

2024 Budget Assumptions

Board of Directors

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Lake Simcoe Region
conservation authority



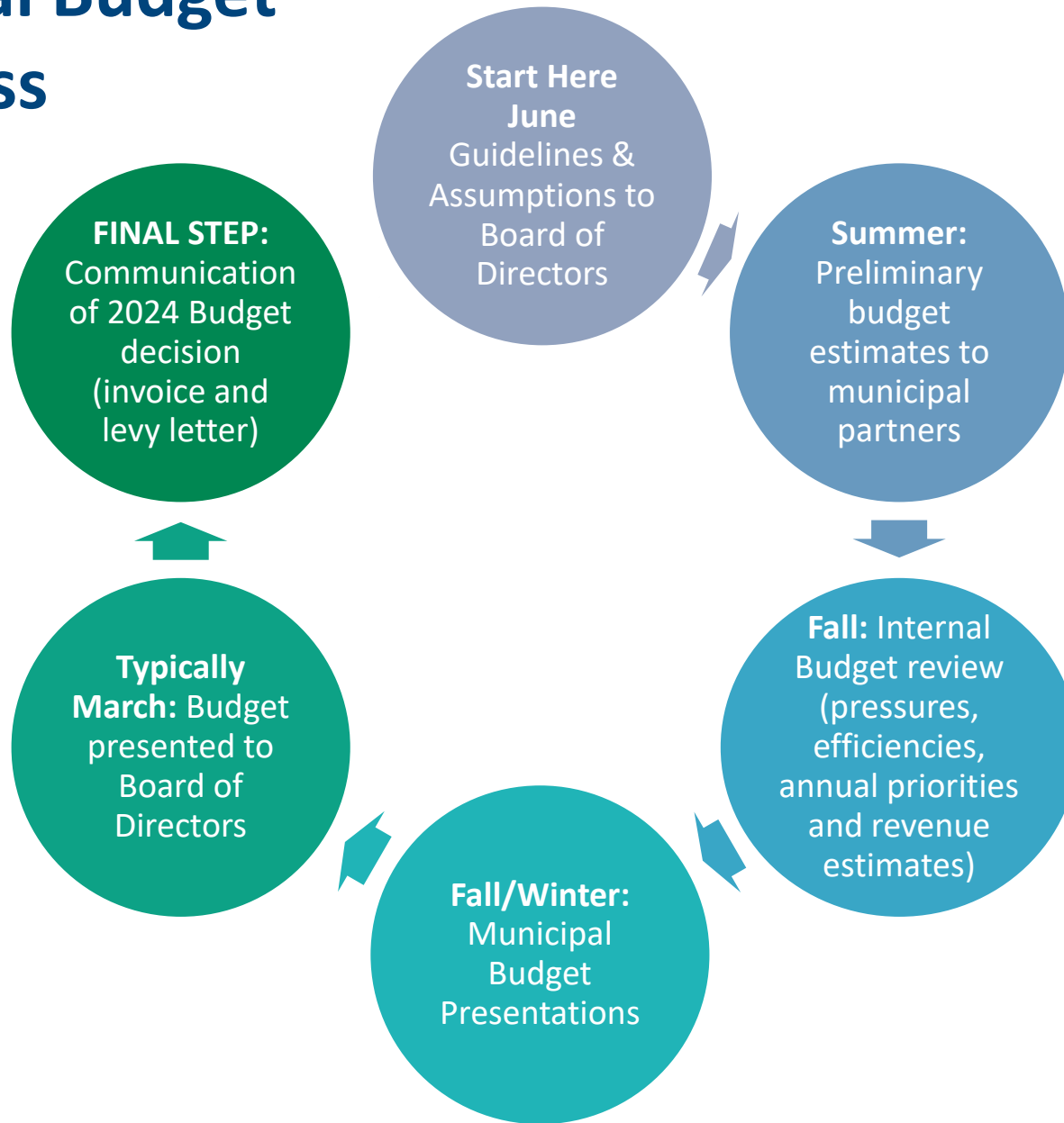
Member of Conservation Ontario

2024 Budget – Presentation Outline

1. Annual Budget Process
2. Purpose of Budget Assumptions
3. Standard Budget Assumptions
4. Budget Recommendations: Governing Principles
5. Review of COLA and Inflation Comparators
6. Financial Impact
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Annual Budget Process



Purpose of the Budget Assumptions

1. Sets clear organizational direction for budget targets
2. Enables staff to work with municipal funding partners to secure preliminary budget approval
3. Internally, it allows staff to build the 2024 budget and reduces re-work
4. Provides the Board of Directors the opportunity to influence the general direction of the budget
5. Strengthens the advocacy role of LSRCA Board members at municipal Budget Presentations



2024 Standard Budget Assumptions

1. LSRCA recognizes the challenges being faced by our Municipal funding partners
2. Incorporate lessons learned from 2023 forecast
3. Revenue from the Foundation continues to be used for education and projects
4. Interest Income (above budget assumption) to surplus
5. Use reserves for pilot projects or one-time purchases
6. Continue to “Respect the Taxpayer” and understand the context of budget requests



Budget Recommendations: Governing Principles

1. Inflation and COLA in line with local comparators, adjusting for municipal funding challenges
2. Use municipal targets to guide budget development, where feasible
3. Recommended Investment in Transformation 2022-2024: Up to 1.5% increase
4. Long Term Funding for Asset Management will be addressed in a financial strategy being tabled in the fall. Small placeholder to be included in 2024 budget.



Review of COLA & Inflation Comparators

Municipalities	2024 CUPE agreement	2023 CUPE agreement	2022 CUPE agreement
Region of York, CUPE 905	2.00%	2.00%	2.80%
City of Barrie, CUPE 2380	2.00%	2.00%	1.00%
Region of Durham, CUPE 1764	1.50%	1.50%	1.75%
Conservation Authorities	2024 COLA	2023 COLA	2022 COLA
Toronto and Region Conservation Authority	2.00%	1.99%	2.00%
Nottawasaga Valley Conservation Authority	N/A, uses CPI	5.30%	1.30%
Lake Simcoe Region Conservation Authority	TBD	2.00%	2.00%



Financial Impact

2024 Levy % Increase in 000s	Increase	Amount
Levy	2.00%	183.4K
2024 Budget Assumptions in 000s		
STEP		22.7K
COLA	up to 2.00%	131.3
Inflation	up to 2.00%	20.9
Strategic Initiative	up to 1.50%	137.5
Asset Management	up to 0.50%	45.8
Efficiencies/Additional Revenue /Program Adjustments		(174.8)
Total		183.4K

Impact of Bill 229 – Municipal Engagement

- There are no increases in service level or program expenditures in the 2024 Budget that are directly related to changes from Bill 229
- Meetings have begun with senior Municipal staff to keep them fully engaged with the upcoming changes
- Virtual meeting with Municipal Finance partners scheduled for early July
- Partnering on shared wording for Board/Council reports to ensure consistent messaging



Impact of Bill 229 – Budget Process

- Changes to funding guidelines in Bill 229 will replace General Levy/Special Capital/Special Operating with:
 - Category 1 (Mandatory: Core & Lake Simcoe Protection Plan), using CVA apportionment
 - Category 2 (requested by municipality), MOU required
 - Category 3 (requested by Authority), MOU required
- Governance rules will require multiple budget votes, including new areas to vote on LSPP budget
- New rules on what is core will require budget changes to correct funding irregularities, resulting in increases and decreases



Summary of Budget Recommendations

1. Inflation: up to 2.00%, only for applicable expenditures(2023: 4.0%)
2. COLA: up to 2.00% (2023: 2.00%) plus applicable step increases
3. Infrastructure levy for Asset Management: up to 0.50%
(2023: 0.50% capital levy only)
4. Investment in Strategic Priorities: 1.50% (2023: 0.00%)
5. No new FTEs in 2024, unless they are fully funded from grants and/or fees. Salary review to be covered within funding envelopes
6. Mandatory expenditures: Up to 2.00% (2023 - Levy: 1.83%).

Next Steps for 2024 Budget

1. Staff will use Board approved budget assumptions to develop 2024 Budget
2. Staff will host on-line financial updates for municipal funding partners; sharing preliminary budgets early to enable coordination with municipal budget cycles
3. Staff will continue to look for efficiencies and cost savings to support the 2024 Budget
4. Staff will use predictive information from 2023 Forecast to develop 2024 Budget
5. 2024 Budget presentations to funding partners will begin in the fall/winter



Questions?