

Hybrid Finance Committee Agenda
Niagara Peninsula Conservation Authority
Wednesday July 24, 2024, 9:00 a.m.
3350 Merrittville Hwy., Thorold ON

1. APPROVAL OF AGENDA

2. DECLARATIONS OF CONFLICT OF INTEREST

3. APPOINTMENT OF CHAIR & VICE-CHAIR

4. APPROVAL OF THE MINUTES

4.1. Minutes of the NPCA Finance Committee dated April 3, 2024

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5. CORRESPONDENCE

6. PRESENTATIONS

7. DELEGATIONS

8. CONSENT ITEMS

9. DISCUSSION ITEMS

9.1. Report No. FC-08-24 RE: Financial Report – Q1 – 2024

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9.2. Report No. FC-09-24 RE: Financial Report – Q2 – 2024

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9.3. Report No. FC-07-24 RE: 2025 Operating and Capital Budget Assumptions

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10. NEW BUSINESS

11. CLOSED SESSION

12. ADJOURNMENT

**Hybrid Finance Committee
Meeting Minutes
Niagara Peninsula Conservation Authority
Wednesday April 3, 2024, 9:00 a.m.**

MEMBERS PRESENT: S. Beattie
D. Cridland, Chair
R. Foster
B. Grant
D. Huson

REGRETS: J. Metcalfe
M. Tadeson

STAFF PRESENT: A. Christie, Director, Conservation Areas
C. Coverdale, Financial Analyst
M. Davis, Manager, Office of the CAO & Board
L. Gagnon, Director, Corporate Services
E. Gervais, Manager, Corporate Support Services
C. Sharma, Chief Administrative Officer/Secretary –
Treasurer
G. Shaule, Administrative Assistant

OTHERS PRESENT: D. Marks, Partner, Audit, KPMG
D. Glasbergen, Audit Manager, KPMG

Donna Cridland, Finance Committee Chair, called the meeting to order at 9:00 a.m.

1. APPROVAL OF AGENDA

Recommendation FC-01-2024:

Moved by: Stewart Beattie

Seconded by: Brian Grant

THAT the Finance Committee April 3, 2024 Agenda be amended by moving Item 8.3. for discussion following Item 5.1.

CARRIED

2. DECLARATIONS OF CONFLICT OF INTEREST

None.

3. APPROVAL OF THE MINUTES

3.1. Minutes of the NPCA Finance Committee dated September 27, 2023

Recommendation FC-02-24:

Moved by: Stewart Beattie

Seconded by: Diana Huson

THAT the minutes of the Finance Committee meeting dated September 27, 2023 **BE APPROVED.**

CARRIED

4. CORRESPONDENCE

None.

5. PRESENTATIONS

5.1. Presentation by KPMG RE: Audited Financial Statements and Audit Findings Report for 2023 Fiscal Year

David Marks and Daniel Glasbergen from KPMG provided an overview of the NPCA's Audited Financial Statements and Audit Findings Report for the 2023 fiscal year.

Recommendation FC-03-24:

Moved by: Stewart Beattie

Seconded by: Brian Grant

THAT the presentation RE: Audited Financial Statements and Audit Findings Report for the 2023 be accepted.

CARRIED

8.2 Report No. FC-03-24 RE: 2023 Audited Financial Statements and Audit Findings Report

Lise Gagnon, Director, Corporate Services, and Cathy Coverdale, Financial Analyst provided a brief overview and answered questions regarding the breakdown of revenue streams. Discussion regarding future benefits and associated factors that result in increases to this figure.

Recommendation FC-04-24:

Moved by: Robert Foster

Seconded by: Stewart Beattie

THAT Report No. FC-03-24 RE: 2023 Audited Financial Statements **BE RECEIVED**;

AND THAT the 2023 Audited Financial Statements and the 2023 Audit Findings Report attached hereto as Appendices 1 and 2 respectively **BE RECOMMENDED** to the Board of Directors for approval.

CARRIED

6. DELEGATIONS

None.

7. CONSENT ITEMS

7.1. Report No. FC-04-24 RE: Banking and Investments – 2023 Activity

7.2. Report No. FC-05-24 Procurement – 2023 Activity

Recommendation FC-05-24:

Moved by: Brian Grant

Seconded by: Stewart Beattie

THAT the Reports noted as Items 7.1 and 7.2 be received and accepted for information.

CARRIED

8. DISCUSSION ITEMS

8.1. Report No. FC-01-24 RE: Finance Committee Workplan

Lise Gagnon, Director, Corporate Services provided a brief overview of the proposed workplan for the Committee. Discussion regarding desire for a debrief on the administrative office move ensued, expressing that this would be suited for presentation to the Governance Committee or the Full Authority Board.

Recommendation FC-06-24:

Moved by: Stewart Beattie

Seconded by: Diana Huson

THAT Report No. FC-01-24 RE: Finance Committee – 2024 Work Plan **BE RECEIVED**;

AND THAT the Finance Committee - 2024 Work Plan attached as Appendix 1 **BE APPROVED**.

CARRIED

8.2. Report No. FC-02-24 RE: Financial Report – Q4 – 2023

Lise Gagnon, Director, Corporate Services, provided the Committee an overview of the report. Discussion ensued regarding HR shortages, recruitment and retention challenges resulting in a decline in salary, benefits, and professional fees costs.

Chandra Sharma, CAO/Secretary – Treasurer, noted that capital projects in 2023 have a completion rate of 94%, discussion ensued.

Recommendation FC-07-24:

Moved by: Stewart Beattie

Seconded by: Robert Foster

THAT Report No. FC-02-24 RE: Financial Report – Q4 – 2023 **BE RECEIVED.**

CARRIED

8.3. Report No. FC-06-24 RE: 2024 Operating and Capital Budgets and Municipal Levies

Lise Gagnon, Director, Corporate Services, provided an overview of the report noted above. Discussion ensued regarding the operating impact of the compensation strategy, capital funding and the unfunded priorities list. Discussion ensued regarding a semi-annual status update on capital projects to allow for prioritization and redirection where appropriate.

Recommendation FC-08-24:

Moved by: Diana Huson

Seconded by: Stewart Beattie

THAT Report No. FC-06-24 RE: 2024 Operating and Capital Budgets – FINAL **BE APPROVED;**

AND THAT in accordance with the Board approved Reserves Policy, the amount of \$1,848,946 **BE ALLOCATED** from Reserves (Capital and Operating) to fund ongoing initiatives carried over from 2023 as per details provided in this report;

AND FURTHER THAT the 2024 Unfunded Budget Priorities list attached as Appendix 1 **BE ADOPTED** and staff **BE AUTHORIZED** to update the list and address critical pressures as funding becomes available through external funding sources and/or within the approved budget.

CARRIED

9. NEW BUSINESS

9.1. Ball's Falls Festival Fees – Discussion

Adam Christie, Director, Conservation Areas, provided an overview of the discussion item and financial implications of the elevated festival events. The Committee was presented a recommendation based on the subject noted above.

Recommendation FC-09-24:

Moved by: Diana Huson

Seconded by: Robert Foster

WHEREAS the 50th anniversary of Ball's Falls Thanksgiving Festival is being hosted from October 11th to the 14th with an elevated program offering resulting in increased costs;

THEREFORE IT IS RESOLVED THAT staff be authorized to adjust the event ticket costs to increase 50 cents in 2024, and up to \$1/year in future years to adjust for inflation;

AND THAT revenue from this adjusted ticket costs in 2024 and future years be directed to the Niagara Peninsula Conservation Foundation (NPCA) as a restricted fund to be allocated towards financing NPCA conservation areas infrastructure assets State-of-Good Repair gap, and to reduce reliance on municipal levy;

AND FURTHER THAT staff prepare positive messaging to raise public awareness of this measure through various communication mediums and promotion through the NPCF.

Amendment 1, Recommendation FC-09-24:

Moved by: Stewart Beattie

Seconded by: Robert Foster

That the second paragraph of Recommendation FC-09-24 be amended to read:

“THEREFORE BE IT RESOLVED THAT staff be authorized to adjust the event ticket costs to increase 50 cents in 2024;”

CARRIED

Amendment 2, Recommendation FC-09-24:

Moved by: Diana Huson

Seconded by: Robert Foster

That the second paragraph of Recommendation FC-09-24 be amended to read:

“THEREFORE BE IT RESOLVED THAT staff be authorized to adjust the event ticket costs to increase \$1.00 in 2024;”

CARRIED

Amendment 3, Recommendation FC-09-24:

Moved by: Diana Huson

Seconded by: Brian Grant

That the second paragraph of Recommendation FC-09-24 be amended to read:

“THEREFORE BE IT RESOLVED THAT staff be authorized to adjust the general admission event ticket costs to increase \$1.00 in 2024 to a total of \$10.50;”

CARRIED

Recommendation FC-09-24:

Moved by: Diana Huson

Seconded by: Robert Foster

WHEREAS the 50th anniversary of Ball’s Falls Thanksgiving Festival is being hosted from October 11th to the 14th with an elevated program offering resulting in increased costs;

THEREFORE IT IS RESOLVED THAT staff be authorized to adjust the general admission event ticket costs to increase \$1.00 in 2024 to a total of \$10.50;

AND THAT revenue from this adjusted ticket costs in 2024 and future years be directed to the Niagara Peninsula Conservation Foundation (NPCA) as a restricted fund to be allocated towards financing NPCA conservation areas infrastructure assets State-of-Good Repair gap, and to reduce reliance on municipal levy;

AND FURTHER THAT staff prepare positive messaging to raise public awareness of this measure through various communication mediums and promotion through the NPCF.

CARRIED

Member Foster acknowledged a significant report regarding Heritage Designation of Ball's Falls that is being deliberated in May and expressed appreciation for NPCA staff's efforts on the file.

Discussion regarding fixed tap machines for donation receipt at Ball's Falls ensued. Staff informed the Committee that a prior assessment of the up-front costs and administrative fees deemed the endeavor not financially viable at the time of review.

10. CLOSED SESSION

None.

11. ADJOURNMENT

The meeting was adjourned at 10:51am.

Report To: Finance Committee

Subject: Financial Report – Q1 - 2024

Report No: FC-08-24

Date: July 24, 2024

Recommendation:

THAT Report FC-08-24 RE: Financial Report – Q1 - 2024 BE **RECEIVED**.

Purpose:

The purpose of this report is to provide the Finance Committee with a summary of operating and capital expenditures and to provide a comparison of actual results to the budget as approved by the Board.

Discussion:

The report confirms the general financial oversight and compliance with Public Sector Accounting Board Standards.

Financial Implications:

The Revenue and Expenditure lines are within budget allocations identified during the budget preparation and approval cycle.

Related Reports and Appendices:

Appendix 1 – 2024 Operating Statement – Q1

Appendix 2 – Capital Projects 2024 – Q1

Prepared by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Niagara Peninsula Conservation Authority
2024 CONSOLIDATED OPERATING STATEMENT - Q1 - JANUARY 1 TO MARCH 31, 2024

Appendix 1 - Report No. FC-08-24	Year to date				Annual Budget	Comments
	Actual	Budget	\$ Variance	% Variance		
Source of Funds						
Municipal Funding	1,760,224	1,760,232	-8	(0.0%)	7,040,886	Variance not material
Provincial Funding	86,915	129,914	-42,999	(33.1%)	540,660	Grant funding revenue inconsistent with budget timing (RAP, DSWP)
Federal Funding	-	79,000	-79,000	(100.0%)	212,323	Grant funding revenue inconsistent with budget timing (RAP)
Program Revenue	277,998	335,905	-57,907	(17.2%)	4,077,247	Planning and permitting fees underperforming (fee freeze)
Other	104,309	128,926	-24,617	(19.1%)	1,432,053	Timing on recognition of funded activity
Total Revenues/Source of Funds	\$ 2,229,446	\$ 2,433,977	-\$ 204,531	(8.4%)	\$ 13,303,169	
Use of Funds						
Salaries and Benefits, Employee Related	1,700,917	1,805,200	104,283	5.8%	8,972,903	Gapping of vacant positions (\$44K); emp related (\$60K)
Governance	0	2,750	2,750	100.0%	41,000	Timing on recognition of Board expenses
Professional Fees, Contractor Services	80,774	247,487	166,713	67.4%	1,043,691	Timing of expense recognition (includes fully funded activity)
Materials & Supplies, Vehicles & Equipment	109,280	158,019	48,739	30.8%	701,109	Small variances in multiple line items (mat/sup - \$30K) / vehicles (\$18K)
Occupancy Costs	154,414	192,721	38,307	19.9%	795,892	Pending prop tax rebate \$19K / offsetting revenue = \$19.2K
Park Maintenance	59,655	96,000	36,345	37.9%	654,143	Calendarization of park maintenance disbursements
Information Management/GIS	132,278	112,070	-20,208	(18.0%)	455,112	Licence fees; timing of budget Vs actual
Marketing, Advertising, Printing, Signs	12,933	17,678	4,745	26.8%	91,680	Variance not material
Special Events (Festival, Holiday Trail)	7,443	12,205	4,762	39.0%	211,260	Variance not material
Flood Forecasting & Water Quality	13,023	15,676	2,653	16.9%	144,400	Variance not material
Miscellaneous	47,935	25,197	-22,738	(90.2%)	191,979	Budget calendarization - will self-correct.
Total Expenses/Use of Funds	\$ 2,318,652	\$ 2,685,003	\$ 366,351	13.6%	\$ 13,303,169	
Net Surplus/Deficit as at March 31, 2024	-\$ 89,206	-\$ 251,026	\$ 161,820	64.5%	-	

Niagara Peninsula Conservation Authority - 2024 CAPITAL AND SPECIAL PROJECTS

Appendix 2 - Report No. FC-08-24 Q1

Project Name	Location	Funding 2024	YTD Spend at Q1 31 MAR-2024	YTD Spend at Q2 30-JUN-2024	YTD Spend at Q3 30-SEP-2024	YTD Spend at Q4 31-DEC-2024	Total Project Spend
Corporate Services							
Annual PC replacements and Acquisition	Various	89,397	443				443
Information Technology Infrastructure Maintenance	Various	31,552	4,085				4,085
Leasehold Improvements	Various	157,760	-				-
Furniture & Equipment - Merrittville, Thorold	Various	-	17,740				17,740
Sustainment - Stream Gauge Equipment	Niagara	26,293	5,947				5,947
TOTAL - Corporate Services		\$ 305,002	\$ 28,215	\$ -	\$ -	\$ -	\$ 28,215
Conservation Area Services							
Balls Falls - Centre for Conservation Upgrades	Balls Falls	105,173	1,517		-	-	1,517
Balls Falls - Wedding Upgrades	Balls Falls	78,880	21,085		-	-	21,085
Binbrook - New Washroom Building (Phase 1)	Binbrook	315,520	-		-	-	-
Long Beach - Workshop (Phase 2)	Central Workshop	315,520	-		-	-	-
Rockway/Cave Springs - Interpretive and Wayfinding Signage	Various	105,173	-		-	-	-
Rockway/St. John's/Chippawa/Long Beach - Automated Gates	Various	210,346	611		-	-	611
St. John's Education Centre Structural Rest. - Phase 2	Various	105,173	-		-	-	-
Equipment Sustainment	Various	184,053	3,590		-	-	3,590
Hazard Tree Removal and Reforestation	Various	52,587	-		-	-	-
Total - Conservation Area Services		\$ 1,472,425	\$ 26,803	\$ -	\$ -	\$ -	\$ 26,803
Watershed							
Shoreline Hazard Mapping Update - Lake Ontario - Phase 1	Various	159,678	-				-
Karst Void Mapping	Various	31,552	5,103				5,103
Welland River West SWAT Non-Point Source Water Quality Model	Various	94,656	-		-		-
Integrated Water Resources Spatial Drainage Framework - Phase 1	Various	78,880	-		-		-
Sustainment - Water Quality Monitoring Equipment	Various	26,293	-		-		-
Invasive Species	Various	31,552	-				-
Land Management Plans (Beamer, Rockway, Cave Springs, Woodend, Morgan's Point)	Various	105,173	19,516				19,516
Land Securement - All	Various	-	522,742				522,742
Total - Watershed		\$ 527,784	\$ 547,361	\$ -	\$ -	\$ -	\$ 547,361
GRAND TOTAL		\$ 2,305,211	\$ 602,379	\$ -	\$ -	\$ -	\$ 602,379

Report To: Finance Committee

Subject: Financial Report – Q2 - 2024

Report No: FC-09-24

Date: July 24, 2024

Recommendation:

THAT Report FC-09-24 RE: Financial Report – Q2 - 2024 BE **RECEIVED**.

Purpose:

The purpose of this report is to provide the Finance Committee with a summary of operating and capital expenditures and to provide a comparison of actual results to the budget as approved by the Board.

Discussion:

The report confirms the general financial oversight and compliance with Public Sector Accounting Board Standards.

Financial Implications:

The Revenue and Expenditure lines are within budget allocations identified during the budget preparation and approval cycle.

Related Reports and Appendices:

Appendix 1 – 2024 Operating Statement – Q2

Appendix 2 – Capital Projects 2024 – Q2

Prepared by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Niagara Peninsula Conservation Authority
2024 CONSOLIDATED OPERATING STATEMENT - Q2 - JANUARY 1 TO JUNE 30, 2024

Appendix 1 - Report No. FC-09-24	Year to date				Annual Budget	Comments
	Actual	Budget	\$ Variance	% Variance		
Source of Funds						
Municipal Funding	3,520,444	3,520,464	-20	(0.0%)	7,040,886	Variance not material
Provincial Funding	108,920	235,914	-126,994	49.4%	540,660	Grant funding revenue inconsistent with budget timing (RAP)
Federal Funding	94,968	89,000	5,968	(267.0%)	212,323	Grant funding revenue inconsistent with budget timing (RAP)
Program Revenue	1,525,084	1,427,334	97,750	6.8%	4,077,247	Planning/permitting - up 7.7% (\$31K); CAS - up 6.5% (66.5K)
Other	219,638	298,213	-78,575	(26.3%)	1,432,053	Calendarization/timing - will self correct
Total Revenues/Source of Funds	\$ 5,469,054	\$ 5,570,925	-\$ 101,871	(1.8%)	\$ 13,303,169	
Use of Funds						
Salaries and Benefits, Employee Related	4,298,270	4,233,122	-65,148	(1.5%)	8,972,903	Timing of internal transfers
Governance	3,685	10,240	6,555	64.0%	41,000	Timing on recognition of Board expenses
Professional Fees, Contractor Services	248,847	496,149	247,302	49.8%	1,043,691	Timing of expense recognition (fully funded and land planning)
Materials & Supplies, Vehicles & Equipment	380,155	348,497	-31,658	(9.1%)	701,109	Fully funded activity - fully offset by incremental revenues
Occupancy Costs	391,769	376,608	-15,161	(4.0%)	795,892	Pending property tax rebate
Park Maintenance	258,646	326,039	67,393	20.7%	654,143	Calendarization of park maintenance disbursements
Information Management/GIS	276,634	225,005	-51,629	(22.9%)	455,112	Licence fees; upgraded internet connectivity
Marketing, Advertising, Printing, Signs	22,734	44,676	21,942	49.1%	91,680	Signs and printing underspent - will self-correct
Special Events (Festival, Holiday Trail)	22,391	26,080	3,689	14.1%	211,260	Variance not material
Flood Forecasting & Water Quality	36,784	40,243	3,459	8.6%	144,400	Variance not material
Miscellaneous	119,726	84,099	-35,627	(42.4%)	191,979	Budget calendarization (ACAO levy payment timing)
Total Expenses/Use of Funds	\$ 6,059,641	\$ 6,210,758	\$ 151,117	2.4%	\$ 13,303,169	
Net Surplus/Deficit as at June 30, 2024	-\$ 590,587	-\$ 639,833	\$ 49,246	7.7%	-	

Niagara Peninsula Conservation Authority - 2024 CAPITAL AND SPECIAL PROJECTS

Appendix 2 - Report No. FC-09-24 Q2

Project Name	Location	Funding 2024	YTD Spend at Q1 31-MAR-2024	YTD Spend at Q2 30-JUN-2024	YTD Spend at Q3 30-SEP-2024	YTD Spend at Q4 31-DEC-2024	Total Project Spend
Corporate Services							
Annual PC replacements and Acquisition	Various	89,397	443	68,653			69,096
Information Technology Infrastructure Maintenance	Various	31,552	4,085	42,639			46,724
Leasehold Improvements	Various	157,760	-	3,880			3,880
Furniture & Equipment - Merrittville, Thorold	Various	-	17,740	143,588			161,328
Sustainment - Stream Gauge Equipment	Niagara	26,293	5,947	17,385			23,332
TOTAL - Corporate Services		\$ 305,002	\$ 28,215	\$ 276,145	\$ -	\$ -	\$ 304,360
Conservation Area Services							
Balls Falls - Centre for Conservation Upgrades	Balls Falls	105,173	1,517	107,294	-	-	108,811
Balls Falls - Wedding Upgrades	Balls Falls	78,880	21,085	34,206	-	-	55,291
Binbrook - New Washroom Building (Phase 1)	Binbrook	315,520	-	11,033	-	-	11,033
Long Beach - Workshop (Phase 2)	Central Workshop	315,520	-	25,034	-	-	25,034
Rockway/Cave Springs - Interpretive and Wayfinding Signage	Various	105,173	-	2,587	-	-	2,587
Rockway/St. John's/Chippawa/Long Beach - Automated Gates	Various	210,346	611	102,640	-	-	103,251
St. John's Education Centre Structural Rest. - Phase 2	Various	105,173	-	2,587	-	-	2,587
Equipment Sustainment	Various	184,053	3,590	155,726			159,316
Hazard Tree Removal and Reforestation	Various	52,587	-	14,414	-	-	14,414
Total - Conservation Area Services		\$ 1,472,425	\$ 26,803	\$ 455,521	\$ -	\$ -	\$ 482,324
Watershed							
Shoreline Hazard Mapping Update - Lake Ontario - Phase 1	Various	159,678	-	3,233			3,233
Karst Void Mapping	Various	31,552	5,103	776			5,879
Welland River West SWAT Non-Point Source Water Quality Model- Phase 2	Various	94,656	-	2,328	-	-	2,328
Integrated Water Resources Spatial Drainage Framework - Phase 2	Various	78,880	-		-	-	-
Sustainment - Water Quality Monitoring Equipment	Various	26,293	-	3,053	-	-	3,053
Invasive Species		31,552	-	776			776
Land Management Plans (Beamer, Rockway, Cave Springs, Woodend, Morgan's Point)	Various	105,173	19,516	2,587			22,103
Land Securement - All	Various	-	522,742	67,330			590,072
Total - Watershed		\$ 527,784	\$ 547,361	\$ 80,083	\$ -	\$ -	\$ 627,444
GRAND TOTAL		\$ 2,305,211	\$ 602,379	\$ 811,749	\$ -	\$ -	\$ 1,414,128

Report To: Finance Committee

Subject: 2025 Budget Assumptions and Process

Report No: FC-07-24

Date: July 24, 2024

Recommendation:

THAT Report No. FC-07-24 RE: 2025 Budget Assumptions and Process **BE RECEIVED**;

AND THAT the budget assumptions for the 2025 Operating and Capital Budgets as identified in the report **BE APPROVED** for use in the development of the 2025 budgets;

AND THAT 2025 draft budget **BE DEVELOPED** in conformity to the updated Conservation Authorities (CA) Act;

AND THAT staff **BE DIRECTED** to continue discussions relative to known funding gaps and service level agreements with municipal partners;

AND THAT a list of current known unfunded priorities **BE PREPARED** for the Board's consideration in conjunction with 2025 budgets;

AND THAT the Preliminary 2025 Budget **BE REVIEWED** by the Finance Committee and brought to the Board of Directors at the October 18, 2024 meeting for review and approval;

AND FURTHER THAT the funding municipalities **BE ADVISED** thirty days in advance of the Levy vote in accordance with the Conservation Authorities (CA) Act and Ontario Regulation 402/22.

Purpose:

The purpose of Report No. FC-07-24 is to recommend approval of the 2025 Budget Assumptions and Process to the Board of Directors for approval.

Background:

Ontario Regulation 402/22 requires an authority to prepare the budget for a calendar year in accordance with the budgetary process set forward in the Regulation.

Discussion:

In the development of the recommended budget assumptions for the 2025 budget process, Staff will consider the following:

- Funding municipalities guidelines when available
- Cost of living adjustments (COLA) and grid step increases, including the ongoing impact of the compensation review project completed in 2023
- Inflation (Consumer price index – CPI)
- Multi-year contractual obligations
- Operating, capital, and program pressures
- Board approved Fee Policy and full cost accounting.
- Focus on internal efficiencies
- General economic outlook
- Impacts on service delivery
- Asset management and state-of-good repair
- Impacts and transition of *Conservation Authorities Act* amendments

Please see attached Appendix 1 – 2025 Budget Schedule which provides details and milestones on the process and related timelines for the 2025 budget cycle.

Programs and Services:

O. Reg 687/21 – Transition Plans and Agreements define three categories of CA programs and services:

Category 1:

Mandatory programs and services - these programs will be funded through a municipal levy.

Category 2:

Municipal programs and services provided at the municipality's request. These programs can be funded through government and other agency grants and/or municipal funding under a memorandum of understanding (MOU) or agreement with the municipality.

Category 3:

Other programs and services that an Authority (Board) determines are advisable. These programs can be funded through self-generated revenue, user fees, government and other agency grants, donations, etc. Any use of municipal funding will require an agreement and would be subject to cost apportioning.

Levy Apportionment

O. Reg 402/22 – Budget and Apportionment retains the three current methods of apportioning expenses/costs, as described further in Table 1.

Table 1: Methods of Apportionment and Authorized Use

Apportionment Method	When Used
Modified current value assessment (MCVA) method using MPAC data	<i>Operating expenses and capital costs where <u>all</u> participating municipalities benefit (and benefit is not disproportionate)</i>
Benefit-based apportionment method: Determined based on the benefit obtained by each participating municipality(ies)	<i>Operating expenses and capital costs where <u>one or some</u> participating municipalities benefit</i> <i>Operating and capital costs where <u>all</u> participating municipalities benefit <u>and</u> where <u>benefit is disproportionate</u></i>
By agreement between CA and participating municipality(ies) (where CA has entered into an agreement with municipality(ies) with respect to apportionment)	<i>Operating expenses where <u>one or some</u> participating municipality(ies) municipalities benefit</i> <i>Capital costs where all or some benefit</i>

Levy Apportionment by Type of Costs

As per the Legislation, CA's are able to apportion costs for all category 1 (mandatory) programs and services and can only apportion costs for category 2 and 3 programs and services with agreements in place with the municipality(ies). General operating expenses or capital costs (formerly referred to as 'corporate administrative costs') can be levied without agreement. As part of the budget process, and in keeping with current practice, CA's are required to consider the use of self-generated revenue as per Board approved Fee Policy.

Methods of apportionment based on the category of programs and services are further detailed below in Table 2.

Table 2: Category of Services and Methods of Apportionment

Types of Costs	Description
Category 1 – all mandatory programs and services	<ul style="list-style-type: none"> • <i>Operating expenses</i> for programs and services that <u>benefit all</u> participating municipalities (i.e. general levy) would be apportioned using the MCVA or benefit-based methods. • <i>Capital costs</i> that <u>benefit all</u> would use the MCVA, benefit-based or agreement methods. • <i>Capital costs and operating expenses</i> for programs and services that <u>benefit only one or some</u> municipalities (e.g. ice management, certain infrastructure operation/ maintenance costs) may be apportioned by benefit-based or agreement methods.
Category 2 - all municipal programs and services	<ul style="list-style-type: none"> • <i>Capital costs and operating expenses</i> would be apportioned directly and entirely to the participating municipality that has entered into the MOU or other agreement under s. 21.1.1 of CAA with the CA for the CA to provide the program and service on the municipality’s behalf.
Category 3 - other programs and services	<ul style="list-style-type: none"> • <i>Capital costs and operating expenses</i> would be apportioned in accordance with cost apportioning agreement. If agreement is silent, then MCVA or benefit-based methods.

Strategic Plan:

As per current practice, the proposed 2025 budget will be aligned with NPCA’s 2021-2031 *Strategic Plan*. Through six overarching priorities and twenty-one specific, measurable goals, the plan builds on the principles of conservation leadership, customer service, collaboration, and accountability to nature. Each of the strategic priorities has specific, measurable, attainable, realistic, and timely goals to ensure the NPCA is delivering on its mandate and desired outcomes as well as comprehensive metrics to measure the success of our organization's activities and to support the achievement of our key performance indicators (KPIs). Strategic actions and priorities are being integrated within the Watershed-based Resource Management Strategy to be initiated as a requirement of the updated *Conservation Authorities Act* regulations.

Unfunded Pressures:

In keeping with the previous budget cycles, an extensive review of unfunded operating and capital pressures is currently underway for the 2025 budget process and included below the line in budget presentations. This critical exercise is intended to identify to stakeholders the required investments in the NPCA for long-term sustainability of the organization, and support asset management state of good repair protocols.

Relevance to Authority Policy:

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

Related Reports and Appendices:

Appendix 1 – 2025 Budget Schedule

Links To Policy/Strategic Plan:

Goal 6.1 – Ensure responsible, sustainable, and sound fiscal practices
Goal 3.1 – Create equitable access to greenspace for the health and well-being of people.

Prepared by:

Submitted by:

Original Signed by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/
Secretary-Treasurer

2025 Operating & Capital Budget Schedule

Pending	2025 Budget Planning Guidelines - Municipal Partners
June 21, 2024	2025 budget assumptions approved by Board of Directors
July 25, 2024	Niagara Region - BRCOTW 2025 Budget Strategy (budget guidelines to ABC's will follow)
June, July, August 2024	Consultation with funding municipalities on 2025 budgets and CA Act amendments, MOU's/SLA's
June 10-July 16, 2024	Budget data input by budget owners, consultation / meetings with internal stakeholders
June 13th, 2024	Distribution of capital planning process and instructions
July 16, 2024	2025 Operating and Capital Budgets due to Finance
July 17-August 10, 2024	Operating and Capital Budget analytics
August 20, 2024	30 day notice to Municipal Funding partners - NPCA Board approval of 2025 budgets (September 20, 2024)
Late August 2024	Meet with Niagara Region and Hamilton
September 6, 2024	2025 Draft Operating and Capital Budgets due to Authority Board agenda deadline, including 2025 Budget Book
September 25, 2025	2025 Draft Operating and Capital Budgets presented to Finance Committee
Sept./Oct. 2024	Consultation with partner municipalities on 2025 Draft Operating and Capital Budgets
Pending	Niagara Region - Deadline for approved operating budgets and budget detail documents
October 10, 2024	Niagara Region budget workshop
October 18, 2024	Draft 2025 Operating and Capital Budgets to the Authority Board for approval to begin negotiations with municipal partners; weighted levy vote
November 14, 2024	2025 Draft Operating and Capital Budgets presentation to Niagara Region Budget Review Committee of the Whole
Pending	2025 Draft Operating and Capital Budgets - presentation to City of Hamilton General Issues Committee & Haldimand County (if required)
March/April 2025	2025 Final Operating and Capital Budgets approved by Authority Board
March 2025	Release levy letters to partner municipalities