeting.

### **XIV. Adjournment**

## Agenda Items

### 1. Correspondence

Pages 56 - 69

- a) The Authority's Comments on the Lake Simcoe Protection Plan 10-Year Review (ERO-019-2833)

**Recommended:** That Correspondence Item a) be received for information.

### 2. BDO Canada LLP – Audit Planning Report for the 2020 Annual Audit

Pages 70 - 100

**Recommended:** That Staff Report No. 15-21-BOD regarding the 2021 Audit Plan from BDO Canada LLP be received for information.

### 3. Housekeeping Update to Planning and Development Fees Policy

Pages 101 - 113

**Recommended:** That Staff Report No. 16-21-BOD regarding the Planning and Development Fees Policy be received; and

Further that the Planning and Development Fees Policy (Housekeeping Update) contained herein be approved for implementation effective April 1, 2021.

### 4. Smoke-Free Conservation Areas Policy

Pages 114 - 117

**Recommended: That** Staff Report No. 17-21-BOD regarding a smoke-free policy within Authority properties and conservation areas be received; and

**Further that** staff be directed to implement a pilot project at Sheppard's Bush Conservation Area; and

**Further that** staff be directed to pursue the possibility of implementing a smoke-free policy across all Authority properties.

# Board or Directors' Meeting

Board of Directors' Meeting No. BOD-02-21

Friday, February 26, 2021

Held virtually via Zoom

## Meeting Minutes

### LSRCA Board Members Present

Regional Chairman W. Emmerson (Chair), Councillor P. Ferragine Councillor (Vice Chair), Councillor K. Aylwin, Mayor D. Barton, Mayor B. Drew, Councillor A. Eek, Councillor K. Ferdinands, Councillor W. Gaertner, Councillor R. Greenlaw, Mayor V. Hackson, Councillor S. Harrison-McIntyre, Mayor M. Quirk, Councillor C. Riepma, Regional Councillor T. Vegh, Councillor A. Waters, Councillor E. Yeo

### LSRCA Board Members Absent

Township of Brock, Township of Ramara

### LSRCA Staff Present

R. Baldwin, T. Barnett, M. Bessey, A. Brown, K. Christensen, M. Critch, J. Doyley, B. Ginn, E. Green, N. Hamley, C. Hawson, B. Kemp, K. Kennedy, N. Knight, D. Lembcke, B. Longstaff, G. MacMillan, N. O'Dell, M. Rosato, D. Ruggle, C. Sharp, C. Taylor, K. Yemm, K. Zeppieri

### Guests in Attendance

Councillor C. Pettingill, Township of Brock

## I. Declarations of Pecuniary Interest or Conflict of Interest

None noted for this meeting.

## II. Approval of Agenda

Moved by: A. Eek

Seconded by: T. Vegh

BOD-016-21 **Resolved That** the content of the Agenda for the February 26, 2021 meeting of the LSRCA Board of Directors be approved as presented. **Carried**

## III. Adoption of Minutes

### a) Board of Directors

Moved by: B. Drew

Seconded by: S. Harrison-McIntyre

BOD-017-21 **Resolved That** the minutes of the Board of Directors 70th Annual General Meeting, No. BOD-01-21, held on Friday, January 22, 2021 be approved as circulated.

**Carried**

**b) Conservation Ontario Council**

Moved by: B. Drew

Seconded by: S. Harrison-McIntyre

BOD-018-21 **Resolved That** the minutes of Conservation Ontario's Council Meeting held on Monday, December 14, 2020 be received for information. **Carried**

#### **IV. Announcements**

- a) Chair Emmerson took a moment to remember Mayor Debbie Bath-Hadden, who lost her battle with cancer at the end of January. Mayor Bath-Hadden was very supportive of the work of the Authority and a valued member of the Board of Directors for a number of years.
- b) Chair Emmerson welcomed guest Councillor Cria Pettingill from the Township of Brock, who has been appointed to the Board by the Township and is awaiting confirmation in March by the Regional Municipality of Durham.

#### **V. Presentations**

**a) Corporate Communications**

Director, Corporate Communications and Engagement, Kristen Yemm, provided an overview of the Authority's Corporate Communications, advising that getting the right message to the right people at the right time is a critical function of communications. A variety of communications methods are used to influence others and to demonstrate how we translate the funds we receive into effective programs and services that deliver on our mandate to improve the health of the watershed and Lake Simcoe.

Ms. Yemm reviewed some of the significant annual documents the Authority publishes, including: the Budget at a Glance book, a high-level overview of proposed annual budget sent out to each of our municipal partners; the Annual Budget book typically provided to Board members at the March meeting and sent to funding partners with levy letters; and the Budget Companion document, developed in 2019 and now a highly anticipated document outlining our mission and vision for the watershed, as well as service area responsibilities, revenue sources and expenditures, previous year's accomplishments and a look into the future; and annual Audited Financial Statements, which are posted on our website and accessible to the public.

She went on to note our Annual Reports that have been published for decades are now being replaced with our Year-in-Review Infographic, which takes some of our most significant accomplishments and translates them into performance metrics making it easier to see the impacts of our work as well as the changes over time. This infographic provides a variety of statistics that can be easily shared over social media.

The Authority's foremost communications tool, our website [www.LSRCA.on.ca](http://www.LSRCA.on.ca), provides a wealth of quality information, is continually updated, and is compliant with the *Accessibility for Ontarians with Disabilities Act*. The Authority also has a number of publications, such as Conservation Matters, a quarterly newsletter published in Lake Simcoe Living magazine; and Lake Simcoe Buzz, a quarterly newsletter for watershed residents. The Authority's publications can be found through the following link, where sign up information can also be found: <https://www.lsrca.on.ca/about-us/publications>.

To view this presentation, please click this link: [Corporate Communications Overview](#)

Moved by: W. Gaertner

Seconded by: R. Greenlaw

BOD-019-21 **Resolved That** the presentation by Director, Corporate Communications & Engagement, Kristen Yemm, regarding an overview of the Authority's annual corporate publications and supplementary products and tools be received for information.

**Carried**

Staff Report No. 02-21-BOD regarding the Authority's Corporate Communications was included in the agenda.

Moved by: W. Gaertner

Seconded by: R. Greenlaw

BOD-020-21 **Resolved That** Staff Report No. 02-21-BOD regarding Corporate Communications at Lake Simcoe Region Conservation Authority be received for information. **Carried**

#### **b) Investigating a Land-lake Phosphorus Disconnect in Lake Simcoe**

Limnologist, Dr. Brian Ginn, provided a presentation on his research into investigating the decoupling between phosphorus loading and within-lake environmental conditions. Dr Ginn reviewed that one overarching goal of the Lake Simcoe Protection Plan is the restoration and protection of coldwater fish habitat, which requires an end-of-summer deep water dissolved oxygen concentration of 7 mg/L, which is linked to the phosphorus loading target of 44 tonnes per year. However, in recent years, environmental conditions in Lake Simcoe do not reflect

changes in phosphorus loading, particularly in 2013 and 2017 where high phosphorus loads did not seem to alter ecologically good conditions in the lake.

After reviewing the science, LSRCA and provincial partners are investigating several areas in an effort to understand this decoupling and how predictive models for the lake can be improved. One area is climate change, where winter rain and intense summer storms may be changing how phosphorus is delivered to the lake, how it is used, and if it flushed through the lake faster than in the past. A second area is changes in phosphorus use within the lake due to changes in the phosphorus cycle resulting from invasive species. The third area is further changes in phosphorus use related to a change in the type of algae found in the lake, and how filtration by invasive mussels may change phosphorus availability. These areas are currently the topic of a funding proposal with Ministry of Environment, Conservation, and Parks for research in the 2021-2022 fiscal year.

To view this presentation, please click this link: [Land-lake Phosphorus Disconnect in Lake Simcoe](#)

Moved by: A. Waters

Seconded by: E. Yeo

BOD-021-21 **Resolved That** the presentation by Limnologist, Dr. Brian Ginn, regarding the investigation of the land-lake phosphorus decoupling in Lake Simcoe be received for information. **Carried**

Staff Report No. 03-21-BOD regarding the investigation into the possible causes of the land-lake phosphorus decoupling in Lake Simcoe was included in the agenda.

Moved by: A. Waters

Seconded by: E. Yeo

BOD-022-21 **Resolved That** Staff Report No. 03-21-BOD regarding the investigation of the land-lake phosphorus decoupling in Lake Simcoe be received for information. **Carried**

## V. Hearings

There were no hearings at this meeting.

## VI. Deputations

There were no deputations at this meeting.

## **VII. Determination of Items Requiring Separate Discussion**

No items were identified as items requiring separate discussion.

## **VIII. Adoption of Items not Requiring Separate Discussion**

All items were identified under items not requiring separate discussion.

Moved by: P. Ferragine

Seconded by: D. Barton

BOD-023-21 **Resolved That** the following recommendations respecting the matters listed as "Items Not Requiring Separate Discussion" be adopted as submitted to the Board, and staff be authorized to take all necessary action required to give effect to same. **Carried**

### **1. Correspondence**

There were no correspondence items for this meeting.

### **2. Municipal Freedom of Information and Protection of Privacy Act: Annual Statistical Report**

BOD-024-21 **Resolved That** Staff Report No. 04-21-BOD regarding the Municipal Freedom of Information and Protection of Privacy Act – 2020 Annual Statistical Report be received for information. **Carried**

### **3. Monitoring Report – Planning and Development Applications for the Period January 1 through December 31, 2020**

BOD-025-21 **Resolved That** Staff Report No. 05-21-BOD regarding monitoring of planning and development applications for the period January 1 through December 31, 2020 be received for information. **Carried**

### **4. Bill 229: Proclaimed Amendments to the Conservation Authorities Act**

BOD-026-21 **Resolved That** Staff Report 06-21-BOD be received; and

**Further that** the Chief Administrative Officer review the Authority's existing Administrative By-Laws and prepare revised by-laws for consideration in accordance with any proclaimed amendments to Conservation Authorities Act as defined under Bill 229. **Carried**

## 5. Applications for Permission pursuant to Section 28.0.1 of the Conservation Authorities Act

BOD-027-21 **Resolved That** Staff Report No. 07-21-BOD regarding issuing permissions under Section 28.0.1 of the Conservation Authorities Act be received; and

Further that the Chief Administrative Officer be authorized to enter into agreements and approve permissions for elements of development projects authorized by a Minister's Zoning Order that are minor in nature; and

Further that an amendment to the Authority's fee schedule to include an application fee of double the applicable existing permit fee for a permit under S.28.0.1 be approved effective immediately; and

Further that an amendment to the Authority's fees policy that all legal fees associated with the development and execution of any Agreement under Section 28.0.1 of the Conservation Authorities Act be paid in full by the proponent prior to the final execution of the Agreement be approved effective immediately. **Carried**

## 6. Kettleby Creek Restoration Project

BOD-028-21 **Resolved That** Staff Report No. 08-21-BOD regarding the issuance of a Purchase Order and Construction Contract to R&M Construction for a restoration project to remove a fish barrier and streambank restoration at Kettleby Creek in the Township of King at a cost of \$224,159.39 including taxes be received for information.

**Carried**

## IX. Consideration of Items Requiring Separate Discussion

No items were identified under items requiring separate discussion.

## X. Closed Session

The Board moved to Closed Session to deal with confidential land matters legal and land matters.

Moved by: V. Hackson

Seconded by: M. Quirk

BOD-029-21 **Resolved That** the Board move to Closed Session to deal with confidential legal and land matters; and

**Further that** the Chief Administrative Officer, members of the Executive Management Team, the Director, Regulations, and the Coordinator BOD/CAO remain in the meeting for the discussion on Items a) and b); and

**Further that** the Chief Administrative Officer, members of the Executive Management Team, the Land Securement Officer, and the Coordinator BOD/CAO remain in the meeting for the discussion on Item c). **Carried**

The Board rose from Closed Session to report findings.

Moved by: S. Harrison-McIntyre

Seconded by: B. Drew

BOD-030-21 **Resolved That** the Board rise from Closed Session and report findings. **Carried**

**a) Confidential Legal Matter**

Moved by: A. Waters

Seconded by: E. Yeo

BOD-031-21 **Resolved That** Confidential Staff Report No. 09-21-BOD regarding a confidential legal matter be received for information. **Carried**

**b) Confidential Legal Matter**

Moved by: A. Waters

Seconded by: E. Yeo

BOD-032-21 **Resolved That** Confidential Staff Report No. 10-21-BOD regarding a confidential legal matter be received for information. **Carried**

**c) Confidential Land Matter**

Moved by: P. Ferragine

Seconded by: C. Riepma

BOD-033-21 **Resolved That** the presentation regarding a confidential land matter be received; and

**Further that** Confidential Staff Report No. 11-21-BOD regarding a confidential land matter be received; and

**Further that** the recommendations contained within the report be approved. **Carried**

**XI. Other Business**

No other business was discussed.

**XII. Adjournment**

Moved by: W. Gaertner

Seconded by: K. Aylwin

BOD-034-21 **Resolved That** the meeting be adjourned at 11:15 a.m. **Carried**

Original to be signed by:

Original to be signed by:

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Regional Chairman Wayne Emmerson  
Chair

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Rob Baldwin  
Chief Administrative Officer

## Staff Report

To: Board of Directors

From: Katherine Toffan, Manager of Finance

Date: March 14, 2021

### Subject

Fourth Quarter 2020 Financial Update – Draft Unaudited Results

### Recommendation

**That** Staff Report No. 13-21-BOD regarding the Authority's Fourth Quarter Unaudited Financial Report for the period ending December 31, 2020 be received for information.

### Purpose of this Staff Report:

The purpose of this Staff Report No. 13-21-BOD is to provide the Board of Directors with a summary of financial activities for the period ending December 31, 2020, as they relate to the 2020 budget approved by the Board on April 3, 2020.

### Background:

The Budget Status Reports are developed for the use of the Board and management, use the same format as the approved budget, and provide a status update on the programs and projects that fall under the Authority's seven service areas: Corporate Services, Ecological Management, Education & Engagement, Greenspace Services, Planning & Development Services, Water Risk Management and Watershed Studies & Strategies.

### Issues:

The draft unaudited financial results (found in Appendix 1) identify an operational deficit position of (\$203K) before budgeted Reserve activity, capital asset entries and additional restricted reserve activities. This is down from the projected year end deficit of (\$353K) at Q3. The drivers of this deficit are outlined in the table below. Staff have conducted final year-end program and project reviews with managers and general managers and discussed the following variances that impacted the Authority's year-end financial position.

<b>Draft Appropriations to/(from) Reserve for 2020:</b>	<b>2020 Budget</b>	<b>2020 Results</b>	<b>Note</b>
<b>Surplus/(Deficit) from Operations:</b>			
Transfer Offsetting Program operational surplus – Restoration	-	138,919	
Transfer Offsetting Program operational surplus - Corporate	-	72,801	
Draw for additional work on Scanlon Creek Operation Centre Renovation	-	(133,559)	
Operational (Deficit) - summary by Service Area in next section	-	(202,812)	
<b>Surplus/(Deficit) from Budgeted Reserve Decisions:</b>			
Approved Draw for Purchase of Truck for Monitoring Program	(40,000)	-	1
Approved Draw for Purchase of Upgrades & Furniture - Scanlon Creek Operation Centre	(110,000)	-	1
Approved Draw for Scanlon Renovation - Approved in 2019	(600,000)	(600,000)	
Approved Draw for Conservation Land Dump Truck	(70,000)	-	1
Approved Draw for Upgrades to HRIS – ADP Payroll System	(4,370)	-	1
Approved Draw for Computer Replacements	(26,000)	(18,205)	
Approved Draw for shortfall in Revenue due to Work to Rule	(4,300)	-	2
Approved Draw for Alcona Flood Relief Project	(26,221)	(4,970)	3
Approved Draw for Engagement Strategy Work	(30,000)	-	1
Approved Draw for Design Work for Signage	(10,000)	-	1
Approved Draw for OMERS buyback	(9,000)	(9,000)	
Approved Draw for Purchase of Monitoring Equipment	(9,177)	-	2
Approved Transfer of Surplus from Solar Panel Revenue	7,500	9,308	
Approved Transfer to Asset Management	178,135	118,503	
Approved Transfer of Investment Interest	100,000	15,775	4
<b>Sub-total: Changes from Budgeted Reserve Decisions</b>	<b>(653,433)</b>	<b>(488,588)</b>	
<b>Net Change in Reserves</b>	<b>(653,433)</b>	<b>(613,240)</b>	

#### Notes

1. Work and/or expense related to the reserve draw deferred to 2021.
2. Work and /or expense related to the reserve draw did not materialize and was not needed.
3. Draw for work on the Alcona Flood Relief project lower than budgeted.
4. Surplus from Interest Income under budget due to lower interest rates in 2020.

**Summary of Operations Results by Service Areas:**

<b>Service Area</b>	<b>Surplus/(Deficit) (\$000s)</b>	<b>Drivers</b>
<b>Corporate Services</b>	238	Savings associated with general office expenses and supplies, conservation awards program, utilities, in person training costs and catering. Savings are higher than were anticipated with the Q3 forecast.
<b>Ecological Management</b>	(93)	Spring Planting program cancelled, resulted in lost revenue. This is higher than Q3 forecast due to some staff redeployments not materializing and staff working through the Fall planting.
<b>Education</b>	(27)	Fee-based revenues lost for cancelled programming, as was anticipated with the Q3 forecast.
<b>Greenspace Services</b>	(87)	Organizational savings from the Program and Services review did not materialize in 2020, as was anticipated with Q3 forecast.
<b>Planning &amp; Development</b>	(281)	Shortfall in Planning Fees, as was anticipated with the Q3 forecast.
<b>Water Risk Management</b>	23	Surpluses from a few Fee for Service contracts, as was anticipated with the Q3 forecast.
<b>Watershed Studies &amp; Strategies</b>	24	Surpluses from a few Fee for Service contracts is higher than anticipated with the Q3 forecast.
<b>Overall Corporate (Deficit) on December 31, 2020</b>	(203)	Year End Deficit was forecasted to be (\$335K) at Q3.

**Relevance to Authority Policy:**

In keeping with Authority policy, this staff report has been prepared to provide a draft unaudited Q4 financial update on the overall financial position, project expenditures, opportunities and risks as they relate to the 2020 approved budget. Draft Audited Statements will be presented for approval at the April Board meeting.

## Impact on Authority Finances:

### a) Revenues

Revenues generated by the Authority were lower than anticipated. The impact of COVID-19 restrictions and school closures in early 2020 created delays and/or loss of fee-based revenue in the Education and Engagement and Forestry programs. The impact of the loss of fees was offset with savings within the programs realized through staff redeployment to other programs or projects.

Planning & Development applications received in 2020 were lower than expected, specifically Plans of Subdivision and Condominium applications which generally make up the largest portion of revenue in the program. As outlined in the information received at the February 2021 Board meeting, there were 34 Plans of Subdivision and Condominium applications received in 2020, compared to 75 in 2019. The impact of this loss on the program was offset by delayed hiring of positions, as well as savings in travel, meeting and legal expenses. Staff have also identified additional opportunities to maintain the program at full cost recovery, some of which are outlined in Item 3, Staff Report No. 16-21-BOD in the March 26, 2021 agenda.

Additional information under Budget and Timing Variances (section c below) outlines the revenue variances that relate to Capital Projects in our Restoration and Offsetting programs.

### b) Expenditures:

Our Forestry Services program expenditures through year end are under budget as the Spring Planting program was deferred to 2021. Work continued in this program for Fall Planting and preparing for the 2021 Spring seedling and planting sale season.

COVID-19 restrictions affected the Authority's ability to offer community-based programs; however, School Programming continued in the Fall through virtual sessions with York Region District School Board and both in person and virtual sessions with Simcoe County District School Board.

Anticipated organizational efficiencies from the program and service review did not materialize in 2020. As a result, there were higher than budgeted expenditures in the Greenspace Management program, which contributed to the organizational deficit position.

There were some additional staffing and consulting expenditures in the Research & Innovation program related to the MECP Stormwater Management Inspection and Maintenance project and the Natural Resource Canada Stormwater Management Economic Study that were not budgeted in 2020 but were fully funded by Provincial, Federal and Special Capital funding.

COVID-19 related operating costs in 2020 were \$20,318. These unbudgeted costs were related to accommodating the level of return to work that the Authority operated at for the period of March to December which was a combination of field work and remote work from home.

### c) Budget and Timing Variances:

As outlined in prior staff reports, there are revenue and expense variances that can be attributed to timing. Timing variances occur when expenditures have not happened yet, and accordingly recognition of the related revenue is deferred until the project work commences.

Expenditures in the Watershed Subwatershed Planning program are under budget, mainly due to project work that was affected by COVID-19 restrictions. The 2020 budget included amounts for MECP Land Cover Mapping and Watershed Modernization projects. The Province advised that the Land Cover Mapping project would be deferred and amended the agreement for work to be carried out in 2021/2022. This is also represented in the Provincial and Federal funding revenue variance line for 2020. The Watershed Modernization project work will also be carried out in 2021.

Projects in the Ecological and Water Risk Management service areas did not materialize to the extent of the Budget that was built for 2020. The budget and timing variances were largely related to the Ecological, Water Balance and LSPOP Offsetting programs. We have reviewed our budgeting process for capital projects in the Offsetting programs and have made some adjustments in the 2021 Budget.

Key areas of the 2020 variances include:

1. Ecological Management - **\$2.7M** of projects in the Ecological Restoration program budget included:

- Ecological Offsetting Capital Projects
- Grassland/Meadow Restoration
- Grants to Partner/Landowners for projects

Projects completed in 2020:

- Cawthra Mulock Restoration
- Luck Property Wetland Restoration
- Goodyear Farm Restoration

Projects currently underway and carrying over to 2021:

- Circle Park Wetland Restoration

2. Water Risk Management - **\$2.5M** of projects in the Water Management/ Restoration program include:

- Water Balance Offsetting Capital Projects
- LSPOP Offsetting Capital Projects
- Grants to Partner/Landowners for projects

Projects completed in 2020:

- Yonge and Mount Albert LID Retrofit
- City of Barrie – Victoria Woods Parking Lot LID Retrofit

Projects currently underway and carrying over to 2021:

- York Stormwater Management – Tamarac site
- Aurora LID Monitoring
- East Holland Monitoring
- Mouth of Western Creek Restoration
- Town of Aurora – Pond Maintenance

**d) Procurement:**

Throughout 2020, 87 procurements were awarded through our procurement process, totalling \$1.2M. An outline of procurement statistics for 2020 is attached in Appendix 3.

**e) Offsetting Projects Approved and Deferred Balances:**

In 2020 the Ecological Offsetting Committee reviewed, approved and/or funded the following projects using Ecological Offsetting funds:

- Pangman Springs Tree Planting Approved in 2020 – \$9.5K
- Circle Park Wetland Restoration – Approved in 2019 for \$300K, work started in 2020 and \$27.3K was spent. Project is carrying over to 2021.
- Luck Property Wetland Restoration – Approved in 2018 for up to \$350K, work started in 2019 and project was completed in 2020. Total project Cost was \$84K, with \$31K being spent in 2020.
- Innisfil Beach Park Wetland – Approved for \$115K, project to start in 2021.

The Water Balance Offsetting Committee reviewed, approved and funded the Yonge and Mount Albert Low Impact Development Retrofit project for \$44K using Water Balance Offsetting funds.

The Lake Simcoe Phosphorus Offsetting Policy (LSPOP) Committee reviewed, approved and funded the City of Barrie – Victoria Woods Parking Lot Low Impact Development Retrofit project for \$43.1K using LSPOP Offsetting funds.

Appendix 4 provides an outline of the deferred revenue balances by Subwatershed related to the Ecological, Water Balance and Phosphorus Offsetting funds at December 31, 2020. These are to be used to fund future projects that meet the program criteria.

**Summary and Recommendations:**

It is therefore **Recommended That** Staff Report No. 13-21-BOD regarding the Authority's Fourth Quarter Unaudited Financial Report for the period ending December 31, 2020 be received for information.

**Pre-Submission Review:**

This Staff Report has been reviewed by the General Manager, Corporate & Financial Services/CFO and the Chief Administrative Officer.

Signed by:

Signed by:

Mark Critch

Rob Baldwin

General Manager, Corporate and Financial  
Services, CFO

Chief Administrative Officer

**Attachments:**

Appendix 1 – Draft Unaudited Budget Status Management Report

Appendix 2 – Draft Unaudited Service Area Budget Status Management Reports

Appendix 3 – Procurement Summary

Appendix 4 – Draft Unaudited Deferred Offsetting Revenue at December 31, 2020

**Lake Simcoe Region Conservation Authority**  
**DRAFT Unaudited Budget Status Management Report**  
**December 31, 2020 (shown in 000's)**

<b>Revenue:</b>	Full Year Budget	Actual YTD	% of YTD Budget
General Levy	\$ 4,009	\$ 4,009	100%
Special Capital Levy & Municipal Partners	6,663	5,612	84%
Provincial & Federal Funding	1,387	1,130	81%
Revenue Generated by Authority	8,201	2,811	34%
Other Revenue	195	143	74%
<b>Total Revenue:</b>	<b>20,455</b>	<b>13,705</b>	<b>67%</b>
<b>Expenses:</b>			
Corporate Services	6,370	5,532	87%
Ecological Management	5,032	2,014	40%
Education & Engagement	665	560	84%
Greenspace Services	822	936	114%
Planning & Development Services	3,855	3,344	87%
Water Risk Management	4,227	1,835	43%
Watershed Studies & Strategies	1,413	1,097	78%
<b>Total Gross Expenses:</b>	<b>22,384</b>	<b>15,317</b>	<b>68%</b>
<b>Expenses included above related to:</b>			
Less: Tangible Capital Assets	-	1,269	
Internal Fee for Service	1,276	999	78%
<b>Expenses before Amortization</b>	<b>21,108</b>	<b>13,049</b>	
Add: Amortization	-	321	
<b>Net Expenses:</b>	<b>21,108</b>	<b>13,370</b>	<b>63%</b>
Net (deficit) before reserve and TCA activity	(653)	335	
Board approved draws on reserve:	939	632	
Board approved transfers to reserves:	(286)	(144)	
<b>Other reserve &amp; net asset activity:</b>			
Additional Draw required for Scanlon Renovation:	-	134	
Transfer for offsetting operational surplus to payback reserve draws from prior years:	-	(212)	
Related to Change in Tangible Capital Assets	-	(948)	
<b>Operational (Deficit) at December 31</b>	<b>\$ -</b>	<b>\$ (203)</b>	

**Lake Simcoe Region Conservation Authority**  
**DRAFT Unaudited Service Area Budget Status Management Report**  
**December 31, 2020 (shown in 000's)**

<b>Corporate Services</b>	2020 Full Year Budget	2020 YTD Actual	% of YTD Budget
<b>Revenue:</b>			
General Levy	\$ 2,735	\$ 2,735	100%
Special Capital Levy & Municipal Partners	1,368	1,296	95%
Provincial & Federal Funding	-	2	
Revenue Generated by Authority	307	165	54%
Other Revenue	108	42	38%
<b>Total Revenue:</b>	<b>4,519</b>	<b>4,240</b>	<b>94%</b>
<b>Expenses:</b>			
Corporate Communications	834	638	77%
Facility Management	1,930	1,591	82%
Financial Management	1,276	1,040	82%
Governance	674	669	99%
Human Resource Management	509	462	91%
Information Management	1,148	1,132	99%
<b>Total Gross Expenses:</b>	<b>6,370</b>	<b>5,532</b>	<b>87%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	1,167	896	77%
<b>Net Expenses:</b>	<b>5,204</b>	<b>4,636</b>	<b>89%</b>
Net (deficit) before reserve & TCA activity	(685)	(396)	
Board approved draws on reserve:	685	573	
<b>Other reserve activity:</b>			
Draw required for Scanlon Renovation:		134	
Transfer for offsetting surplus:	-	(73)	
<b>Operational surplus at December 31</b>	<b>\$ -</b>	<b>\$ 238</b>	

<b>Ecological Management</b>	2020 Full Year Budget	2020 YTD Actual	% of YTD Budget
<b>Revenue :</b>			
General Levy	\$ 11	\$ 11	100%
Special Capital Levy & Municipal Partners	1,900	1,500	79%
Provincial & Federal Funding	360	259	72%
Revenue Generated by Authority	2,797	139	5%
Other Revenue	8	26	328%
<b>Total Revenue:</b>	<b>5,076</b>	<b>1,936</b>	<b>38%</b>
<b>Expenses:</b>			
Ecosystem Science & Monitoring	882	799	91%
Forestry Services	605	388	64%
Restoration & Regeneration	3,545	828	23%
<b>Total Gross Expenses:</b>	<b>5,032</b>	<b>2,014</b>	<b>40%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	4	11	270%
<b>Net Expenses:</b>	<b>5,028</b>	<b>2,003</b>	<b>40%</b>
Net surplus/(deficit) before reserve & TCA activity	48	(68)	
Board approved transfers to reserve:	(48)	(29)	
<b>Other reserve activity:</b>			
Draw for offsetting operational expenditures:	-	4	
<b>Operational (deficit) at December 31</b>	<b>\$ -</b>	<b>\$ (93)</b>	

**Lake Simcoe Region Conservation Authority**  
**DRAFT Unaudited Service Area Budget Status Management Report**  
**December 31, 2020 (shown in 000's)**

<b>Education and Engagement</b>	2020 Full Year Budget	2020 YTD Actual	% of YTD Budget
<b>Revenue :</b>			
General Levy	\$ 333	\$ 333	100%
Revenue Generated by Authority	285	161	56%
<b>Total Revenue:</b>	<b>619</b>	<b>494</b>	<b>80%</b>
<b>Expenses:</b>			
Community Programming	138	33	24%
School Programming	527	527	100%
<b>Total gross expenses:</b>	<b>665</b>	<b>560</b>	<b>84%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	42	38	92%
<b>Net Expenses:</b>	<b>623</b>	<b>521</b>	<b>84%</b>
Net (deficit) before reserve & TCA activity	(4)	(27)	623%
Board approved draws on reserve:	4	-	0%
<b>Operational (deficit) at December 31</b>	<b>\$ -</b>	<b>\$ (27)</b>	

<b>Greenspace Services</b>	2020 Full Year Budget	2020 YTD Actual	% of YTD Budget
<b>Revenue :</b>			
General Levy	\$ 337	\$ 337	100%
Special Capital Levy & Municipal Partners	350	372	106%
Revenue Generated by Authority	58	56	95%
Other Revenue	18	32	172%
<b>Total Revenue:</b>	<b>764</b>	<b>796</b>	<b>104%</b>
<b>Expenses:</b>			
Management	637	772	121%
Property Services	80	36	45%
Securement	104	128	123%
<b>Total Gross Expenses:</b>	<b>822</b>	<b>936</b>	<b>114%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	58	53	92%
<b>Net Expenses:</b>	<b>764</b>	<b>883</b>	<b>116%</b>
Net (deficit) before reserve & TCA activity	-	(87)	
Board approved draws on reserve:	-	-	
<b>Operational (deficit) at December 31</b>	<b>\$ -</b>	<b>\$ (87)</b>	

**Lake Simcoe Region Conservation Authority**  
**DRAFT Unaudited Service Area Budget Status Management Report**  
**December 31, 2020 (shown in 000's)**

<b>Planning and Development</b>	2020 Full Year Budget	2020 YTD Actual	% of YTD Budget
<b>Revenue :</b>			
General Levy	\$ 485	\$ 485	100%
Special Capital Levy & Municipal Partners	462	462	100%
Provincial & Federal Funding	101	122	121%
Revenue Generated by Authority	2,720	1,958	72%
Other Revenue	60	30	50%
<b>Total Revenue:</b>	<b>3,829</b>	<b>3,058</b>	<b>80%</b>
<b>Expenses:</b>			
Development Planning	2,248	2,034	90%
Permitting & Enforcement	1,607	1,310	81%
<b>Total Gross Expenses:</b>	<b>3,855</b>	<b>3,344</b>	<b>87%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	-	-	
<b>Net Expenses:</b>	<b>3,855</b>	<b>3,344</b>	<b>87%</b>
Net (deficit) before reserve & TCA activity	(26)	(286)	
Board approved draws on reserve:	26	5	
<b>Operational (deficit) at December 31</b>	<b>\$ -</b>	<b>\$ (281)</b>	

<b>Water Risk Management</b>	2020 Full Year Budget	2020 YTD Actual	% of YTD Budget
<b>Revenue :</b>			
General Levy	\$ 98	\$ 98	100%
Special Capital Levy & Municipal Partners	1,450	1,033	71%
Provincial & Federal Funding	719	646	90%
Revenue Generated by Authority	1,954	252	13%
Other Revenue	-	6	
<b>Total Revenue:</b>	<b>4,221</b>	<b>2,035</b>	<b>48%</b>
<b>Expenses:</b>			
Flood Management & Warning	440	315	72%
Source Water Protection	677	604	89%
Water Management & Restoration	2,586	482	19%
Water Science & Monitoring	524	433	83%
<b>Total Gross Expenses:</b>	<b>4,227</b>	<b>1,835</b>	<b>43%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	5	1	20%
<b>Net Expenses:</b>	<b>4,222</b>	<b>1,834</b>	<b>43%</b>
Net surplus (deficit) before reserve & TCA activity	(1)	202	
Board approved transfer to reserve:	1	(35)	
<b>Other reserve activity:</b>			
Transfer for offsetting surplus:	-	(143)	
<b>Operational surplus at December 31</b>	<b>\$ -</b>	<b>\$ 23</b>	

**Lake Simcoe Region Conservation Authority  
DRAFT Unaudited Service Area Budget Status Management Report  
December 31, 2020 (shown in 000's)**

<b>Watershed Studies and Strategies</b>	<b>2020 Full Year Budget</b>	<b>2020 YTD Actual</b>	<b>% of YTD Budget</b>
<b>Revenue :</b>			
General Levy	\$ 9	\$ 9	100%
Special Capital Levy & Municipal Partners	1,133	947	84%
Provincial & Federal Funding	207	102	49%
Revenue Generated by Authority	79	79	100%
Other Revenue	-	8	
<b>Total Revenue:</b>	<b>1,428</b>	<b>1,146</b>	<b>80%</b>
<b>Expenses:</b>			
Climate Change Adaptation	191	151	79%
Research & Innovation	693	607	87%
Watershed Subwatershed Planning	528	339	64%
<b>Total Gross Expenses:</b>	<b>1,413</b>	<b>1,097</b>	<b>78%</b>
<b>Expenses included above related to:</b>			
Internal Fee for Service	-	-	
<b>Net Expenses:</b>	<b>1,413</b>	<b>1,097</b>	<b>78%</b>
Net surplus before reserve & TCA activity	15	49	
Board approved transfers to reserve:	(15)	(24)	
<b>Operational surplus at December 31</b>	<b>\$ -</b>	<b>\$ 24</b>	

# Procurement Summary

Vendor Name	Number of Purchase Orders Issued	Total Value (including HST)	Standard Procurement under 15,000	Standard RFP/RFQ or RFT	Single Source	Sole Source	Exception per Policy
360 Advanced Security Corp.	1	3,822	X				
AECOM Canada	2	98,248				X	
AMICK Consultants Limited	1	3,051		X			
Aquafor Beech	1	18,694		X			
BDO Canada LLP	1	116,786		X			
Caduceon Environmental Laboratories	3	10,453			X		
Canmark Communications	1	3,283	X				
CDI Computers	1	981	X				
Church's Equipment Farm Supplies	1	5,238	X				
Clark Gunter and Associates	1	6,163	X				
Conservation Ontario	1	13,927	X				
County of Simcoe	1	2,543	X				
D.M. Wills Associates Limited	1	40,860		X			
DCR Systems Group Inc.	2	11,978		X			
Dell Canada	3	12,820		X			
Enclosures Direct	1	4,555			X		
Hortico Nurseries Inc.	1	11,252		X			
Hoskin Scientific	2	49,156			X		
HRdownloads	1	6,440	X				
IMPERIAL COFFEE	1	6,000	X				
Info Tech Research Group	1	22,600		X			
Investigative Solutions Network Inc.	1	19,210					X
IRON MOUNTAIN	1	8,000	X				
John Eek & Son	1	4,095	X				
King International Advisory Board	1	20,000			X		
Kisters North America	1	22,174				X	
Lakeshore Power Systems	1	1,319	X				
Lee Hecht Harrison Knightsbridge	1	11,437	X				
Marianne Love Consulting	1	3,390	X				
Mark Bookhout	1	14,690			X		
MatCorp Developments Inc.	2	17,998			X		
Neotec Water Treatment	1	5,652	X				
Nottawasaga Valley CA	1	210,654				X	
Office Imaging	7	17,176		X			
Ontario Seed Co.	2	17,464		X			
Optrics Inc.	1	4,758	X				
Perfect Moves	1	5,085		X			
Point to Point Broadband	1	1,627	X				
Public Sector Digest Inc.	1	4,830	X				
Resilient Consulting Corporation	1	20,849		X			
RJL Management Inc.	1	6,780		X			
RONA Bradford	2	8,753	X				
Sentia Solutions	2	10,289	X				
Severn Sound Environmental Association	1	79,398				X	
Siemens Canada Limited	2	49,115			X		
Smart City Water	1	2,656	X				
Softchoice	1	4,557	X				
Soil Engineers Limited	2	11,102		X			
Somerville Nurseries Inc.	1	50,821				X	
T.Harris Environmental Management	1	4,328	X				
Technology Solutions	3	14,232	X				
Thomas Solutions	2	7,243	X				
Tight Services	1	4,633		X			
Toronto and Region CA	1	6,950	X				
TOTAL CLEAN	3	28,185		X			
TREADscape	1	23,391		X			
Voyageur Search	1	4,400	X				
Waste Connections of Canada	3	12,950		X			
Water Depot	1	7,716		X			
Water's Edge	1	19,995		X			
<b>Grand Total</b>	<b>87</b>	<b>1,216,746</b>					

## DRAFT Unaudited Deferred Offsetting Revenue Balances at December 31, 2020

### Ecological Offsetting

Subwatershed	Land Acquisition Funds Remaining	Funds Remaining for Future Projects	Total
Barrie Creeks		9,322	9,322
East Holland	831	566,565	567,397
Hewitts Creek	123	906,689	906,812
Innisfil Creeks	-	470,977	470,977
Oro Creeks South		177,480	177,480
Whites Creek	28,142	187,616	215,758
Uxbridge Brook		1,107	1,107
West Holland	43,833	293,430	337,263
Lover's Creek	17,941	142,109	160,050
General Pool - Interest Earned		78,742	78,742
<b>Grand Total</b>	<b>90,871</b>	<b>2,834,037</b>	<b>2,924,908</b>

### Water Balance Offsetting

Subwatershed	Funds Remaining for Future Projects	Restoration Admin Funds Remaining	Total
East Holland	675,004	50,578	725,583
West Holland	599,876	26,690	626,566
Lover's Creek	228,052	-	228,052
Oro Creeks North	39,248	-	39,248
Western Creek - (NM)	646,300	-	646,300
Young St. Aquifer (TRCA)	19,140	-	19,140
Black River	40,128	-	40,128
Innisfil Creeks	312,576	-	312,576
General Pool	31,963	-	31,963
<b>Grand Total</b>	<b>2,592,287</b>	<b>77,268</b>	<b>2,669,555</b>

### Lake Simcoe Phosphorous Offsetting

Subwatershed	Funds Remaining for Future Projects
Barrie Creeks	20,375
East Holland	495,248
Innisfil Creeks	10,325
Maskinonge River	20,125
Georgina Creeks	17,850
Lovers Creek	382,987
Black River	10,500
West Holland	241,413
General Pool - Interest Earned	14,378
<b>Grand Total</b>	<b>1,213,201</b>

## Staff Report

To: Board of Directors

From: Susan McKinnon, Manager Budget, and Business Analysis

Date: March 16, 2021

### **Subject:**

2021 Proposed Capital and Operating Budget

### **Recommendation**

**That** Staff Report No. 14-21-BOD regarding the Authority's 2021 Proposed Capital and Operating Budget be received: and

**Further that** the 2021 Proposed Capital and Operating Budget and all projects therein be adopted: and

**Further that** staff be authorized to enter into agreements and/or execute documents with private sector organizations, non-governmental organizations or governments and their agencies for the undertaking of projects for the benefit of The Authority and funded by the sponsoring organization or agency, including projects that have not been provided for in the approved budget; and

**Further that** as required by Ontario Regulation 139/96 (formerly O.S. 231/97), this recommendation and the accompanying budget documents, including the schedule of matching and non-matching levies, be approved by weighted vote.

### **Purpose of this Staff Report:**

The purpose of this Staff Report No. 14-21-BOD is to provide the Board of Directors with the 2021 Proposed Capital and Operating Budget for review and approval as required by Ontario Regulation 139/96 (formerly O.S. 231/97). This regulation also requires that the accompanying budget documents, including the schedule of matching and non-matching levies, be approved by weighted vote. The 2021 Proposed Capital and Operating Budget was created using the approved budget estimates/assumptions; a copy of the budget document is attached (Attachment 1).

### **Background:**

#### **Assumptions**

On July 24, 2020, the Board of Directors reviewed and approved Staff Report No. 35-20-BOD regarding the 2020 budget assumptions. The 2021 budget was then built within these assumptions:

Assumption	Approved Guideline	Actual
Inflation	Up to 2.00%	When applicable
COLA	Up to 1.00%	1.00%
Growth/Strategic Initiatives	.00%	.00%
General Levy	1.00%	1.00%
Special Operating	1.00%	1.00%
Special Capital	1.00%	1.00%

### Budget Process for 2020/2021

1. Board of Directors approves the budget assumptions.
2. Review of Base Operating Budget for:
  - a. Efficiencies/Cost Savings.
  - b. Additional funding sources.
  - c. Changes to program expenditures/funding.
3. Review Strategic Plan to determine key areas of investment for 2021.
4. Work with municipal funding partners through communication of budget details and highlights, along with presentations to local Councils as required.

### Summary of Progress to Date

Municipal Funding Partner	Approval or Within Envelope
Regional Municipality of York	✓
City of Barrie	✓
Regional Municipality of Durham	✓
Town of Bradford West Gwillimbury	✓
Town of Innisfil	✓
Township of Oro-Medonte	✓
Town of New Tecumseth	✓
City of Kawartha Lakes	✓
Township of Ramara	Pending

### Budget Approval Voting Procedure

The budget vote will be recorded, and each member will be requested in alphabetical order to vote yea or nay to the attached budget. Further, the vote will be weighted based on the current value assessment (CVA) of each municipality within the watershed. The Region of York's vote is required to be capped at 50%. The weighted vote will be taken as follows:

Representative	Municipality	CVA
Regional Chairman Wayne Emmerson (Chair)	York Region (at Large)	9.31%
Councillor Avia Eek	York Region (King)	9.31%
Councillor Ken Ferdinands	York Region (Whitchurch-Stouffville)	9.31%
Councillor Wendy Gaertner	York Region (Aurora)	9.31%
Mayor Virginia Hackson	York Region (East Gwillimbury)	9.31%
Mayor Margaret Quirk	York Region (Georgina)	9.31%
Regional Councillor Tom Vegh	York Region (Newmarket)	9.31%
Councillor Keenan Aylwin	City of Barrie	8.38%
Councillor Clare Riepma	City of Barrie	8.38%
Pending	Durham Region (Brock)	1.91%
Mayor Dave Barton	Durham Region (Uxbridge)	1.91%
Mayor Bobbie Drew	Durham Region (Scugog)	1.91%
Councillor Peter Ferragine (Vice Chair)	Town of Bradford West Gwillimbury	5.16%
Councillor Alex Waters	Town of Innisfil	4.46%
Councillor Randy Greenlaw	Township of Oro-Medonte	0.99%
No representative appointed	Township of Ramara	0.90%
Councillor Shira Harrison-McIntyre	Town of New Tecumseth	0.48%
Councillor Emmett Yeo	City of Kawartha Lakes	0.36%
		100.00%

### What's New for 2021 Capital and Operating Budget

Staff continue to look for ways to improve the accuracy and transparency of the budget process. In 2021, this included changes to the following areas:

- Fully loaded charge out rates
- Departmental overhead
- Capturing In-Kind contributions on statements
- Offsetting budgeting

### Budget Highlights

Detailed information is provided in the attached 2021 proposed Capital and Operating Budget book, some highlights regarding the 2021 proposed budget are as follows:

	2020	Change	2021
Operating	\$14.0M	\$0.3M	\$14.3M
Capital	\$7.1M	(\$3.4M)	\$3.7M
<b>Total</b>	<b>\$21.1M</b>	<b>(\$3.1M)</b>	<b>\$18.0M</b>

## **Challenges**

The 2021 Budget was a unique challenge as staff recognized the financial pressures facing our municipal funding partners due to COVID-19 and worked to stay within a 1% increase to all levies. This meant no new funding for strategic initiatives, asset management or FTEs.

## **General Levy**

The Authority requested a total general levy funding in the amount of \$4,049K, representing an increase of 1.00% over 2020. The general levy increase was used to cover COLA increases for existing staff and inflation when applicable for program expenses. This is within the endorsed guidelines provided by the Board of Directors.

## **Special Capital and Special Operating Levy**

The 2021 proposed Special Capital and Operating base levy increased by 1.00% to \$4,337K and \$493K, respectively. This is also within the Board-endorsed guidelines.

## **Municipal Partners Funding**

In addition to the \$4,830K for base Special Capital and Operating levy from Municipal partners in 2021, and amount of \$1,481K from Special Capital deferred and other Municipal agreements is also anticipated.

## **Provincial and Federal Funding**

The 2021 proposed budget for Provincial and Federal funding (new and deferred) is \$2,217K which is up 42.5% from \$1,555K in 2020. This change in funding can be attributed primarily to funding opportunities from LSPP. The 2021 Proposed Capital and Operating Budget includes a provision for Ministry of Natural Resources and Forestry (MNRF) transfer payments in the amount of \$68,371, which is the same as 2020.

## **Revenue Generated by the Authority**

The 2021 proposed budget for Revenue Generated by the Authority is \$5.2M which is down 36.0% from \$8.1 M in 2020. This decrease is due to the change as part of the budget improvements to better reflect the timing of expenditures and revenue for the offsetting program.

## **Lake Simcoe Conservation Foundation Donation**

The 2021 proposed Capital and Operating Budget includes donation revenue from the Lake Simcoe Conservation Foundation (LSCF) of \$343K that will support various projects throughout the watershed in 2021. Additional funds will become available throughout the year, at which time a second round of requests will take place in the fall.

## Salary/Wages

Staffing Summary: \*

Type of Staffing	2020 Base	Adjustment (+/-)	2021 Budget
Full Time Equivalent (FTE)	101	0	101
Permanent Part Time (PPTE)	2	0	2

\*Please note the budget includes 24 contracts for seasonal work and additional capacity needed for funded projects.

Historical summary of Increases to COLA:

2016	2.0%
2017	2.0%
2018	1.85%
2019	1.50%
2020	1.75%
Proposed 2021	1.00%

## Issues:

The 2021 Budget was developed with the understanding of the fiscal challenges being faced by our municipal funding partners. Continuing to keep funding increases below the rate of inflation beyond 2021 is not a sustainable strategy for the Authority.

Ensuring all funding partners pay their fair share of the costs in the operating and capital budget is a legislative requirement and critical for the financial sustainability of the Authority.

## Relevance to Authority Policy:

The Authority is required to prepare annual budgets as part of the fiscal control and responsibilities of the organization. The budget is used in the audit process for evaluation by the external auditing firm. Annual audits are a requirement of Section 38 of the *Conservation Authorities Act*.

## Impact on Authority Finances:

### Total Expenditures

The total amount of expenditures for the 2021 proposed Capital and Operating Budget is \$18.0M, down \$3.1M from the 2020 Budget. To better align our budget and our annual spending, a different methodology is being used to account for the offsetting projects, which caused the decrease in budgeted expenditures for 2021. Another high-level driver for the year over year decreased budgeted expenditures (in capital) is due to the project completion of the Scanlon Creek Operation Centre in 2020.

Below is a summary of the major capital investments for 2021:

<b>2021 Capital Investments</b>	
Offsetting Projects	\$1.1M
Restoration Projects	\$0.6M
Asset Management	\$0.6M
Stormwater Projects	\$0.4M
Salt Reduction Projects	\$0.4M
LID Projects	\$0.2M
Land Cover Projects	\$0.2M
Watershed Plan Modernization	\$0.2M
Water Science and Monitoring	\$0.1M
<b>Total</b>	<b>\$3.7M</b>

### Total Revenue

Total Revenue for the 2021 proposed Capital and Operating Budget is \$18.0M, which is down \$2.5M. This is driven by a reduction in Revenue Generated by Authority, a result of an accounting change in how we are budgeting for the Offsetting Program. Additional funding from Provincial and Federal programs is also anticipated.

<b>Revenue:</b>	<b>2020</b>	<b>Increase/ (decrease)</b>	<b>2021</b>
General Levy	\$4.0M	\$0.0M	\$4.0M
Special Capital Levy & Municipal Partners	\$6.6M	(\$0.3M)	\$6.3M
Provincial and Federal Funding	\$1.6M	\$0.6M	\$2.2M
Revenue Generated by Authority	\$8.1M	(\$2.9M)	\$5.2M
Other Revenue	\$0.2M	\$0.1M	\$0.3M
<b>Total</b>	<b>\$20.5M</b>	<b>(\$2.5M)</b>	<b>\$18.0M</b>

### Municipal Levies

The Operating Budget of \$14.3M has increased by 1.6% and is primarily supported by levies from our municipal funding partners, which increased by 1.0%.

<b>Municipal Levies</b>	<b>2020</b>	<b>Increase/ (decrease)</b>	<b>2021</b>
General Levy	\$4,009K	\$40K	\$4,049K
Special Capital	\$4,295K	\$42K	\$4,337K
Special Operating	\$487K	\$5K	\$492K
	<b>\$8,791K</b>	<b>\$88K</b>	<b>\$8,878K</b>

### Reserve Draws

The 2021 proposed Capital and Operating Budget includes a net draw of \$13K from reserves for the following expenditures that do not impact future sustainability.

Reserves	Opening Balance	Description	2021 Proposed Reserve Contribution	2021 Proposed Reserve Draws	Projected Ending Balance
Asset Management	\$471K	Contribution	\$373K		
		Maintenance		(\$141K)	
		Software/Hardware		(\$17K)	
		Field Vehicles		(\$105K)	\$581K
Rate Stabilization	\$860K	Interest	\$40K		
		Engagement Strategy		(\$30K)	
		One-time Operating		(\$25K)	\$845K
Working Capital	\$550K	Reno for HO		(\$20K)	
		Audio Visual System		(\$50K)	
		Computer/Furniture		(\$12K)	\$468K
Restricted	\$34K	No activity planned			\$34K
	<b>\$1,915K</b>		<b>\$413K</b>	<b>(\$400K)</b>	<b>\$1,928K</b>

### Summary and Recommendations:

The 2021 Proposed Capital and Operating Budget can be summarized into the following key highlights:

- This is a status quo budget with no new FTEs.
- The 2021 Capital and Operating Budget was developed within the direction provided by the Board of Directors.
- Approval has already been received from all but one funding municipality.
- Future pressures remain with the impact of Bills 108 and 229, the asset management infrastructure gap and the related review of reserve adequacy.

It is therefore recommended that Staff Report No. 14-21-BOD regarding the Authority's 2021 Proposed Capital and Operating Budget be received; and Further that the 2021 Proposed Capital and Operating Budget and all projects therein be adopted: and Further that staff be authorized to enter into agreements and/or execute documents with private sector organizations, non-governmental organizations or governments and their agencies for the undertaking of projects for the benefit of The Authority and funded by the sponsoring organization or agency, including projects that have not been provided for in the approved budget; and Further that as required by Ontario Regulation 139/96 (formerly O.S. 231/97), this

recommendation and the accompanying budget documents, including the schedule of matching and non-matching levies, be approved by weighted vote.

**Pre-Submission Review:**

This Staff Report has been reviewed by the General Manager, Corporate and Financial Services/CFO and the Chief Administrative Officer.

Signed by:

Signed by:

Mark Critch

Rob Baldwin

General Manager, Corporate and Financial  
Services, CFO

Chief Administrative Officer

**Attachments:**

Appendix 1 – 2021 Budget Book



# 2021 Proposed Budget

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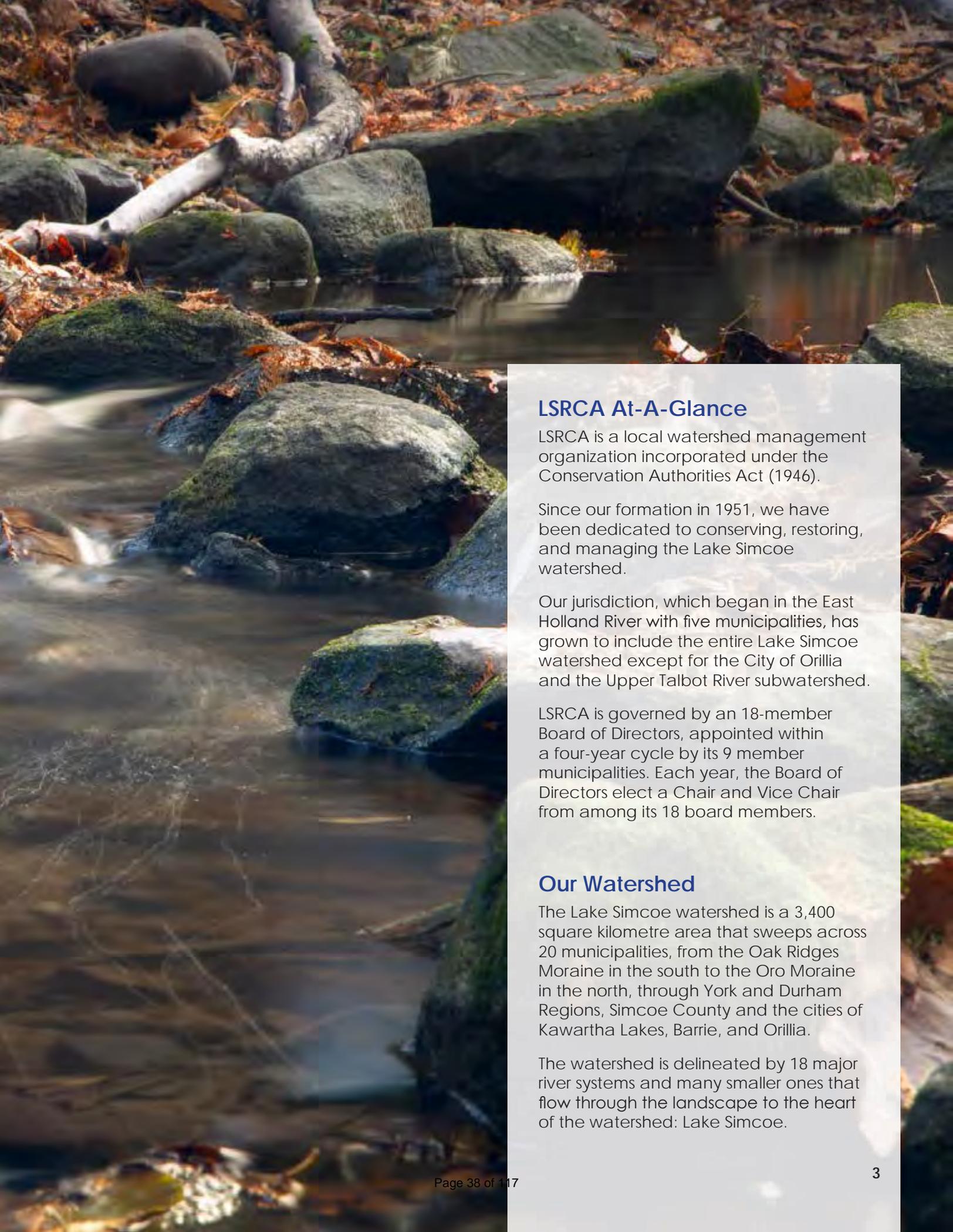
**Lake Simcoe Region**  
conservation authority

## Our Vision

We envision the Lake Simcoe watershed as a thriving environment that inspires and sustains us for generations to come.

## Our Mission

Our mission is to work with our community to protect and restore the Lake Simcoe watershed by leading research, policy and action.



## LSRCA At-A-Glance

LSRCA is a local watershed management organization incorporated under the Conservation Authorities Act (1946).

Since our formation in 1951, we have been dedicated to conserving, restoring, and managing the Lake Simcoe watershed.

Our jurisdiction, which began in the East Holland River with five municipalities, has grown to include the entire Lake Simcoe watershed except for the City of Orillia and the Upper Talbot River subwatershed.

LSRCA is governed by an 18-member Board of Directors, appointed within a four-year cycle by its 9 member municipalities. Each year, the Board of Directors elect a Chair and Vice Chair from among its 18 board members.

## Our Watershed

The Lake Simcoe watershed is a 3,400 square kilometre area that sweeps across 20 municipalities, from the Oak Ridges Moraine in the south to the Oro Moraine in the north, through York and Durham Regions, Simcoe County and the cities of Kawartha Lakes, Barrie, and Orillia.

The watershed is delineated by 18 major river systems and many smaller ones that flow through the landscape to the heart of the watershed: Lake Simcoe.



## LSRCA at the Forefront

Our watershed is one of the fastest growing regions in Canada and is currently home to 465,000\* people. Based on the Province of Ontario's Places to Grow Plan and municipal official plans, it's projected that the urban area within our watershed will increase by approximately 50% by the year 2041 and the population will nearly double.

Defined by our mandate under the Conservation Authorities Act (1946), and

shaped by continuous challenges presented by urban growth and climate change, LSRCA delivers a number of programs and services to our municipal partners and watershed residents. Our strategic focus includes 26 programs within the following seven service areas - Corporate Services, Ecological Management, Education and Engagement, Greenspace Services, Planning and Development, Water Risk Management and Watershed Studies and Strategies.



As the leading local integrated watershed management agency, our business is built on programs and services that support the ecological, social and economic health of Lake Simcoe and the surrounding environment. While we have a long and accomplished history as expert practitioners, we don't do it alone. We are continually reaffirming and establishing partnerships at every level and within all of our communities to support our ongoing mission.

\*based on 2016 Ontario census

## Operations Profile

The Lake Simcoe Region Conservation Authority's business operation employs over 100 full time, part time, contract, and seasonal staff.

Our science, research and restoration business relies on a vast range of experts in the field of environmental science including specialists in limnology, hydrogeology, hydrology, biology, botany, soil science and more. Additionally, recognized experts in water resource and environmental engineering, urban and community planning, forestry, conservation, and natural resource management, support the numerous activities of LSRCA.

Our education business depends on accomplished environmental leaders who are Ontario Certified Teachers and Outdoor Education Specialists, trained in delivering formal curriculum-based education programs to school-aged children and youth. Their expanded role includes delivering programs to engage citizens of all ages in making a meaningful and lasting connection with Lake Simcoe and its watershed.

These teams are championed internally by an equally broad range of experts delivering strategic leadership and essential services in several specialized fields including business planning; human resource management; financial planning and management; geographic information systems and information technology; and corporate communications, public and media relations, design, and marketing.





## Clarity, Focus, Results.

As we enter our 70th year, we remain committed to our goal of protecting and restoring the Lake Simcoe watershed. With work initiated in 2020, by the end of 2021, we will have formalized a new strategic plan – one that best uses our learning and experience to help address the emerging challenges and opportunities ahead.

In our era of increased and rapidly expanding knowledge, vast technological innovation, and fundamental challenges around climate change, this moment of re-evaluation is timely and opportune. What remains consistent and clear, since our inception, is our desire to align objectives, approaches and resources to achieve optimal results.

## Continued Focus: 2021 Annual Operating Priorities

1. Respond to Bill 108/229 and implement prescribed changes
2. Complete 2022-2024 strategic plan
3. Continue to respond and adapt to impacts of COVID-19 pandemic
4. Complete a corporate communications and engagement strategy
5. Implement new records management process
6. Complete asset management plan
7. Complete design and tender of new Education and Training Facility
8. Implement land disposition strategy
9. Begin phase 1 (scoping) of Scanlon Creek Conservation Area master plan
10. Complete a review of planning and development fees
11. Implement federal Lake Simcoe funding program when it becomes available
12. Modernize watershed/subwatershed planning
13. Develop implementation plan for climate change mitigation and adaptation strategies
14. Continue to advance the stormwater optimization project



## 2021 Budget At-A-Glance

\$14.3 Million - Operating

\$ 3.7 Million - Capital

**\$18.0 Million - Total**

## 2021 Budget Highlights

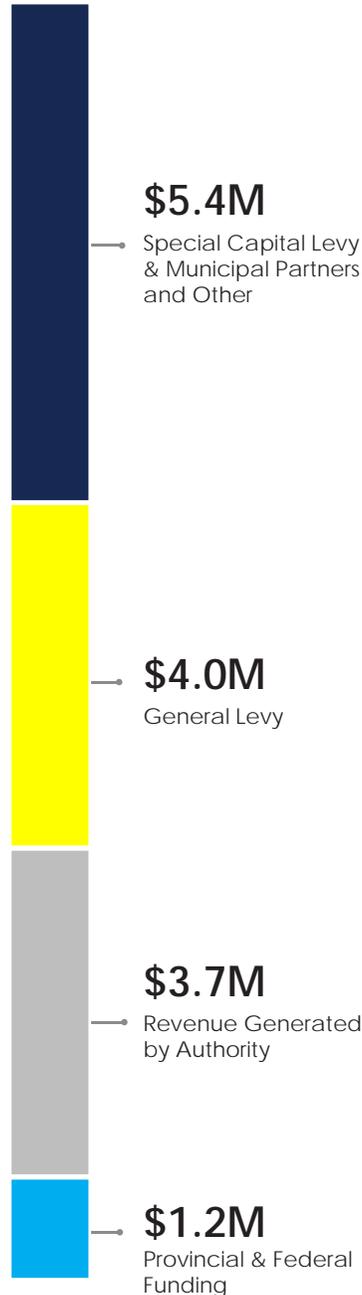
- Respect the taxpayer
- Transition Year
- Focus on implementation

LSRCA continues to demonstrate respect for the taxpayer by requesting a modest 1.00% increase to levies in 2021. Our focus in 2021 will be on the implementation of current strategic initiatives and transitioning into our new strategic plan (currently in development).

## 2021 Funding Sources

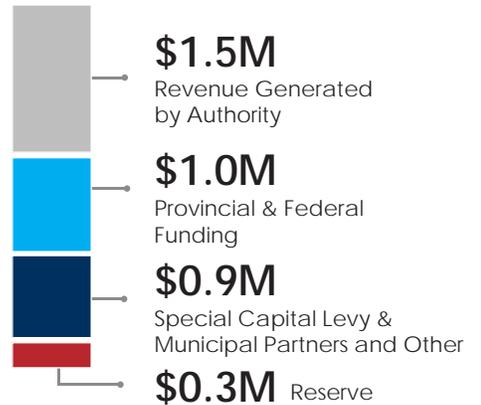
### Operating

\$14.3 Million



### Capital

\$3.7 Million



# 2021 Capital & Operating Budget

## For the period January - December 31, 2021

### Consolidated Summary

Proposed Budget  
2021  
(in the 000s)

Approved Budget  
2020  
(in the 000s)

**Revenue:**

General Levy	4,049	4,009
Special Capital Levy & Municipal Partners	6,311	6,619
Provincial and Federal Funding	2,215	1,555
Revenue Generated by Authority	5,195	8,082
Other Revenue	239	190
<b>Total Revenue</b>	<b>18,009</b>	<b>20,455</b>

**Expenditures:**

Corporate Services	3,832	3,862
Ecological Management	2,669	2,462
Education & Engagement	655	623
Greenspace Services	879	749
Planning & Development Services	3,608	3,626
Water Risk Management	1,838	1,815
Watershed Studies & Strategies	777	897
Operating Expenditures	14,258	14,034
Capital and Project Expenditures	3,738	7,074
<b>Total Expenditures</b>	<b>17,996</b>	<b>21,108</b>
<b>Required Draws to/(from) Reserve</b>	<b>13</b>	<b>(653)</b>
<b>Net Revenue (Expenditures)</b>	<b>0</b>	<b>0</b>

# 2021 Operating Budget

For the period January - December 31, 2021

## Ecological Management

Proposed Budget  
2021  
(in the 000s)

Approved Budget  
2020  
(in the 000s)

**Revenue:**

General Levy	6	11
Special Capital Levy & Municipal Partners	1,960	1,873
Provincial and Federal Funding	347	354
Revenue Generated by Authority	327	264
Other Revenue	56	8
<b>Total Revenue</b>	<b>2,696</b>	<b>2,510</b>

**Expenditures:**

Ecosystem Science and Monitoring	908	882
Forestry Services	740	594
Restoration and Regeneration	1,021	986
<b>Total Gross Expenditures</b>	<b>2,669</b>	<b>2,462</b>
<b>Required Draws to/(from) Reserve</b>	<b>27</b>	<b>48</b>
<b>Net Revenue (Expenditures)</b>	<b>0</b>	<b>0</b>

# 2021 Operating Budget

For the period January - December 31, 2021

Corporate Services	Proposed Budget 2021 (in the 000s)	Approved Budget 2020 (in the 000s)
--------------------	--	--

**Revenue:**

General Levy	2,703	2,735
Special Capital Levy & Municipal Partners	998	933
Provincial and Federal Funding	2	0
Revenue Generated by Authority	219	197
Other Revenue	30	118

<b>Total Revenue</b>	<b>3,952</b>	<b>3,983</b>
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**Expenditures:**

Corporate Communications	671	667
Facility Management	377	352
Financial Management	967	955
Governance	572	636
Human Resource Management	478	484
Information Management	767	768

<b>Total Gross Expenditures</b>	<b>3,832</b>	<b>3,862</b>
---------------------------------	--------------	--------------

Required Draws to/(from) Reserve	120	121
----------------------------------	-----	-----

<b>Net Revenue (Expenditures)</b>	<b>0</b>	<b>0</b>
-----------------------------------	----------	----------

# 2021 Operating Budget

For the period January - December 31, 2021

## Education & Engagement

Proposed Budget  
2021  
(in the 000s)

Approved Budget  
2020  
(in the 000s)

### Revenue:

General Levy	337	333
Revenue Generated by Authority	312	286
Other Revenue	6	0
<b>Total Revenue</b>	<b>655</b>	<b>619</b>

### Expenditures:

Community Programming	117	101
School Programming	538	522
<b>Total Gross Expenditures</b>	<b>655</b>	<b>623</b>
<b>Required Draws to/(from) Reserve</b>	<b>0</b>	<b>(4)</b>
<b>Net Revenue (Expenditures)</b>	<b>0</b>	<b>0</b>

# 2021 Operating Budget

For the period January - December 31, 2021

## Greenspace Services

	Proposed Budget 2021 (in the 000s)	Approved Budget 2020 (in the 000s)
--	--	--

**Revenue:**

General Levy	414	337
Special Capital Levy & Municipal Partners	368	350
Provincial and Federal Funding	11	0
Revenue Generated by Authority	55	58
Other Revenue	26	4

**Total Revenue**

<b>874</b>	<b>749</b>
------------	------------

**Expenditures:**

Management	680	565
Property Services	78	80
Securement	121	104

**Total Gross Expenditures**

<b>879</b>	<b>749</b>
------------	------------

**Required Draws to/(from) Reserve**

<b>(5)</b>	<b>0</b>
------------	----------

**Net Revenue (Expenditures)**

<b>0</b>	<b>0</b>
----------	----------

# 2021 Operating Budget

For the period January - December 31, 2021

## Planning & Development

Proposed Budget  
2021  
(in the 000s)

Approved Budget  
2020  
(in the 000s)

**Revenue:**

General Levy	490	485
Special Capital Levy & Municipal Partners	405	398
Provincial and Federal Funding	22	22
Revenue Generated by Authority	2,691	2,721

**Total Revenue**

**3,608**      **3,626**

**Expenditures:**

Development Planning	1,879	1,912
Permitting and Enforcement	1,729	1,714

**Total Gross Expenditures**

**3,608**      **3,626**

**Required Draws to/(from) Reserve**

**0**      **0**

**Net Revenue (Expenditures)**

**0**      **0**

# 2021 Operating Budget

For the period January - December 31, 2021

## Water Risk Management

Proposed Budget  
2021  
(in the 000s)

Approved Budget  
2020  
(in the 000s)

**Revenue:**

General Levy	99	98
Special Capital Levy & Municipal Partners	954	972
Provincial and Federal Funding	794	718
Revenue Generated by Authority	77	66
<b>Total Revenue</b>	<b>1,924</b>	<b>1,854</b>

**Expenditures:**

Flood Management and Warning	440	441
Source Water Protection	752	677
Water Management/Restoration	377	460
Water Science and Monitoring	269	237
<b>Total Gross Expenditures</b>	<b>1,838</b>	<b>1,815</b>
<b>Required Draws to/(from) Reserve</b>	<b>86</b>	<b>39</b>
<b>Net Revenue (Expenditures)</b>	<b>0</b>	<b>0</b>

# 2021 Operating Budget

For the period January - December 31, 2021

## Watershed Studies & Strategies

Proposed Budget  
2021  
(in the 000s)

Approved Budget  
2020  
(in the 000s)

**Revenue:**

Special Capital Levy & Municipal Partners

856 921

**Total Revenue**

**856 921**

**Expenditures:**

Climate Change Adaptation

194 191

Watershed Subwatershed Planning

365 412

Research and Innovation

218 294

**Total Gross Expenditures**

**777 897**

**Required Draws to/(from) Reserve**

**79 24**

**Net Revenue (Expenditures)**

**0 0**

# 2021 Capital Budget

For the period January - December 31, 2021

Consolidated Summary	Proposed Budget 2021 (in the 000s)	Approved Budget 2020 (in the 000s)
----------------------	--	--

**Expenditures:**

Offsetting Projects	1,116	4,212
Other Projects	763	186
Asset Management	582	369
Restoration Projects	569	117
LID Projects	286	163
Stormwater Projects	256	528
Land Cover Projects	166	112
Scanlon Creek Operating Centre Renovation	0	1,035
Belle Air Creek Diversion	0	229
Economic Study	0	123
<b>Total Gross Expenditures</b>	<b>3,738</b>	<b>7,074</b>

**Revenue:**

General Levy	0	9
Special Capital Levy & Municipal Partners	770	1,173
Provincial and Federal Funding	1,039	460
Revenue Generated by Authority	1,514	4,491
Other Revenue	121	60
Reserve	294	881
<b>Total Revenue</b>	<b>3,738</b>	<b>7,074</b>

# Overview of 2021 Municipal General & Special Capital Levy Funding

Municipalities	% Apportionment	General Levy (in the 000s)			Special Capital (in the 000s)			Special Operating (in the 000s)		
		2021	2020	2019	2021	2020	2019	2021	2020	2019
<b><u>Region of Durham</u></b>										
Brock	1.63%									
Scugog	0.43%									
Uxbridge	3.69%									
	<b>5.74%</b>	<b>233</b>	<b>234</b>	<b>234</b>	<b>480</b>	<b>475</b>	<b>474</b>	<b>21</b>	<b>21</b>	<b>22</b>
<b><u>Region of York</u></b>										
Aurora	16.21%									
East Gwillimbury	7.73%									
Georgina	8.02%									
King	4.92%									
Newmarket	20.35%									
Richmond Hill	0.64%									
Whitchurch-Stouffville	7.27%									
	<b>65.14%</b>	<b>2,637</b>	<b>2,596</b>	<b>2,504</b>	<b>2,710</b>	<b>2,683</b>	<b>2,829</b>	<b>362</b>	<b>356</b>	<b>347</b>
<b><u>City of</u></b>										
Barrie	16.76%	678	685	683	588	582	587	51	51	51
Kawartha Lakes	0.36%	14	15	15	24	24	24	0	0	0
	<b>17.12%</b>									
<b><u>Municipality of</u></b>										
Bradford-West Gwillimbury	5.16%	209	206	195	247	244	237	30	30	29
Innisfil	4.46%	181	176	170	203	201	197	29	29	28
New Tecumseth	0.48%	20	19	19	16	16	16	0	0	0
Oro-Medonte	0.99%	40	40	40	32	32	33	0	0	0
Ramara	0.90%	37	38	39	37	38	39	0	0	0
	<b>12.00%</b>									
<b>Grand Total</b>	<b>100%</b>	<b>4,049</b>	<b>4,009</b>	<b>3,899</b>	<b>4,337</b>	<b>4,295</b>	<b>4,436</b>	<b>493</b>	<b>487</b>	<b>477</b>

# 2021 Reserve Budget

(in the 000s)

Reserve Budget	Opening Balance January 1, 2021 (unaudited)	2021 Proposed Appropriations to/from Reserve	Projected Balance as at December 31, 2021
Asset Management	471	110	581
Rate Stabilization	860	(15)	845
Working Capital	550	(82)	468
Restricted	34	0	34
	<u>1,915</u>	<u>13</u>	<u>1,928</u>



Lake Simcoe Region Conservation Authority (LSRCA) is the leading environmental protection agency in the Lake Simcoe watershed. For nearly 70 years, we've been collaborating with community, government and other partners to protect and restore the environmental health and quality of Lake Simcoe and its watershed.

• 120 Bayview Parkway. Newmarket, Ontario, L3Y 3W3 •

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T	905-895-1281	🐦	@LSRCA
TF	1-800-465-0437	📺	TheLSRCA
W	LSRCA.on.ca	f	lakesimcoeconservation

If you require this document in an alternate format, please contact us at 905-895-1281. Printed on FSC paper.





March 3, 2021

Via email: [madhu.malhotra@ontario.ca](mailto:madhu.malhotra@ontario.ca)

Ms. Madhu Malhotra  
Manager, Waterways Protection Office  
Great Lakes and Inland Waters Branch  
Land and Water Division  
Ministry of Environment, Conservation and Parks  
40 St. Clair Ave. W. 10<sup>th</sup> Floor  
Toronto ON M4V 1M2

Dear Ms. Malhotra:

**Re: LSRCA Comments – ERO 019-2833 – Lake Simcoe Protection Plan 10-Year Review**

We thank the Province for the opportunity to provide comment and input regarding the Lake Simcoe Protection Plan (LSPP) as part of the 10-year review. Please accept this letter and accompanying table outlining recommendations for consideration to improve and update the LSPP in an adaptive manner. The Lake Simcoe Region Conservation Authority (Authority) strongly supports the LSPP and the objectives to protect and restore the Lake Simcoe watershed.

The review after the past ten years will prove to be a valuable exercise to evaluate the effectiveness of the LSPP over the past decade and illustrate where opportunities exist to improve the LSPP and increase implementation. The Authority strongly supports the continued protection and restoration of the Lake Simcoe watershed and looks forward to working with the Province in ensuring the ongoing implementation of the LSPP going forward.

Authority staff have focused their comments on several key areas for consideration to increase implementation and are described in this letter. Attached to this letter is a table outlining comments or proposed amendments to the existing policies and actions outlined in the LSPP. The specific recommendations are as follows:

**Governance Recommendation:**

Over the past four decades there has been a focus on protecting and restoring Lake Simcoe. The precursor to the LSPP was the Lake Simcoe Environmental Management Strategy (LSEMS). A key aspect of the LSEMS program that adapted over time was the shift from a broader oversight governance approach to a governance focus on implementation.

The successful implementation of the LSPP moving forward requires a similar shift. Most of the Designated Policies (DPs) and Strategic Actions (SAs) require focused municipal implementation. Municipalities as key implementers are significantly underrepresented in the current governance structure. The Lake Simcoe Coordinating Committee is the logical choice where representatives of all upper and lower-tier municipalities could participate. This change would ensure that the Minister would be provided critical information from those addressing the LSPP daily but also increase the focus on implementation.

Another successful element of the LSEMS program was that on occasion smaller technical working groups were established to tackle specific issues. This allowed for detailed focus to find solutions and overcome barriers. These sub-groups reported back through the LSEMS Steering Committee which was akin to the current Lake Simcoe Coordinating Committee. This approach could be considered as part of the LSPP governance model.

### **Accelerating Phosphorus Reduction:**

The LSPP has a stated core objective of reducing phosphorus to 44 t/yr. This is a lofty objective and requires continued commitment, investment, and increased implementation. The Province should consider developing a sector and subwatershed approach to reducing phosphorus loading at the source. This approach must be established using the SMART concept of being specific, measurable, achievable, realistic and timebound. There should also be a focus on cost-effectiveness and innovative approaches to accelerate phosphorus reduction. Please find the following key recommendations to accelerate phosphorus reduction:

1. Develop a SMART phosphorus reduction strategy focusing on specific sectors and subwatersheds.
2. Amend Strategic Action 4.25 to become a Designated Policy and formally empower the Authority to implement the Lake Simcoe Phosphorus Offsetting Program for all development applications under *Planning Act*, *Environmental Assessment Act* and MZOs.
3. That the Province partner and invest in the construction and operation of a Phosphorus Recovery / Treatment facility for the pump-off water from the Holland Marsh. This project represents the most significant point source reduction of phosphorus to Lake Simcoe and is also the most cost-effective reduction known. This facility alone would reduce phosphorus loading by 3 to 8 t/yr and is of special note that this is all soluble phosphorus which is of higher concern.
4. Focus investments on phosphorus removal technologies on all polders within the watershed.
5. Recognize low impact development (LID) and green infrastructure as being required as part of stormwater management for new development and incorporate it into municipal stormwater management plans.

### **Align LSPP With Other Provincial Legislation and Plans:**

It is recognized that the LSPP was developed and approved over ten years ago. Over that timeframe there has been ongoing change to provincial legislation and specific plans that unintentionally lead to inconsistency and perceived conflict with the LSPP. While challenging, ensuring that the myriad of legislation and plans are working in concert with each other ensures a consistent approach to managing and approving growth within the Lake Simcoe watershed and reduces conflict or confusion.

To help improve implementation please consider the following recommendations:

1. Include a general Designated Policy requiring that the LSPP be amended where and when required to align with other higher level provincial legislation and plans. This includes but is not limited to the *Greenbelt Plan, Places to Grow, Provincial Policy Statement* and others.
2. Consider developing new Designated Policies to address aspects such as source water protection, excess soil requirements, stormwater management, Minister Zoning Orders (MZOs), chloride management (road salt), and water budgets.

#### **Climate Change:**

Climate change has quickly emerged as one of the most significant potential threats to Lake Simcoe and the watershed. The impacts can be wide ranging from changes to reduced ice cover duration, fluctuations in hydrology and spring freshet, increased heat and growing days influencing terrestrial ecology and many others. The Authority recommends that the Designated Policies and Strategic Actions be reviewed where applicable through a climate change lens to ensure key management actions or decisions consider climate change.

#### **Natural Heritage:**

The LSPP clearly recognizes the significant importance of natural heritage across the watershed and its role in biodiversity, hydrologic function, ecological health and much more. Natural heritage features continue to face challenges from growth, infrastructure, invasive species as examples. The following list of recommendations should be considered for inclusion in or amending the LSPP:

1. The Authority has completed a detailed Lake Simcoe Natural Heritage Restoration Strategy. The LSPP should recognize this work with details or requirements on partnering, investing, and updating every five to ten years to address emerging challenges and opportunities.
2. Ecological offsetting should be formalized as a Designated Policy to work to achieve at minimum no net loss of natural heritage features and a goal of net gain. The Authority has had an Ecological Offsetting program in place for several years.
3. A Strategic Action should be added to address the valuation of the Natural / Ecological Capital of the Lake Simcoe watershed, by subwatershed and by municipality. This valuation should be updated every five to ten years. This critical information clearly articulates the value and role of natural heritage in climate change, flood attenuation, biodiversity, asset management and much more.
4. Invasive species represent a significant threat to the natural heritage of the Lake Simcoe watershed. The Authority recommends that more robust policies and timely actions be considered to address threats quickly where possible.

#### **Lake Simcoe Phosphorus Dynamics:**

Lake Simcoe has experienced significant change over the past decade and beyond. Much of this change is attributed to the role invasive species are playing in Lake Simcoe phosphorus dynamics and the emergence of a decoupling the dissolved oxygen / phosphorus relationship. Increased investment and detailed investigation into this issue are required beyond what is currently ongoing and planned.

Ms. Madhu Malhotra  
Ministry of Environment, Conservation and Parks  
March 3, 2021  
Page 4 of 4

Predicting future trends, impacts or improvements is challenging but a more detailed and robust understanding would allow for more timely management responses and adaptive policy changes.

The Authority encourages that Strategic Action/s focused on this issue be considered with increased investment. Lake Simcoe has quickly become the “real-time” in situ laboratory for lake dynamics in the face of climate change and invasive species and provides highly valuable and timely information required to assist in Great Lakes management.

Authority staff thank the Province for considering the above comments on the future direction of the Lake Simcoe Protection Plan and look forward to continued engagement as it is updated. The Authority greatly values the role it plays in implementing the LSPP and working with our various provincial and municipal government partners, First Nations, stakeholders and community in protecting and restoring Lake Simcoe.

If you have questions regarding this response or would like to further discuss these recommendations, please contact the undersigned at [r.baldwin@lsrca.on.ca](mailto:r.baldwin@lsrca.on.ca)

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Baldwin', with a long horizontal flourish extending to the right.

Rob Baldwin  
Chief Administrative Officer

Attachment: LSRCA Comments

# LSPP Policies – 10-Year Review

## Lake Simcoe Region Conservation Authority

### Comments (March 2021)

#### Chapter 1 – Ecological Health of Lake Simcoe and its Watershed

1.1-DP

#### Chapter 3 – Aquatic Life

**3.1-SA** Update policy to ensure adaptive management processes is undertaken such that there is reporting on progress, assessment of effectiveness and a process to adapt as necessary. To assist in adaptive management process consider establishing population targets for key lake species and consideration of impact of climate change.  
Add section on impacts of salt/chloride. Add salt/chloride reduction as an objective, need for salt management plans.

3.2-SA

3.3-SA

**3.4-SA** Updates should be undertaken collaboratively, with those who undertook original mapping. Updates to include change analysis.

3.5-SA

**3.6-M** Consider opportunities to drive engagement through a tiered community monitoring program whereby LSRCA works with watershed schools/community groups to conduct aquatic monitoring in local streams/creeks, specific to invasive species and benthic invertebrates.  
While reference made to inland lakes there are no formal or funded monitoring programs. In the same instance, inland lake health concerns are repeatedly raised by local residents (e.g. Wagners, Musselman, Canal and Mitchel). Also evidence that inland lakes can have far reaching impact (Wagners lake microcysts bloom). Need to fully consider rationale for inland lake monitoring program and options of implementation.

#### Chapter 4 – Water Quality

##### Sewage Treatment

4.1-DP

4.2-DP

4.3-DP

**4.4-DP** We are starting to see more development proposals with proposed new non-municipal sewage treatment plants. In considering the LSPP Definition of “Sewage Treatment Plant”, is this policy (wording and interpretation) capturing the intent of this policy? Is the definition appropriate?

# LSPP Policies – 10-Year Review

## Lake Simcoe Region Conservation Authority

### Comments (March 2021)

#### Stormwater Management

<b>4.5-SA</b>	<p><b>Additional Strategic Action Recommendation:</b>  <b>General Update Reporting (SAs 4.5 – 4.6, DP 4.7)</b></p> <p>Policy should be updated to include requirement for periodic updates (e.g. same as water/wastewater masterplans). Updates should also encourage or require municipalities within the same sub-watershed to work collaboratively on a cost-optimized plans, that considers cumulative effects, downstream impacts to other municipalities and achieving targets such as flood reduction, P reduction and e-flows.</p>
<b>4.6-SA</b>	<p>Policy should be updated to include requirement for periodic updates (e.g. same as water/wastewater masterplans). Updates should also encourage or require municipalities within the same sub-watershed to work collaboratively on a cost-optimized plans, that considers cumulative effects, downstream impacts to other municipalities and achieving targets such as flood reduction, P reduction and e-flows.</p>
<b>4.7-DP</b>	<p>Policy should be updated to include requirement for periodic updates (e.g. same as water/wastewater masterplans). Updates should also encourage or require municipalities within the same sub-watershed to work collaboratively on a cost-optimized plans, that considers cumulative effects, downstream impacts to other municipalities and achieving targets such as flood reduction, P reduction and e-flows.</p>
<b>4.8-DP</b>	<p>Reference the Water Balance and Phosphorous Offsetting Policies.</p> <p>Reference that SWM Plan shall be prepared in accordance with applicable guidelines (i.e. MECP Guidelines, LSRCA SWM Guidelines</p>
<b>4.9-DP</b>	<p>Reference the need for Flood and Erosion Control criteria to be achieved.</p>
<b>4.10-DP</b>	<p><b>Additional / Revised 4.10 DP:</b></p> <p>Opportunity to strengthen this policy to require municipalities to have an inspection and maintenance program in place for all (not just new) SWM facilities. This could include requirement to upload I&amp;M data to the Lake Simcoe SWM database that would subsequently be assessed to track overall SWM condition and therefor any changes to management approach.</p> <p>Better O&amp;M practice will continue to be supported by the following external agency efforts:</p> <ol style="list-style-type: none"> <li>1. MOECC ECA conditions &amp; associated compliance enforcement; and</li> <li>2. Potential SWM Utility Fee / Credit Program uptake.</li> </ol>
<b>4.11-DP</b>	<p>Revise policy in relation to be 'flexible', based on local resources (as now captured in Prescribed Persons Regulation O.Reg. 208/19 under review and corresponding draft Stormwater Linear ECA - Monitoring Guidance – under development).</p>
<b>4.12-SA</b>	

# LSPP Policies – 10-Year Review

## Lake Simcoe Region Conservation Authority

### Comments (March 2021)

#### On-Site and Subsurface Sewage Treatment

<b>4.13-SA</b>	Lack of clarity on what is considered a permanent stream leaving decision to CBO who does not have data or knowledge to make an informed decision. Either change definition to align with available map data. Assess latest research to determine value of expanding policy for entire watershed. Consider establishing minimum requirements for what an inspection should include.
<b>4.14-SA</b>	
<b>4.15-DP</b>	<p>This is a challenging policy to implement through review of applications under the Planning Act. Challenges faced:</p> <ul style="list-style-type: none"> <li>• Sterilizes existing shallow shoreline lots</li> <li>• Many interpretations of how to apply this policy</li> <li>• Where the policy says, “would have been permitted by the applicable zoning by-law as of the effective date of the plan”, does this mean that if a minor variance is required to permit the development, that a sewage system would not be permitted? Technically speaking the development would not have been permitted on the effective date of the plan and hence the reason for an application for minor variance.</li> </ul>

#### Construction and Mineral Aggregate Resource Activities

<b>4.16-SA</b>	Results of these studies should be incorporated into update of the PRS to ensure cost-effective targeted and implementable management actions . And / or include specific policies resulting from study to limit atmospheric loading.
<b>4.17-SA</b>	Change policy to require following established STEP 2019 guide and CSA standard. Investigate and update guides as necessary to consider impacts of climate change on E&SC practices, especially in relation to predicted changes in winter conditions (more rain on unfrozen ground) and summer (drought and more frequent extreme event).
<b>4.18-SA</b>	
<b>4.19-SA</b>	
<b>4.20-DP</b>	<p>Consider strengthening and enforcing this Designated Policy, particularly as it relates to airborne particulates coming off construction sites.</p> <p>Add minimize the loss of topsoil or no net loss of topsoil.</p> <p>We include the satisfaction of this policy as a standard condition of approval in subdivision and site plan application reviews. We get A LOT of push back from the development community with respect to (b) – mostly in relation to applying this policy in consideration of timing restrictions related to habitat removal.</p> <p>While municipalities may be requiring these measures be incorporated in agreements, policy could be strengthened to ensure municipalities (or party acting on municipalities behalf) are monitoring compliance to these requirements. This could include development of a database and method for tracking E&amp;SC activities within their jurisdiction.</p> <p>As most issues associated with larger precipitation events some language to promote inspection in relation to forecast conditions may help.</p>

# LSPP Policies – 10-Year Review

## Lake Simcoe Region Conservation Authority

### Comments (March 2021)

<b>4.21-HR</b>	
<b>Scientific Water Quality Monitoring and Research</b>	
<b>4.22-M</b>	<p>Same comment as above (3.6 - M) re: tiered community monitoring with watershed schools/community groups.</p> <p>There is no policy listed in the Plan for the routine calculation of P Loads to Lake Simcoe. Yet references to the P loads are listed throughout the Plan and reductions are listed as one of the primary objectives (i.e., “Reduce loadings of phosphorus and other nutrients of concern to Lake Simcoe and its tributaries”) (EOC)</p>
<b>4.23-SA</b>	<p>Policy could be updated to include:</p> <ul style="list-style-type: none"> <li>• Research for improved methods for calculating P Loads (for example, update methods for calculating septic system loads based on emerging research)</li> <li>• Research to gain a more in-depth understanding of the loads in relation to changing conditions – climate change, invasive species etc</li> <li>• Make Chloride a specific line item, identifying need for monitoring and BMP investigations</li> </ul>
<b>Phosphorus Reduction Strategy</b>	
<b>4.24-SA</b>	<p>As the PRS is such an important element of achieving the 44T target, embedding the requirement to review and report its progress within the Minster 5 year report is a disservice to what this strategy could achieve. Recommend decoupling from 5 year report and revising policy to help the PRS get closer to meeting the LSPP principles of being adaptive, a shared responsibility and cost-effective.</p> <p>While we understand updates to the PRS is not in scope of this 10 year review, we offer the following for future consideration:</p> <ol style="list-style-type: none"> <li>1) PRS should be updated as soon as practical – mid 2022 at the latest</li> <li>2) PRS should be based on undertaking most cost-effective solutions – i.e. underpinned by cost benefit analysis</li> <li>3) PRS should be developed and implemented collaboratively where all stakeholders that can influence a reduction in TP as included – municipalities, agriculture, BILD, CA, etc. This will enable more creative solutions and shared responsibility.</li> <li>4) PRS should recommend interim targets that are based on identifiable cost effective actions with all stakeholders.</li> <li>5) PRS should require preparation of annual workplans and reporting on workplans as well as standard approach to TP reduction accounting. Annual work planning and accounting will enable more responsive adaptive management.</li> <li>6) Portion of Provincial funding should be allocated to undertake P reduction restoration projects.</li> </ol>
<b>4.25-SA</b>	
<b>4.26-SA</b>	

# LSPP Policies – 10-Year Review

## Lake Simcoe Region Conservation Authority

### Comments (March 2021)

#### Chapter 5 – Water Quantity

##### Water Supply

<b>5.1-SA</b>	<p>Review of water quantity policies should be undertaken with consideration for alignment with proposed provincial water quantity management framework and requirement for developing strategies for stressed watersheds.</p> <p>This needs to be revised to capture E Flows work and recognize that stressed watersheds may be due to volume increase as well as decrease.</p> <p>Need to recognize mechanisms within the LSPP to help achieve in-stream flow targets such as through subwatershed plan evaluations and municipal SWM masterplans</p> <p>It would help to include a requirement for the Low Water Response team to form again in case of drought.</p>
<b>5.2-SA</b>	<p>As with other policies, would like some direction on requirements for when water budgets should be updated. All future water budgets should be required to consider the impacts of projected climate change.</p>

##### Water Conservation and Efficiency

<b>5.3-SA</b>	
<b>5.4-SA</b>	
<b>5.5-SA</b>	
<b>5.6-DP</b>	<p>Consider opportunities under this designated policy to advance BMP's for water collection, storage and use at major recreational facilities (sports fields, golf courses).</p> <p>Consider setting targets to implement Audubon Cooperative Sanctuary Program for all golf courses within the watershed.</p>

#### Chapter 6 – Shorelines and Natural Heritage

##### Lake Simcoe Shoreline

<b>6.1-DP</b>	
<b>6.2-DP</b>	
<b>6.3-DP</b>	
<b>6.4-DP</b>	<p>Sometimes encounter issues regarding what is considered "Minimized". Should this be defined?</p>
<b>6.5-DP</b>	
<b>6.6-DP</b>	
<b>6.7-DP</b>	

##### Policies Applying to Both Lake Simcoe and Streams

<b>6.8-DP</b>	
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**LSPP Policies – 10-Year Review**  
**Lake Simcoe Region Conservation Authority**  
**Comments (March 2021)**

6.9-DP	
6.10-DP	
6.11-DP	
6.12-SA	Need to assess progress of this policy, options to improve to achieve desired outcomes and as with other policies include specific reporting requirements so can track and adapt as necessary.
6.13-DP	
6.14-SA	
6.15-SA	
<b>Proposed Shoreline Regulation</b>	
6.16-SA	
6.17-SA	
6.18-SA	
6.19-SA	This SA needs to either be removed or implemented. The LSRCA has completed S. 28 Regulation mapping for the area outside of the LSRCA jurisdiction but within in the LSPP boundaries. Implementation of this SA would ensure consistency across the LSPP jurisdiction.
<b>Key Natural Heritage and Key Hydrologic Features</b>	
6.20-DP	
6.21-DP	Consider clearer definitions of high quality natural vegetative cover Consider identifying priority areas for natural heritage protection by sub watershed and by feature in order to set targets within each area not the gross amount for the entire watershed.  Grasslands, unfortunately, remain excluded from provincial policy. Given the occurrence of a number of small tallgrass prairie remnants in our watershed, and the extensive Carden alvar, the definition of key natural heritage feature should be expanded to include native grasslands.
6.22-DP	
6.23-DP	
6.24-DP	
6.25-DP	
6.26-DP	
6.27-DP	
6.28-DP	
6.29-DP	
6.30-SA	

**LSP Policy – 10-Year Review  
Lake Simcoe Region Conservation Authority  
Comments (March 2021)**

6.31-SA	
<b>Settlement Areas</b>	
6.32-DP	
6.33-DP	
6.34-DP	
6.35-DP	
<b>Recharge Areas</b>	
6.36-DP	As the other land use plans now also talk about Significant Surface Water Contributing Areas, the LSP should be revised accordingly.
6.37-SA	Should concepts from guidance be incorporated into the LSP policies or at least amend policy to recognize guidance has been developed.
6.38-DP	
6.39-DP	
6.40-DP	Recommend amending this to read as follows: Outside of the Oak Ridges Moraine area, an application for major development within a significant groundwater recharge area shall be accompanied by <del>an environmental impact study</del> a Hydrogeologic Assessment that demonstrates that the quality and quantity of groundwater in these areas and the function of the recharge areas will be protected, improved, or restored.
<b>Mineral Aggregate Operations and Wayside Pits and Quarries</b>	
6.41-DP	
6.42-DP	
6.43-DP	Consider adding reference to ecological offsetting for loss of feature or associated buffer.
6.44-DP	Consider adding reference to ecological offsetting for loss of feature or associated buffer – Guidance of EOP to outline restoration requirements
<b>Existing Uses</b>	
6.45-DP	The current provided definition of “Existing Use” is from the Greenbelt Plan. This should be updated to read uses legally established prior to the date that the LSP came into force and that the use has been continued.
<b>Site Alteration and Tree Cutting Bylaws</b>	
6.46-SA	
<b>Natural Areas Protection, Improvement and Enhancement</b>	
6.47-SA	This Strategic Action is critically important to the long-term restoration and protection of key natural heritage systems throughout the LS watershed and requires a dedicated and sustainable source of municipal/provincial funds to carry out restoration and securement

## LSPP Policies – 10-Year Review

### Lake Simcoe Region Conservation Authority

### Comments (March 2021)

	<p>projects, with priority consideration for expanding existing parks, conservation areas and conservation reserves or their equivalent.</p> <p>As LSRCA completed the NHSRS, responsibility of this policy should be evaluated to determine specific roles of the various partners. Case could be made that it is LSRCA’s job to maintain, update, and provide this material to watershed municipalities.</p>
<b>6.48-SA</b>	Clearer definition of “high quality” needs to be provided based on research undertaken or remove the concept.
<b>6.49-SA</b>	Is this a static SA? Subwatersheds change over time (ie. Last 10 years) and should this SA be amended to be re-assessed on a five- or ten-year timeframe?
<b>6.50-M</b>	<p>As noted under 3.6 - M this monitoring program could be enhanced by driving engagement through a tiered community monitoring program whereby LSRCA works with watershed schools/community groups to conduct aquatic/terrestrial monitoring</p> <p>While baseline monitoring was undertaken by MNR in collaboration with UofT, there is no evidence that a routine targeted TNHS monitoring program is in place. This should be considered to become a SA with clear roles and responsibilities as this presently is not occurring.</p>

## Chapter 7 – Other Threats and Activities

### Newly Introduced Invasive Species

<b>7.1-SA</b>	Ambitious strategic action that is currently being dealt with in a fragmented manner across the watershed, main concern amongst partners is that funding is insufficient/unavailable for focused, long-term efforts.
<b>7.2-SA</b>	Outcome of the community based social marketing project needs to be implemented watershed wide ensuring focus is on aquatic and terrestrial invasive species.
<b>7.3-SA</b>	
<b>7.4-SA</b>	<p>Status update on this initiative and what still needs to be completed</p> <p>Watch list should be reviewed each year to determine whether it should be updated based on risk of new invasive species on the horizon. i.e. “time-to-time” is too vague, as consequences of invasive species entering waterways is so major and can change quickly.</p> <p>With few exceptions once a species is “present” in watershed there is not much that a response plan can do. Therefore, we recommend this policy be updated to include requirement for implementation of strategies to reduce risk of those species on the watch list entering the lake and watershed in the first place.</p>
<b>7.5-SA</b>	Not sure if this was even done. Regardless this is a serious threat and needs more action than just a study. Study findings should be integrated into proposed process under 7.4
<b>7.6-SA</b>	
<b>7.7-SA</b>	Good policy – needs to be completed.
<b>7.8-SA</b>	Status update on this initiative and what still needs to be completed

## LSPP Policies – 10-Year Review

### Lake Simcoe Region Conservation Authority

### Comments (March 2021)

<b>7.9-SA</b>	Status update on this initiative and what still needs to be completed.
<b>7.10-M</b>	Status update on this initiative and what still needs to be completed by Regional, County and lower tier municipalities. Same comment as above (3.6 - M) re: tiered community monitoring with watershed schools/community groups. No evidence that this policy is being implemented. Implementation of this policy should be considered along with Policy 6.50 (TNHS monitoring)
<b>Climate Change</b>	
<b>7.11-SA</b>	Status update on this initiative and what still needs to be completed Update policy to support implementation of the Provincial CC strategy recommendations (e.g. setting forest cover and stream flow targets, integrating climate change into BMP manuals, invasive species prevention plans). Bullet c. We are picking up climate change through our existing monitoring programs but to my knowledge no one has developed a Climate Change Monitoring program and there are some good indicators that are not being captured. Collaborate with MECP, MNRF to review and update monitoring for CC.
<b>Recreational Activities</b>	
<b>7.12-SA</b>	Recent increases in use of watershed recreational resources and greenspace indicates that more focus needs to be placed on this strategic action to ensure that investment may be made in resource development to enhance visitor experience, promote public health, and protect the integrity of the recreational resources and natural ecosystems they exist within.
<b>7.13-HR</b>	Consider a priority focus/plan to acquire sensitive shoreline properties for restoration and ecosystem protection purposes - see note under 6.47 SA
<b>7.14-HR</b>	
<b>7.15-SA</b>	Status update on this initiative and what still needs to be completed
<b>7.16-SA</b>	Consideration of Audubon Cooperative Sanctuary Program for golf courses as mentioned previously in 5.6-DP
<b>7.17-SA</b>	
<b>Chapter 8 – Implementation</b>	
<b>Subwatershed Evaluations</b>	
<b>8.1-SA</b>	All watershed plans/evaluations be updated periodically to ensure remain up to date with most recent research and monitoring as well as other provincial policy. Watershed planning should be undertaken in manner that facilitates periodic updates in support of more timely adaptive management, scalability (catchment to basin) and incorporate targets. General comment: Uncertainty in regards who responsible for implementing recommendations in the upper Talbot River subwatershed in region outside LSRCA boundaries but within LSPP boundary, including Canal and Mitchel lakes.
<b>8.2-SA</b>	

**LSPP Policies – 10-Year Review**  
**Lake Simcoe Region Conservation Authority**  
**Comments (March 2021)**

<b>8.3</b>	Remove reference to priority watersheds – should have plan for all watershed.
<b>8.4</b>	
<b>Stewardship, Education and Outreach</b>	
Stewardship for Non-Agricultural Landowners, Residents, and the Broader Community	
<b>8.5-SA</b>	Suggest replacing stewardship network with Implementation Working group that includes multiple stakeholder responsible for supporting and undertaking activities to reduce P loads (as recommended under PRS comment), restore natural heritage cover, and other related aspects.
<b>8.6-SA</b>	Encourage amendments to this strategic action to ensure a sustained, expanded and collaborative stewardship program across the Lake Simcoe watershed Should be linked to the PRS update, which in turned is prioritized (cost -benefit, ease of implementation etc) adaptable strategy etc. This needs to be revisited, now that funding doesn't exist anymore
<b>8.7-SA</b>	Status update on this initiative and what still needs to be completed
<b>8.8-SA</b>	Status update on this initiative and what still needs to be completed
<b>8.9-SA</b>	Status update on this initiative and what still needs to be completed
<b>8.10-SA</b>	
<b>8.11-SA</b>	
<b>Research, Monitoring, and Reporting</b>	
<b>8.12-SA</b>	Policy is fine, but in recent years the value of the event when connected to existing conference has watered down the value it could have in informing management. Recent on-line event however a good example of how would proceed in the future to manage workload associated with undertaking this event biannually.
<b>Plan Amendments</b>	
<b>8.13</b>	

## Staff Report

To: Board of Directors

From: Katherine Toffan, Manager of Finance

Date: March 14, 2021

### Subject

BDO Canada LLP – Audit Planning Report for the 2020 Annual Audit

### Recommendation

**That** Staff Report No. 15-21-BOD regarding BDO Canada LLP – Audit Planning Report for the 2020 Annual Audit be received for information.

### Purpose of this Staff Report:

The purpose of this Staff Report No. 15-21-BOD is to provide the Board of Directors with information on the 2020 Audit Plan, which will be conducted by BDO Canada LLP (BDO). BDO's Audit Planning Report to the Board of Directors is attached for information.

### Background:

The Authority released a Request for Proposal (RFP) for audit services in 2020 and BDO Canada LLP was chosen as the successful vendor. BDO is under contract to provide the Authority's annual audit services through the year ending December 31, 2024.

### Issues:

The Audit Planning Report for the Authority provides detail to the Board of Directors on the following areas:

- BDO Audit Team for the 2020 Audit
- Audit Timeline
- Areas of Significant Risk and Planned Responses
- Preliminary Materiality Threshold set at \$415,000
- BDO Audit Strategy
- BDO's Independence Letter
- Board, Management and Auditor Responsibilities

A representative from BDO Canada LLP will be attending the April 23, 2021 Board of Directors' meeting to provide an overview of the 2020 Audit results.

**Relevance to Authority Policy:**

It is a requirement under S.38 (1) of the *Conservation Authorities Act* that an annual audit on all accounts and transactions be carried out “by a person licensed under the *Public Accounting Act, 2004*”.

**Impact on Authority Finances:**

Audit fees for the Authority’s 2020 Audit are estimated to be \$18,000, excluding disbursements, technology fees and HST. These fees are built into the Authority’s annual operating budget.

**Summary and Recommendations:**

It is therefore **Recommended That** Staff Report No. 15-21-BOD regarding BDO Canada LLP – Audit Planning Report for the 2020 Annual Audit be received for information.

**Pre-Submission Review:**

This Staff Report has been reviewed by the General Manager, Corporate & Financial Services/CFO and the Chief Administrative Officer.

Signed by:

Signed by:

Mark Critch

Rob Baldwin

General Manager, Corporate and Financial  
Services, CFO

Chief Administrative Officer

**Attachments:**

Appendix 1 – Audit Planning Report to the Board of Directors



# LAKE SIMCOE REGION CONSERVATION AUTHORITY

## AUDIT PLANNING REPORT TO THE BOARD OF DIRECTORS

February 26, 2021

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## EXECUTIVE SUMMARY

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities. This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.



### Your BDO Audit Team

Adam Delle Cese, CPA, CA will be the lead on the engagement team, supported by experts as deemed necessary. Please refer to page 4 for contact information should you have any questions or concerns regarding the financial statement audit.



### Timeline

The audit is scheduled to start in March 2021 with final completion scheduled for April 2021. See the Audit Timeline section of the report for the detailed milestones.



### Significant Audit Risks

Our audit is focused on risks specific to your business and key accounts. Specifically, we have identified the following areas on which to focus:

- ▶ Grant Revenue Recognition
- ▶ Management Override of Controls



### Materiality

We have determined that materiality for the current year audit will be based on expenses, as users are primarily concerned with this area. Materiality is \$415,000 for the year ended December 31, 2020.



### Fees

We estimate our fees for 2020 will be \$18,000 for the audit of the financial statements, based on the assumptions outlined in the Fees section of this report.



### Engagement Objectives

Our overall responsibility is to form and express an opinion on the financial statements. The performance of this audit does not relieve management or those charged with governance of their responsibilities. Please see the attached engagement letter in Appendix B for specific details regarding the scope of our work.



### **Fraud Discussion**

Through our planning process, and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the Authority. Please see Appendix D for clarification of the auditor's responsibilities for detecting fraud.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Authority, we request that you provide us with this information.

## YOUR DEDICATED BDO AUDIT TEAM

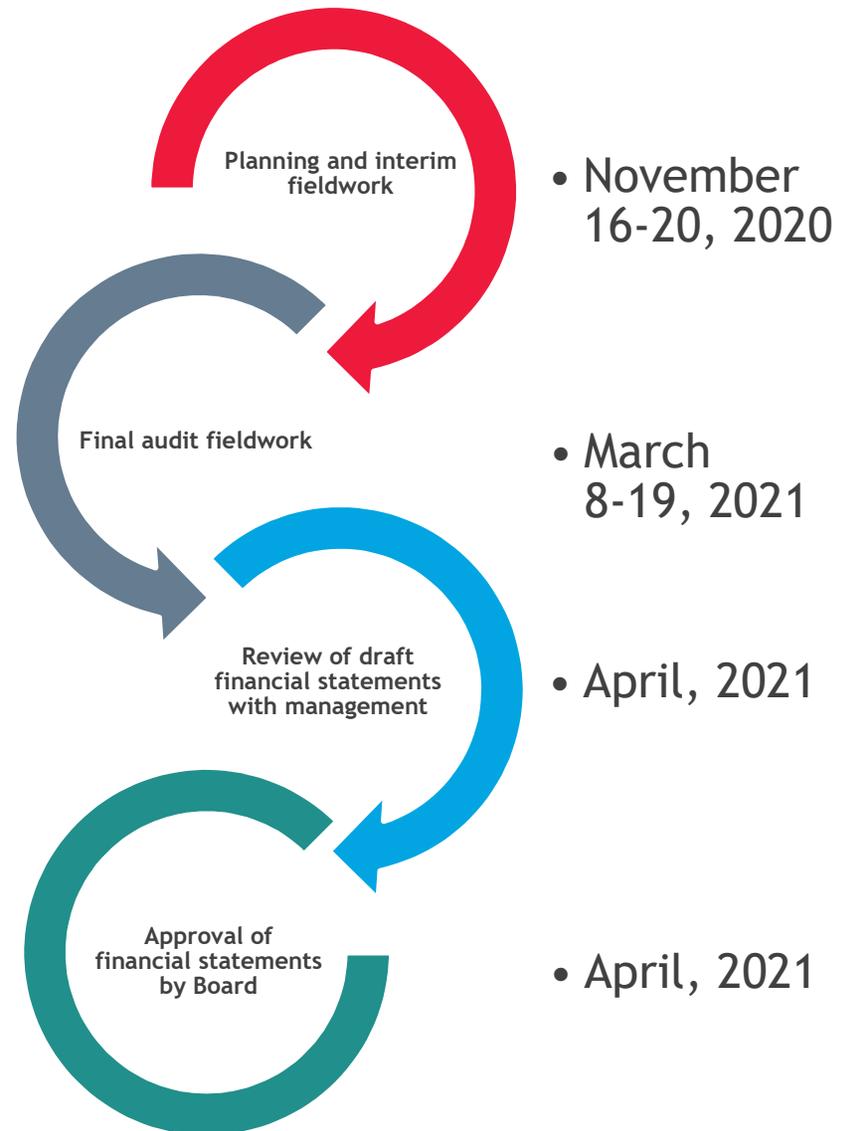
In order to ensure effective communication between the Board of Directors and BDO Canada LLP, the contact details of the engagement team are outlined below. We attempt to provide continuity of service to our clients to the greatest extent possible in accordance with mandated partner rotation rules. When rotation is required for key members of the engagement team, we will discuss this matter with the Board of Directors and determine the appropriate new individual(s) to be assigned to the engagement based on particular experience, expertise and engagement needs.

NAME	ROLE	PHONE NUMBER	EMAIL
Adam Delle Cese, CPA, CA	Engagement Partner	905-898-1221 ext. 2172	adellecese@bdo.ca
Emma Roy, CPA, CA	Assurance Senior Manager	905-898-1221 ext. 2173	eroy@bdo.ca
Arjun Kapoor	Audit Senior	905-898-1221 ext. 2155	akapoor@bdo.ca
Ken Garth, CPA, CA	HST Resource Partner	705-645-5215	kgarth@bdo.ca

## AUDIT TIMELINE

The following schedule outlines the anticipated timing of the audit of the financial statements of the Authority.

As part of the year end Board of Directors meeting, we will provide the Board of Directors with a copy of our draft audit opinion, discuss our findings, including significant estimates utilized by management, accounting policies, financial statement disclosures, and significant transactions completed during the year. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.



## SIGNIFICANT AUDIT RISKS AND PLANNED RESPONSES

Based on our knowledge of the Authority’s business, our past experience, and knowledge gained from management and the Board of Directors, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following significant risks and whether there are any other areas of concern that the Board of Directors has identified.

AREAS OF FOCUS	RISKS NOTED	AUDIT APPROACH
<b>Management Override of Controls</b>	Management is in a unique position to perpetrate fraud because of management’s ability to directly or indirectly manipulate accounting records or prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	<p>Our planned audit procedures test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements.</p> <p>We will also obtain an understanding of the business rationale for significant transactions that we become aware of that are outside the normal course of operations for the Authority, or that otherwise appear to be unusual given our understanding of the Authority and its environment. We will review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represented a risk of material misstatement due to fraud.</p>
<b>Grant Revenue Recognition</b>	There is a risk that the timing of grant revenue recognition is incorrect based on restrictions placed on the grant funding.	Grants will be substantively tested on a sample basis. Grant agreements will be reviewed and revenue recognition will be analyzed based on restrictions included in the grant agreements. Expense allocation has implications on grant revenue recognition. Controls surrounding purchases approval and expense coding will be tested.

## MATERIALITY



Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

Preliminary materiality was determined to be \$415,000, based on 3% of total expenses.

Our materiality calculation is based on the Authority's preliminary results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the Board of Directors as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Board of Directors, other than those which we determine to be "clearly trivial". Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.

## FEES

We estimate our fees for 2020 will be \$18,000 for the audit of the financial statements.

Our estimated fees are based on the time expected to complete the audit and excludes taxes, out of pocket expenses, internal administration fees, and are based upon the following assumptions:

- ▶ We will be provided with the requested audit schedules, working papers and descriptions of accounting systems and processes as detailed in our annual requirements letter upon the commencement of fieldwork;
- ▶ The draft financial statements, including notes, are prepared to a standard suitable for audit with all balances reconciled to the underlying accounting records;
- ▶ There will be minimal adjusting entries; and
- ▶ The nature of the Authority's operations remain consistent with the prior year and there have been no changes in accounting personnel.

In the event that we incur additional charges or we experience delays in completing the audit, we will advise management.

## AUDIT SERVICES THAT DIFFERENTIATE BDO FROM OUR COMPETITORS

Although BDO and our larger competitors share many similarities, including our national and international structures, services and use of techniques and tools to manage engagements, it is *how we deliver our services* that truly differentiate us from our competition.

We offer clients the full service expertise of a national firm, while maintaining a local community focus. This local presence combined with our partner to staff ratio creates the following key differentials that make us an excellent fit for our clients:

- ▶ Our philosophy of “Big Enough to Know, Small Enough to Care” is paramount to our service model.
- ▶ BDO is deliberately structured to allow one partner to every 6 staff (1:6). This means easy access to senior staff and the “Partner in Charge” of the audit as well as a quick turnaround on any questions.
- ▶ Our partner-driven approach allows us to have our partners involved throughout each stage of the audit. This ensures that we identify and resolve issues on a timely basis and provides you with a senior-level contact to address your concerns.
- ▶ One of our strengths that goes beyond the typical audit process is our use of in-field reviews. The benefit of these in-field reviews is that final decision makers are on site ensuring issue resolution prior to leaving the field. This guarantees that queries are cleared quickly so files are closed in a timely manner.
- ▶ BDO's accounting and management professionals are sensitive to meeting deadlines. We commit to meeting the deadlines as mutually agreed upon by BDO and our clients.

# APPENDICES

Appendix A: BDO audit strategy

Appendix B: Engagement letter

Appendix C: Independence letter

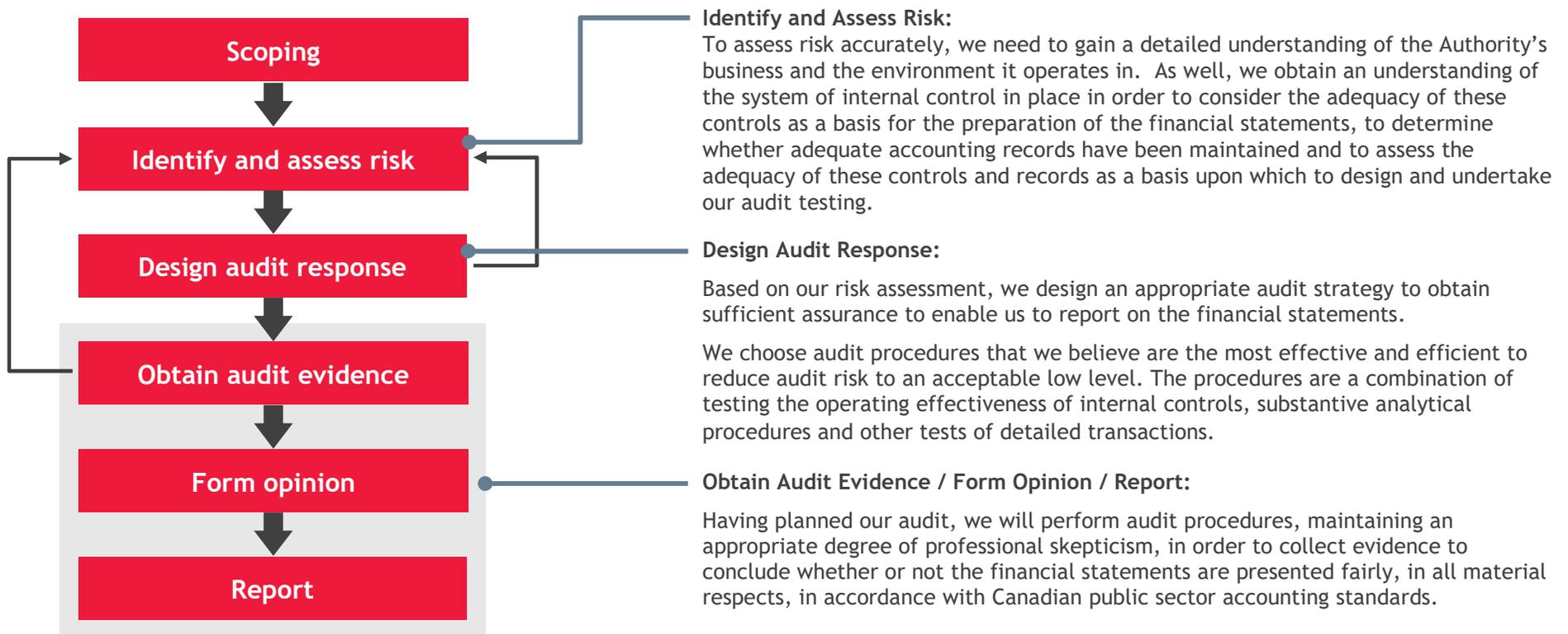
Appendix D: Responsibilities

Appendix E: BDO resources

## APPENDIX A: BDO AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Authority.

We will perform a risk-based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board of Directors.



## **APPENDIX B: ENGAGEMENT LETTER**



Tel: 905-898-1221  
Fax: 905-898-0028  
Toll-free: 1-888-275-8836  
www.bdo.ca

BDO Canada LLP  
The Gates of York Plaza  
17310 Yonge Street, Unit 11  
Newmarket, Ontario  
L3Y 7R9

September 25, 2020

Lake Simcoe Region Conservation Authority  
Attention: Ms. Toffan, CPA, CMA  
120 Bayview Parkway, Box 282  
Newmarket Ontario  
L3Y 4X1

Dear Sirs/Mesdames:

We understand that you wish for us to continue as the auditors of Lake Simcoe Region Conservation Authority for its fiscal year ended December 31, 2020 and subsequent years.

We are pleased to continue as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Adam Delle Cese, CPA, CA will be the Engagement Partner for the audit work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

## **Our Role as Auditors**

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian public sector accounting standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.



## Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian public sector accounting standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

## Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
  - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that we may request for the purpose of the audit;
  - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
  - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
  - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

## Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- (a) that you create the source data for all accounting entries;



- (b) that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- (c) that you review and approve the draft financial statements, including the notes to the financial statements.

## Tax Services

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

## Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

## Fee Estimation

The estimated fee for this engagement is as follows:

Audit services:                 \$18,000

For each future year we will issue a Summary of Services providing details of our Services and fees.

We will notify you on a timely basis if there are any circumstances we encounter which could significantly affect our initial estimate of professional fees. Our fees will be invoiced and payable as follows:

- **\$5,550** interim payment;
- **\$12,950** within 10 days after issuance of our final invoice along with any additional required final payments.

We reserve the right to suspend our Services if any of our invoices become delinquent. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent.

Additional information relating to our fees is provided in the Standard Terms and Conditions.

## Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.



It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

GM, Corporate & Financial Services

Signature

Position

Mark Critch

November 13, 2020

Name (please print)

Date



## ***Appendix 1 - Standard Terms and Conditions***

### **1. Overview and Interpretation**

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

**This Agreement** - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years.

**Services** - the services provided or to be provided under this Agreement

**We, us, our, BDO** - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

**You, your** - the party or parties contracting with BDO under this Agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

**BDO Member Firm or Firms** - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

**Confidential Information** - information that contains identifying features that can be attributed to you or individual personnel

### **2. BDO Network and Sole Recourse**

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.

2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this Agreement.

### **3. Respective Responsibilities**

3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.



3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

#### **4. Working Papers and Deliverables**

4.1 **Ownership** - Any documents prepared by us, or for us, in connection with Services belong solely to us.

4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.

4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.

4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you and any party to whom the assurance report is addressed. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

4.5 **Consent to use the Report** - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.

4.6 **Consent requests** - In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.

#### **5. Confidentiality**

5.1 We agree to use Confidential Information provided by you only in relation to the Services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services. Any party to whom we subcontract work will be required to keep Confidential Information confidential either by professional obligation or contract with us. Any BDO Member Firms or other subcontractors we use will be bound by the same confidentiality obligations.

5.2 BDO shall be entitled to include a description of the work we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal



purposes or to provide industry/sector wide information to our clients or potential clients. You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

## **6. Independence**

6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

## **7. Offers of Employment**

7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

## **8. Professional and Regulatory Oversight**

8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.

8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.

8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

## **9. Privacy and Consents**

9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our Services are provided on the understanding that:

- (a) you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and
- (b) we will hold all personal information in compliance with our Privacy Statement.



## 10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.
- 10.2 By signing this agreement, you provide BDO with express consent to communicate with you and your employees, as applicable, electronically, including sending BDO newsletters, publications, announcements, invitations and other news and alerts that may be of interest to you. You and your employees may withdraw such consent at any time by contacting BDO at [www.bdo.ca/unsubscribe](http://www.bdo.ca/unsubscribe).

## 11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 You agree that BDO shall in no event be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
- (a) three times the fees paid by you to BDO in the twelve months preceding the incident giving rise to the claim; and
  - (b) \$25,000.
- 11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.5 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

## 12. Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:



- (a) a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest;
- (b) the Services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you, failing which, the matter may be referred to dispute resolution in accordance with the terms of this Agreement.

### **13. Alternative Dispute Resolution**

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement or the Services provided hereunder through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

### **14. Limitation Period**

- 14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than two years after the completion of the Services under this Agreement.
- 14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

### **15. Québec Personnel**

- 15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.



## **16. Termination**

- 16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

## **17. Fees and Billings**

- 17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.
- 17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.
- 17.3 Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax.
- 17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.
- 17.5 Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

## **18. Governing Laws**

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

## **19. Entire Agreement and Survival**

- 19.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this Agreement will not be superseded by any contract with us for other specific services that



are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.

- 19.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

## **20. Force Majeure**

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

## **21. Assignment**

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

## **22. Severability**

- 22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.

Version: 201909

## **APPENDIX C: INDEPENDENCE LETTER**

February 26, 2021

Members of the Board of Directors  
Lake Simcoe Region Conservation Authority

Dear Board of Directors Members:

We have been engaged to audit the financial statements of Lake Simcoe Region Conservation Authority (the "Authority") for the year ended December 31, 2020.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Authority and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, we have considered the applicable legislation and relevant rules and related interpretations prescribed by the appropriate provincial institute/order, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 24, 2020, the date of our last letter.

We are not aware of any relationships between the Authority and our Firm that, in our professional judgment, may reasonably be thought to bear on independence that have occurred from April 24, 2020 to February 26, 2021.

We hereby confirm that we are independent with respect to the Authority within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of February 26, 2021.

This letter is intended solely for the use of the Audit Committee, the Board of Directors, management and others within the Authority and should not be used for any other purposes.

Yours truly,

Chartered Professional Accountants, Licensed Public Accountants

## APPENDIX D: RESPONSIBILITIES

It is important for the Board of Directors to understand the responsibilities that rest with the Authority and its management, those that rest with the external auditor, and the responsibilities of those charged with governance. BDO’s responsibilities are outlined below and within the annual engagement letter attached as Appendix B to this letter. The oversight and financial reporting responsibilities of management and the Board of Directors are also summarized below.

### AUDITOR’S ENGAGEMENT OBJECTIVES

Our overall objective is to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Authority in accordance with Canadian public sector accounting standards.

Year-End Audit Work	Other Information
<ul style="list-style-type: none"> <li>▶ Work with management towards the timely issuance of financial statements, tax returns and consents for offering documents.</li> <li>▶ Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.</li> <li>▶ Present significant findings to the Board of Directors including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Read the other information included in the Authority’s Annual Report to identify material inconsistencies, if any, with the audited financial statements.</li> </ul>
	Year-Round Work
	<ul style="list-style-type: none"> <li>▶ Consult regarding accounting, income tax and reporting matters as requested throughout the year.</li> </ul>

## AUDITOR’S RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- ▶ Identifying and assessing the risks of material misstatement due to fraud;
- ▶ Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- ▶ Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

### Fraud Risk Assessment Procedures

- ▶ Management’s assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- ▶ Management’s process for identifying and responding to the risks of fraud in the Authority, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- ▶ Management’s communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the Authority; and
- ▶ Management’s communication, if any, to employees regarding its view on business practices and ethical behaviour.



### Response to Assessed Fraud Risks

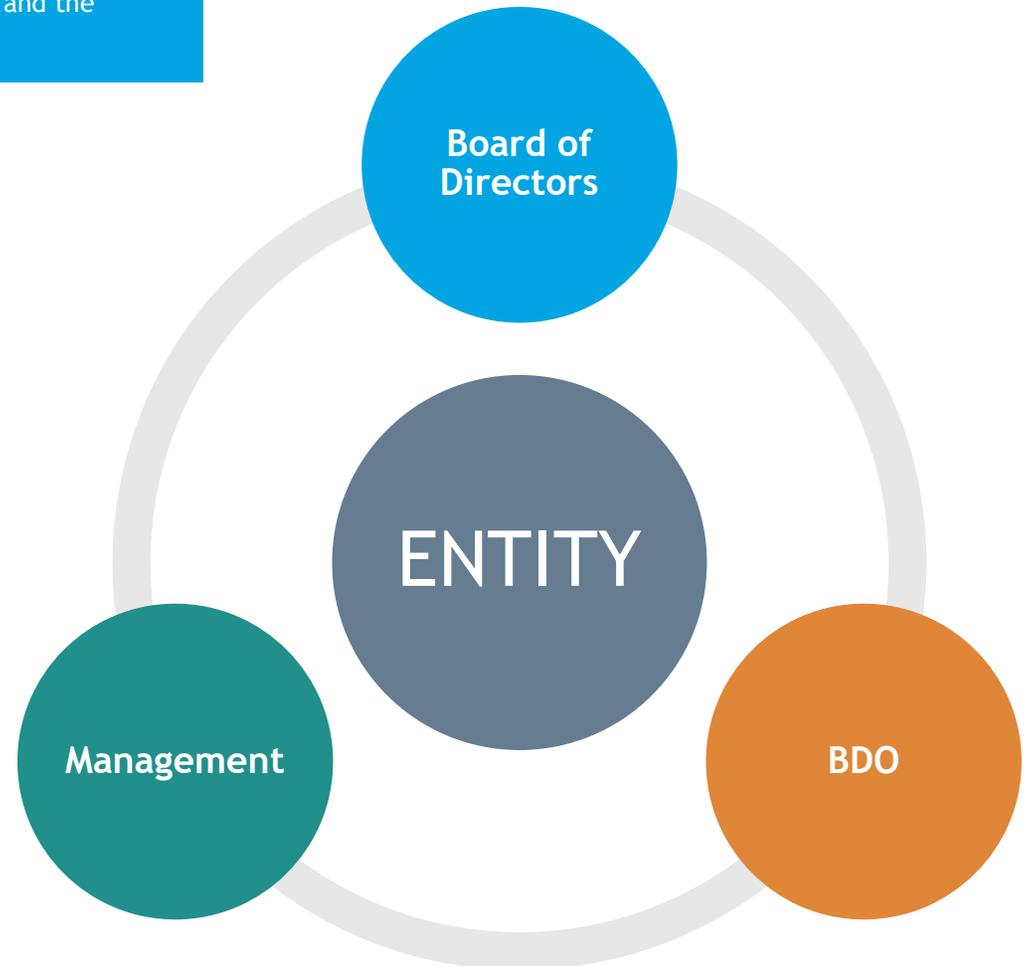
- ▶ Inquire of management, the Board of Directors, and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- ▶ Perform disaggregated analytical procedures and consider unusual or unexpected relationships identified in the planning of our audit;
- ▶ Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- ▶ Perform additional required procedures to address the risk of management’s override of controls including:
  - Testing internal controls designed to prevent and detect fraud;
  - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
  - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years’ estimates; and
  - Evaluating the business rationale for significant unusual transactions.

## BOARD OF DIRECTORS RESPONSIBILITIES

- ▶ Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor’s report.
- ▶ Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters.

## MANAGEMENT RESPONSIBILITIES

- ▶ Maintain adequate accounting records and maintain an appropriate system of internal control for the Authority.
- ▶ Select and consistently apply appropriate accounting policies.
- ▶ Prepare the annual financial statements in accordance with Canadian public sector accounting standards.
- ▶ Safeguard the Authority’s assets and take reasonable steps for the prevention and detection of fraud and other irregularities.
- ▶ Make available to us, as and when required, all of the Authority’s accounting records and related financial information.



## APPENDIX E: BDO RESOURCES

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years of working within local communities. As part of the global BDO network, we are able to provide seamless and consistent cross-border services to clients with global needs. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

### INDIRECT TAX

BDO's Indirect Tax team advises clients on the measures needed to navigate complexities, identify tax efficiencies, and drive value. We review returns to find errors and recover overpaid taxes, manage the government audit process, advise on cash flow improvement, identify tax or duty recovery opportunities, and more.

For additional information on Indirect Tax and links to archived publications, please refer to the following link:

<https://www.bdo.ca/en-ca/services/tax/commodity-tax-services/overview/>

### PSAB PUBLICATIONS

BDO's national and global accounting and assurance departments issue publications on the application of Public Sector Accounting Standards (PSAS). These include PSAS at a glance Series of Publications, and PSAB Updates.

For additional information on PSAS and links to archived publications and model financial statements, please refer to the following link:

[https://www.bdo.ca/BDO/media/FRS/PSAS/NTL\\_AA\\_21Oct20\\_PSAS-Update\\_Final.pdf](https://www.bdo.ca/BDO/media/FRS/PSAS/NTL_AA_21Oct20_PSAS-Update_Final.pdf)

Outlined below is a summary of certain BDO resources which may be of interest to the Board of Directors.

### CYBERSECURITY

BDO's Cybersecurity consultants help organizations protect their valuable digital assets against theft and misuse. Our strategic approach begins with a cybersecurity risk assessment that surveys and tests the applications, data and infrastructure of the enterprise against the business risks of the organization. After identifying any vulnerabilities, we develop a cybersecurity plan tailored to the organization's needs.

For additional information on Cybersecurity and links to archived publications, please refer to the following link:

<https://www.bdo.ca/en-ca/services/advisory/cybersecurity/overview/>

### DIGITAL STRATEGY

BDO Technology Advisory works with client to deliver sustainable business results scaled and tailored to the unique dynamics of client's industries and the individual needs of their businesses. Although different for each organization, optimal IT solutions align risk protection investments with digital asset value to improve performance and efficiency.

For additional information on Digital Strategy and links to archived publications, please refer to the following link:

<https://www.bdo.ca/en-ca/services/advisory/technology/overview/>

## Staff Report

To: Board of Directors

From: Melinda Bessey, Director - Planning

Date: March 12, 2021

### Subject:

Housekeeping Update to Planning and Development Fees Policy

### Recommendation

**That** Staff Report No. 16-21-BOD regarding the Planning and Development Fees Policy be received; and

**Further** that the Planning and Development Fees Policy (Housekeeping Update) contained herein be approved for implementation effective April 1, 2021

### Purpose of this Staff Report:

The purpose of this Staff Report No. 16-21-BOD is to obtain approval from the Board of Directors with regard to the proposed housekeeping updates/changes to the existing Planning and Development Fees Policy.

### Background:

In 2018, Lake Simcoe Region Conservation Authority's Board of Directors approved a Planning Report and associated Fees Policy for planning and development related activities. The existing Fees Policy went into effect on January 1, 2019 for a period of two years. The Authority's normal practice to update the fee policy would be that staff would carry out a comparative analysis of our current fees versus the fees charged by the other Greater Toronto Area Conservation Authorities approximately 6 months prior the expiration of the current fee schedule's 2-year term. Staff would then prepare a proposed updated fee schedule for the Board of Director's consideration. With the global pandemic and an incredible level of uncertainty in the development industry, the Authority staff recommended to the Board of Directors to approve a modest cost of living (2%) increase to the fees rather than carrying out a more fulsome fee review which may have resulted in greater fee increases. This was done to provide certainty to our industry partners during a very uncertain time. The cost-of-living increase was approved by the BOD in May 2020 (Please reference BOD report 30-20-BOD).

The Planning and Development program is to operate at a 100% full cost recovery. It has been identified that there are gaps with respect to services being provided compared to those that we collect fees for. It is the intention of this housekeeping update to the current fee policy that

minor amendments may be made to address these gaps. It is also important to highlight that the Authority will be seeking the assistance of a consultant during 2021 to assist with a comprehensive review of our fees policy to inform the update for 2022 Planning and Development Fees.

The Strategic Plan for Lake Simcoe Region Conservation Authority provides direction as it relates to program delivery and associated costs to provide a service to clients. The current Strategic Plan identifies that the Planning and Development program should provide a service to the watershed clients such as the development industry and landowners at 100% cost recovery through development fees. Full cost recovery through development fees was required by the 2019 fiscal year. On this basis, the recommended housekeeping changes to the existing Fees Policy reflect the need to operate in accordance with the Strategic Plan.

The current Fees Policy requires that consultation occurs with the development industry prior to the approval of any major changes. It is staff's belief that clients who will ultimately be paying the development fees should be part of the policy process. As the proposed changes are minor in nature, we have not reached out to Building Industry and Land Development for consultation. When we carry out a more fulsome fee policy review later this year, we will be engaging our partners at Building Industry and Land Development to be very participative that process.

### **Issues:**

The current fees policy does not recognize and capture all services that are provided to our watershed clients. This has been a contributing factor to the deficit experienced in 2020 by the Planning and Development program. It has also been identified that the current fees related to applications made under the *Conservation Authorities Act* (Permit applications) are not aligned with the direction set by Conservation Ontario. As a result, the following housekeeping amendments are recommended for approval:

### **Fees charged for subsequent Site Plan / Plan of Condominium applications:**

#### **The current fee policy states the following:**

- The fees charged for plans of subdivision will include the estimated number of lots/units for any blocks within the plan. As such, the circulation of any subsequent plan of condominium or residential site plan to the Lake Simcoe Region Conservation Authority will not trigger any further fee requirement unless there is a significant change (+) in the unit count.

We have noticed that this does not align with the submissions that we are seeing. If the Site Plan or Plan of Condominium application is submitted concurrently with (or in lieu of) the detailed design review of the Plan of Subdivision, then this is a simultaneous process, and it is practical and reasonable to not charge an additional fee.

However, if an application for Site Plan Approval or Plan of Condominium is submitted that is not a part of the Plan of Subdivision review process, then the charge of a fee for service is reasonable.

**The proposed amendment reads as follows:**

- Where an application for Site Plan Approval or Plan of Condominium is submitted to be reviewed concurrently as the detailed design review for a block within a draft approved Plan of Subdivision, there will be no additional fee outside of the Plan of Subdivision fees. Any application for Site Plan Approval or Plan of Condominium for a registered block within a Plan of Subdivision will be subject to the fees noted in the fee schedule.

**Request for Extension of Approval – Draft Plan of Subdivision**

The Authority's staff are noticing an increased number of requests for extension of approval related to applications for Plan of Subdivision. This is an identified gap in the fee schedule. Our municipal partners have associated fees for these reviews ranging from \$1250 to +\$4000. The inclusion of a minimal fee to cover staff costs for these reviews is suitable.

**Pre-consultation Fee (*Planning Act*)**

Lake Simcoe Region Conservation Authority's municipal partners circulate pre-consultation submissions to the Authority for review and comment. In many instances, Authority staff attend the pre-consultation meeting with municipal staff and the proponent to discuss application requirements, site constraints, etc. This process leads to a smoother application review process as many of the issues are identified upfront, therefore allowing the proponent to make any design adjustments prior to submission of a complete application under the Planning Act. Last year, the Authority reviewed 326 pre-consultation submissions which required 412 hours of staff (Planner I and II) time. This is not inclusive the many hours spent by Hydrogeologists and Engineers in pre-submission design charrette meetings or by Natural Heritage Ecologists who must review and approve the Terms of Reference for each Environmental Impact Study/Natural Heritage Evaluation that will ultimately be submitted for our review. The total time spent on pre-consultation discussions by all Planning and Development staff in 2020 was 743 hours (Note: Administrative time is not accounted for in this number).

**Changes to Fees charged for Applications made for Permits under the *Conservation Authorities Act***

Clarification of permit category definitions and inclusion of definition within fee schedule table:

- New Fee and clarification of definition for Minor Permit Application (\$750)
- This fee was originally \$306 and there was reference to this fee being applicable for decks and pools. The fee is now \$750 and is applicable to applications for development where

there is low risk of impact on natural hazards or natural features. No technical reports are required. Small scale, and/or consistent with policy and guidelines.

- New “Routine Permit Application” fee of \$306. This was previously the fee for minor permits. A routine permit application is for those applications requiring limited review, are minor in nature relative to the cost, and impact of the proposal.
- New permit revision fee. This fee was previously \$525 which did not make sense for a revision to a minor permit application, as the revision fee would then be more costly than the original fee. The new revision fee is half of the original permit fee.
- New “Permit Reissuance” fee. This is half of the original fee and eliminates the requirement for the applicant to pay the full permit fee for a second time.

### **Relevance to Authority Policy:**

The proposed changes to the existing Planning and Development Fees Policy are aligned with the direction and prioritization established in Lake Simcoe Region Conservation Authority’s Strategic Plan.

### **Impact on Authority Finances:**

There will be a positive impact on the Authority’s finances. The new and clarified fees will result in additional revenue generation. However, as noted above, the Authority will be undertaking a more fulsome review of the Planning and Development Fees Policy with the assistance of a consultant later this year for implementation January 2022. This will assist us in ensuring that we are operating on a full cost recovery basis.

### **Summary and Recommendations:**

It is therefore recommended that Staff Report No. 16-21-BOD regarding the Housekeeping Update to the Planning and Development Fees Policy be received; and further that the Planning and Development Fees Policy contained herein be approved for implementation effective April 1, 2021.

**Pre-Submission Review:**

This Staff Report has been reviewed by the General Manager, Planning, Development and Watershed Restoration and the Chief Administrative Officer.

Signed by:

Signed by:

Glenn MacMillan  
General Manager, Planning, Development  
and Watershed Restoration

Rob Baldwin  
Chief Administrative Officer

**Attachments:**

- i) Draft Updated Planning and Development Fees Policy

# Planning and Development Fees Policy 2021

Under  
Section 21 (m.1) of the Conservation Authorities Act  
For the

Lake Simcoe Region Conservation Authority

120 Bayview Parkway

Newmarket, Ontario

L3Y 3W3

Tel: (905)895-1281

Web: [www.lsrca.on.ca](http://www.lsrca.on.ca)

**Effective Date: April 1, 2021**

## Basis

### Legislative

The *Conservation Authorities Act* provides the legislative basis to allow conservation authorities in Ontario to charge fees for services approved by the Minister of Natural Resources. Section 21(m.1) of the *Act* allows for the collection of fees for planning and development related activities such as:

- Permitting
- Plan review
- Public and legal inquiries

### Policy

The Ministry of Natural Resources and Forestry established the Policies and Procedures for the Charging of Conservation Authority Fees to fulfill Section 21(m.1) of the Conservation Authorities Act. These Policies and Procedures further provide the Lake Simcoe Region Conservation Authority (LSRCA) with the policy basis to charge fees for planning and development proposals.

### Principles

As a result of the legislative and policy basis, the Authority's Fees Policy is based on the following:

- The user-pay principle
- Adequate consultation and notification
- Opportunity or right to an appeal

# Planning and Development Fees Policy 2021

## Relationship to Planning and Development Program Budget

The fees on the attached Schedules are designed to recover 100% of the cost of providing a planning and regulatory service to the member municipalities, development industry, and landowners.

## Process and Notification

In 2008, a Working Group was established with members of Building Industry and Land Development Association and planning staff of the Authority. The purpose of the Working Group was to review the proposed changes to the existing Fees Policy in accordance with its monitoring provisions. This revised Policy reflects the discussions and consensus achieved with the Building Industry and Land Development Association. Ultimately, this Fees Policy requires approval by the Authority's Board of Directors (BOD). Once approved, the Policy is posted on the Authority website and is circulated to:

- Regional and local municipalities
- Neighboring Conservation Authorities
- Conservation Ontario
- Ministry of Natural Resources
- Building Industry and Land Development Association
- Ontario Stone Sand and Gravel Association
- Consultants and public as requested

The update for 2021 is based upon direction from the Board of Directors to update the Fee Schedule to address Cost of Living (2%). (Reference: 30-20-BOD May 22, 2020) and further through a housekeeping update to address identified gaps in fees for service delivery (Reference: 30-20-BOD).

## Implementation

### Plans of Subdivision and Condominium

Where an application for Site Plan Approval or Plan of Condominium is submitted to be reviewed concurrently as the detailed design review for a block within a draft approved plan of subdivision, there will be no additional fee outside of the Plan of Subdivision fees. Any application for Site Plan Approval or Plan of Subdivision for a registered block within a Plan of Subdivision will be subject to the fees noted in the fee schedule.

# **Planning and Development Fees Policy 2021**

## **Golf Course / Aggregate Applications**

The maximum golf course/aggregate fee will be triggered for those complex applications based on magnitude, environmental features, and study requirements.

## **Date of Effect**

This Fees Policy requires approval from the Authority's Board of Directors. This Fees Policy will be in effect commencing April 1, 2021. The Policy supersedes and replaces all previous Authority Fee Policies.

## **Appeal**

An applicant, proponent, or developer has the right to appeal should he or she be dissatisfied with the prescribed fee. Any appeal shall be heard by the Authority's Board of Directors through a deputation by the proponent. The appeal will be heard in accordance with the Statutory Powers Procedure Act based on the principles of fairness, opportunity, and notification.

## **Monitoring**

This Fees Policy shall be monitored on an annual basis to evaluate its effectiveness and fairness. A Working Group has been established with members of Building Industry and Land Development Association to evaluate this Fees Policy.

# Planning and Development Fees Policy 2021

## Fee Schedules

Note – Fees are not required to include HST. Updated May 2020 per Staff Report. No. 30-20-BOD. Updated March 2021 (Housekeeping Update) per Staff Report. No. 16-21-BOD.

### Applications made under the Planning Act

Category	Fee
Block / Neighbourhood Plans	\$5,100
Official Plan Amendments – Proponent Initiated	\$2,040
Zoning By-Law Amendments – Proponent Initiated	\$1,020
Draft Plan (Subdivision/Condo) Approval – Minimum Fee	\$15,300
Draft Plan Approval >60 Lots/Units	\$255/Lot, Unit
Draft Plan Approval – Maximum Fee	\$40,800
Final Plan Approval – Minimum Fee	\$12,240
Final Plan Approval - >48 Lots/Units-	\$255/Lot, Unit
Final Plan Approval – Maximum Fee	\$35,700
Draft Plan of Subdivision – Red-line Revisions (triggering additional technical reviews)	\$5,100
*NEW* Draft Plan of Subdivision – Request for Extension of Approval	\$525
Site Plan – Residential/Institutional (>15 units)	\$17,340
Site Plan – Residential / Institutional (<15 units)	\$7,140
Site Plan – Residential (Single unit)/Agricultural	\$1,530
Site Plan – Golf Courses, Aggregate; Minimum Fee	\$15,300
Site Plan – Golf Courses, Aggregate; Maximum Fee	\$30,600
Site Plan – Commercial and Industrial	\$7,140
Site Plan – Amendment Fee – Minor (Minimal Review or Revisions)	\$2,550
Site Plan – Amendment Fee – Major (Technical Review Required)	\$5,100
Greater Than (>) Three (3) Technical Re-Submissions	\$2,040
Site Plan – Water Balance Review Only (Well Head Protection Q2 Area & Water Balance Offsetting Policy)	\$1,530
Water Balance Review (Well Head Protection Q2 Area) – Typical technical review	\$1,020
Phosphorous Offsetting Policy Review Only	\$1,530
Consent / Minor Variance Application	\$525
Development Potential Review – Planning in writing	\$525
Peer Review (e.g. Geotechnical Study)	Paid by Applicant

## Planning and Development Fees Policy 2021

Category	Fee
Site Visit Fee (as requested that are not subject to a current and open application under the Planning Act)	\$1,530
*NEW* Pre-consultation (Review fee of pre-consultation circulations provided to the Lake Simcoe Region Conservation Authority by Partner Municipalities)	\$306

### Permit Applications made under the Conservation Authorities Act and O.Reg. 179/06

#### Private Residential Property

Category	Fee
<b>Major Permit Application – Single Family Dwelling</b> Development where there is a high risk to people or property, natural hazards, or natural features. One or more studies required. For example, an environmental impact study, hydraulic analysis, stormwater management report or geotechnical report.	\$1,530
<b>Intermediate Permit Application</b> Development where there is moderate risk to people or property, natural hazards, or natural features. Detailed plans, or report is required.	\$1,020
<b>Minor Permit Application</b> Development where there is low risk of impact on natural hazards or natural features. No technical reports are required. Small scale, and/or consistent with policy and guidelines.	\$750 (New)
<b>Routine Permit Application</b> Limited review, minor in nature relative to cost, location, or impact.	\$306 (New- was minor)
Permit Revisions- amendments/minor changes to plans made under a previously approved and still valid permit.	Half the original Permit Fee
Retroactive Permit	Double Permit Fee
Permit Reissuance – If a new application is submitted within 6 months of the original permit expiring and there are no changes to the site plan, application, or regulation limit.	Half the original Permit Fee
Legal/Real Estate Inquiries	\$525
Letter of Comment	\$255
Permit associated with Minister’s Zoning Order	Double Permit Fee

# Planning and Development Fees Policy 2021

## Major Residential (Subdivision, Commercial, Industrial, Institutional Proposals)

Category	Fee
Permit Revisions- amendments/minor changes to plans made under a previously approved and still valid permit.	\$3,570
Intermediate Permit Application	\$1,530
Permit Revisions	Half the original Permit Fee
Retroactive Permit	Double Permit Fee
Permit Reissuance – If a new application is submitted within 6 months of the original permit expiring and there are no changes to site plan, application, or regulation limit.	Half the original Permit Fee (New)
Green Energy Permits	\$5,100
Permit Associated with Minister’s Zoning Order	Double Permit Fee

## Municipal Proposals

Category	Fee
Major Permit Application (large geographic areas, technical review needed)	\$3,060
Minor Permit Application (ditching for culvert replacements)	\$1,020
Permit Revisions	Half the original Permit Fee
Permit Reissuance – If a new application is submitted within 6 months of the original permit expiring and there are no changes to site plan, application, or regulation limit.	Half the original Permit Fee (New)
Permit associated with Minister’s Zoning Order	Double Permit Fee

## Large Fill Proposals (>250m<sup>3</sup> of Fill Placement)

Category	Fee
Base Fee	\$5,100 + \$1/m <sup>3</sup>
Retroactive/Unauthorized Works	Double base fee + \$1/m <sup>3</sup>
Speciality Crop Areas within the Provincial Greenbelt (e.g.top dressing or dyke management)	Base Fee + 50 cents/m <sup>3</sup> to a max. of \$3,060

**Note – Any Peer Review required by LSRCA shall be paid by the applicant or proponent.**

# Planning and Development Fees Policy 2021

## Environmental Compliance Approval Review

Category	Fee
Minor Environmental Compliance Approval Stormwater Works Review for <2ha <ul style="list-style-type: none"> <li>Typically, minor site plans</li> <li>Municipal projects &lt;2ha</li> </ul>	\$2,040
Moderate Environmental Compliance Approval Stormwater Works Review for 2ha to 5ha <ul style="list-style-type: none"> <li>Typically, larger site plans and condominiums</li> <li>Municipal projects 2ha to 5ha</li> </ul>	\$4,080
Major Stormwater Works Review for >5ha <ul style="list-style-type: none"> <li>Typically, Draft Plans of Subdivisions and major site plans</li> <li>Large scale municipal projects &gt;5ha</li> </ul>	\$7,650
Minor Stormwater Conveyance Systems <ul style="list-style-type: none"> <li>Local municipal roads, 500 metres long or less</li> </ul>	\$1,530
Major Stormwater Conveyance Systems <ul style="list-style-type: none"> <li>Large road projects, arterials, greater than 500 metres in length</li> </ul>	\$3,060
Site or Topic Specific Technical Expert Peer Review <ul style="list-style-type: none"> <li>This is for the rare instance where there is need for an outside Technical Expert (i.e. geotechnical)</li> <li>All external fees will be agreed upon by applicant prior to commencement</li> </ul>	\$510 + TBD Technical Review Fee

## Technical Reviews (Non-Applications)

Category	Fee
Minor Technical Review <ul style="list-style-type: none"> <li>Due diligence review, minor technical studies</li> </ul>	\$2,550
Major Technical Review <ul style="list-style-type: none"> <li>Detailed studies including floodplain analysis, detailed boundary delineation, peer review of existing reports</li> </ul>	\$5,100

# Planning and Development Fees Policy 2021

## Glossary

### O.Reg. 179/06

- Refers to the Lake Simcoe Region Conservation Authority specific regulation under the Conservation Authorities Act.

### Major Municipal Permit Application

- Major municipal permit applications refer to applications that require technical reports or analysis to support the application as well as applications for works that cover large geographic areas such as multiple road culverts or bridge replacements and large-scale municipal servicing and road projects.

### Minor Municipal Permit Applications

- This refers to a permit application which does not require any technical reports or analysis to support the application.
- This also includes permit applications for road resurfacing, minor bridge, or culvert repairs, like for driveways/roadways culvert replacements, re-grading of existing roadside ditches and minor road widenings where the type of road cross section remains unchanged.

### Minor Permit

- A minor permit requires no technical review and is a small-scale project.
- Development where there is low risk of impact on natural hazards or natural features. No technical reports are required. Small scale, and/or consistent with policy and guidelines.

### Retroactive Permit

- A retroactive permit is a permit required arising from the failure to obtain a permit before works commenced.

### Water Balance Review (Well Head Protection Area Q2 and Water Balance Offsetting Policy)

- The water balance review fee in the Well Head Protection Q2 Area and Applications subject to the Lake Simcoe Protection Plan Water Budget Offsetting Policy for Lake Simcoe Protection Plan 4.8-DP and 6.40-DP for site plans (\$1,530) is applied to those applications typically not circulated to the Authority in accordance with the Memorandum of Understanding with the watershed municipalities. The Authority's review of these site plan applications will be restricted to the water balance only (i.e. it will not include a review of the Grading/Drainage/Erosion and Sediment Control plans etc.).
- The water balance review fee in the Well Head Protection Q2 Area for site plans and plans of subdivision/condominium (\$1,020) is added to those applications typically circulated to the LSRCA in accordance with the Memorandum of Understanding. The water balance review for these applications will be part of our overall review as it relates to stormwater management, grading, drainage, natural heritage, etc.

## Staff Report

To: Board of Directors

From: Brian R. Kemp - General Manager, Conservation Lands

Date: March 11, 2021

### Subject:

Smoke-Free Conservation Areas Policy

### Recommendation:

**That** Staff Report No. 17-21-BOD regarding a smoke-free policy within Authority properties and conservation areas be received; and

**Further that** staff be directed to implement a pilot project at Sheppard's Bush Conservation Area; and

**Further that** staff be directed to pursue the possibility of implementing a smoke-free policy across all Authority properties.

### Purpose of this Staff Report:

The purpose of Staff Report No. 17-21-BOD is to request that the Board of Directors approve a pilot project at Sheppard's Bush Conservation Area in Aurora that advises that smoking is no longer permitted on the property, except in designated smoking areas.

The purpose of this policy is to assist in ensuring that further health benefits are gained when the Authority's outdoor spaces are smoke-free. An outdoor smoke-free policy protects our environment, reduces litter in our natural spaces and ensures our visitors are not exposed to the dangers of second-hand smoke.

### Background:

When the Smoke-Free Ontario Act was put in place in 2015, it prohibited smoking in all enclosed public places, which are defined by the Smoke-Free Ontario Act as "the inside area of any public place, building, or structure or vehicle or conveyance or a part of any of them that is covered by a roof, and to which the public has access". These areas included such areas as campuses, government buildings, hospitals, hotels, playgrounds, restaurants and bars, and sporting areas.

In October 2018, the Electronic Cigarettes Act, 2015 (Government of Ontario) was repealed and the Smoke-Free Ontario Act was expanded to include the regulation of the sale, supply, promotion and use of e-cigarettes, as well as cannabis prohibitions in the following areas:

- on a restaurant or bar patio and public areas within 9 metres of a patio;
- children’s playgrounds and public areas within 20 metres of playgrounds;
- within 20 metres of a sporting area or spectator area (including but not limited to skating, soccer, football, swimming, baseball);
- on the grounds of a community recreational facility and public areas within 20 metres of the grounds (including but not limited to arenas, pools, gyms); and
- within 20 metres of a school property.

Following both the Smoke-Free Ontario Act and the Electronic Cigarettes Act, many municipalities located within the Lake Simcoe watershed have implemented smoking policies. These include:

- Town of Aurora (By-Law 6220-19)
- City of Barrie (By-Law 2019-052)
- The Regional Municipality of Durham (By-Law 28-2019)
- Town of Bradford West Gwillimbury (By-Law 2019-065)
- Town of East Gwillimbury (By-Law 2019-071)
- Town of Georgina (By-Law 2012-0061)
- Town of Innisfil (By-Law 021-16)
- Town of New Tecumseth (By-Law 2014-60)
- Town of Newmarket (By-Law 2019-31)
- Township of King (By-Law 2016-103)

Additionally, many conservation authorities have implemented smoking policies following these new legislations. In general, smoking and vaping of tobacco and cannabis is prohibited in all conservation areas unless in designated areas.

Conservation Authority	Year Implemented	Description
<b>Central Lake Ontario Conservation Authority</b>	2019	All Conservation Areas are smoke-free, which includes cigarettes, vaping and cannabis. Smoking is permitted in designated areas only.
<b>Essex Region Conservation Authority</b>	2014, amended in 2018	All Conservation Areas are smoke-free, which includes cigarettes, vaping and cannabis. Smoking is permitted in designated areas only.
<b>Kettle Creek Conservation Authority</b>	2019	Smoking is limited to registered campsites and designated smoking areas (assigned parking areas) at Dalewood and Lake Whittaker Conservation Area.

Conservation Authority	Year Implemented	Description
<b>Nottawasaga Valley Conservation Authority</b>	2020	All forms of smoking (cigarettes, vaping, and cannabis) are prohibited in all conservation areas and other outdoor spaces owned and managed by the NVCA, except in parking lots.
<b>Upper Thames River Conservation Authority</b>	2019	All forms of smoking (cigarettes, vaping, and cannabis) are prohibited in all public spaces within Fanshawe Conservation Area, Pittcock Conservation Area, and Wildwood Conservation Area. Smoking is only permitted on a registered campsite or in a designated area. Smoke free overnight sites have been designated for those who want to camp without having anyone smoking on adjacent sites.

Sheppard’s Bush Conservation Area was selected for a smoke-free pilot project as this item was brought to the attention of Authority staff as part of the Sheppard’s Bush Conservation Area Management Plan (2017). Through the consultation process for developing the management plan update, many users of Sheppard’s Bush indicated that they would like to see a Smoking Policy put in place. Furthermore, both the Town of Aurora (By-Law 6220-19) and the Aurora Youth Soccer Club (AYSC) have their own smoking policies that are in effect in the area of the property that is managed by the Town. As the AYSC frequently uses the eleven soccer fields located on the property, the air quality in this area is especially important.

Cigarette waste has been documented as the most common piece of litter found in outdoor environments today. Both the volume of cigarette waste and the numerous chemicals each cigarette butt contains pose a significant threat to the health of the watershed. These seemingly small pieces of litter can leech toxins into the soil and waterways throughout the watershed, impacting numerous species and their habitats. Additionally, cigarette waste poses a potential threat for forest fires when lit cigarettes are discarded in dry areas.

One of the Authority’s mandates outlined in the Strategic Plan is to improve watershed health, and by reducing the amount of litter from cigarettes, and leading by example, the Authority will see a reduction in the amount of cigarette litter on our properties. This would improve the overall ecological health of Authority landholdings, and therefore the watershed.

As a conservation authority, the protection of the physical and mental health of Lake Simcoe residents while visiting local conservation areas should be top of mind. According to the World Health Organization (WHO), secondhand smoke has been linked to several health issues including respiratory infections, heart disease, lung cancer, and asthma. Additionally, of the eight million deaths per year from tobacco, 1.2 million are a result of secondhand smoke.

**Issues:**

The main issue with respect to a smoke-free policy lies with enforcement. There will not be a by-law officer or staff member present at conservation areas; therefore, apart from signage, there will be a challenge when it comes to enforcing the policy. Authority staff will continue to work with municipal partners to address enforcement moving forward, and staff are confident that the broader community/user groups will assist by spreading the message.

**Relevance to Authority Policy:**

A policy that protects the Lake Simcoe watershed, local conservation areas and visitors from exposure to secondhand smoke aligns with the Authority's Strategic Plan goal to support a safer, healthier, and liveable watershed and ultimately achieves a better environment and healthy future.

**Impact on Authority Finances:**

The implementation of a Smoking Policy on Authority lands will bring with it some minor costs for signage and minimal enforcement. It is anticipated that these costs will be required within the first years of implementation; however, following that time period users will become accustomed to where they are and are not permitted to smoke. Authority staff will pursue financial and resource assistance through York Region Public Health to implement this policy.

**Summary and Recommendations:**

In order to align with municipalities within our jurisdiction, and other neighbouring conservation authorities, it is strongly recommended that the Authority adopt a smoke-free policy to achieve the Strategic Plan goal to support a safer, healthier, and liveable watershed.

It is therefore recommended that Staff Report No. 17-21-BOD regarding a smoke-free policy within Authority properties and conservation areas be received; and further that a pilot project be implemented at Sheppard's Bush Conservation Area; and further that staff be directed to pursue the possibility of implementing a smoke-free policy across all Authority properties.

**Pre-Submission Review:**

This Staff Report has been reviewed by the Chief Administrative Officer.

Signed by:

Brian Kemp

General Manager, Conservation Lands

Signed by:

Rob Baldwin

Chief Administrative Officer