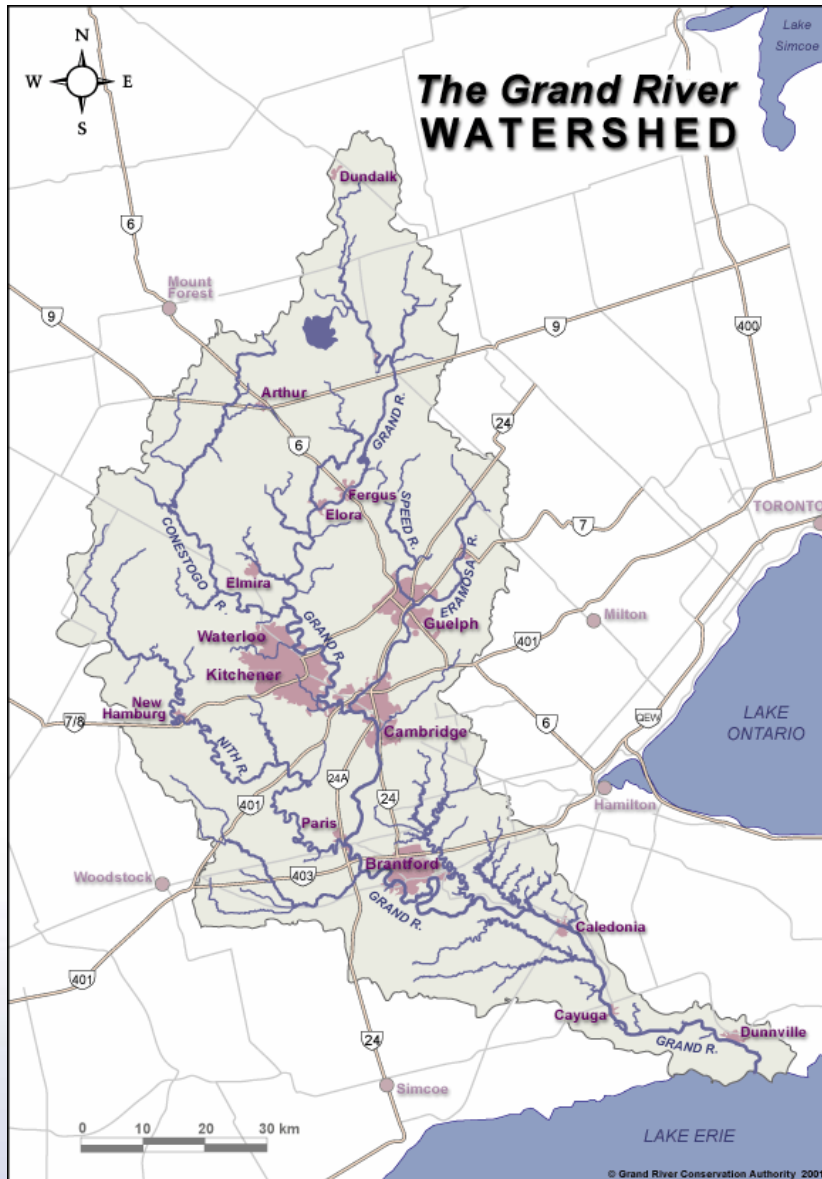


Grand River Conservation Authority 2013 Draft Budget

City of Hamilton – Jan. 24, 2013



About the watershed



- Largest watershed in Southern Ontario
- 300 km long from Dundalk to Lake Erie
- Major tributaries: Conestogo, Speed, Eramosa, Nith
- Population: 985,000
- Rich agricultural region

Watershed issues

- **Watershed population growing rapidly**
 - rising 25% by 2031 to reach 1.2 million
- **Extensive agriculture**
 - 70% of land is farmed; factor in water quality
- **Climate change could have major impact**
 - More extreme events, e.g. floods, drought



Water Management Plan



- **New water management plan will address critical issues:**
 - Ensure sustainable water supplies
 - Reduce flood damage potential
 - Improve water quality
 - Build resiliency to deal with climate change
- **Participating partners:**
 - GRCA, municipalities, Canada, Ontario, First Nations
 - Ontario covering 50% of cost with grant of \$903,000
- **Target for completion: March 2013**

GRCA Strategic Plan



New strategic plan approved in 2012

1. Protect life and minimize property damage
2. Improve watershed health
3. Connect people with the environment
4. Organizational focus on teamwork, development and engagement
5. Deliver value and innovation



2013 budget issues



- **Municipal funding constraints**
- **Demand for GRCA services remains high**
- **Fixed labour costs**
 - Union collective agreement runs to end of 2013
 - OMERS pension plan rate increase
- **Provincial grants cut**
 - Operating grants frozen in 1995 at \$950,000
 - Permanently reduced \$80,500 (8.5%) in 2012
 - Dam and dike capital program cut 50% for two years
 - Source Protection funding winding down

Response to budget issues



- **Managing staff costs**
 - leaving some positions open (e.g. leaves, retirements)
 - reassigning staff to fill some vacancies
- **Renegotiated hydro price at Conestoga Dam**
 - higher rate now indexed to inflation
- **Developing new hydro site in Cambridge**
 - \$900,000 annual revenue when operating (about 2016)
- **Conestogo Dam spillway project**
 - working with province to reduce size and cost of project
 - expect it will be much less than anticipated \$20 million
- **Major fundraising campaign underway**
 - ‘Your River, Your Life’ supports key projects to reduce impact on levy, e.g. trails, restoration projects

Budget overview

- **2013 expenditures: \$28.3 million**
 - Down from \$32.8 million in 2012
- **Municipal dollars highly leveraged**
 - \$1 in municipal levy matched by \$2 from other sources
- **Per capita municipal levy: \$10.20**



Grand River Conservation Authority Budget 2013 Timetable



Five Year Plan

- ✓ July 27, 2012 Five Year Forecast, General Membership
- ✓ Oct-Dec, 2012 Meet with Municipal Staff as required

2013 Budget

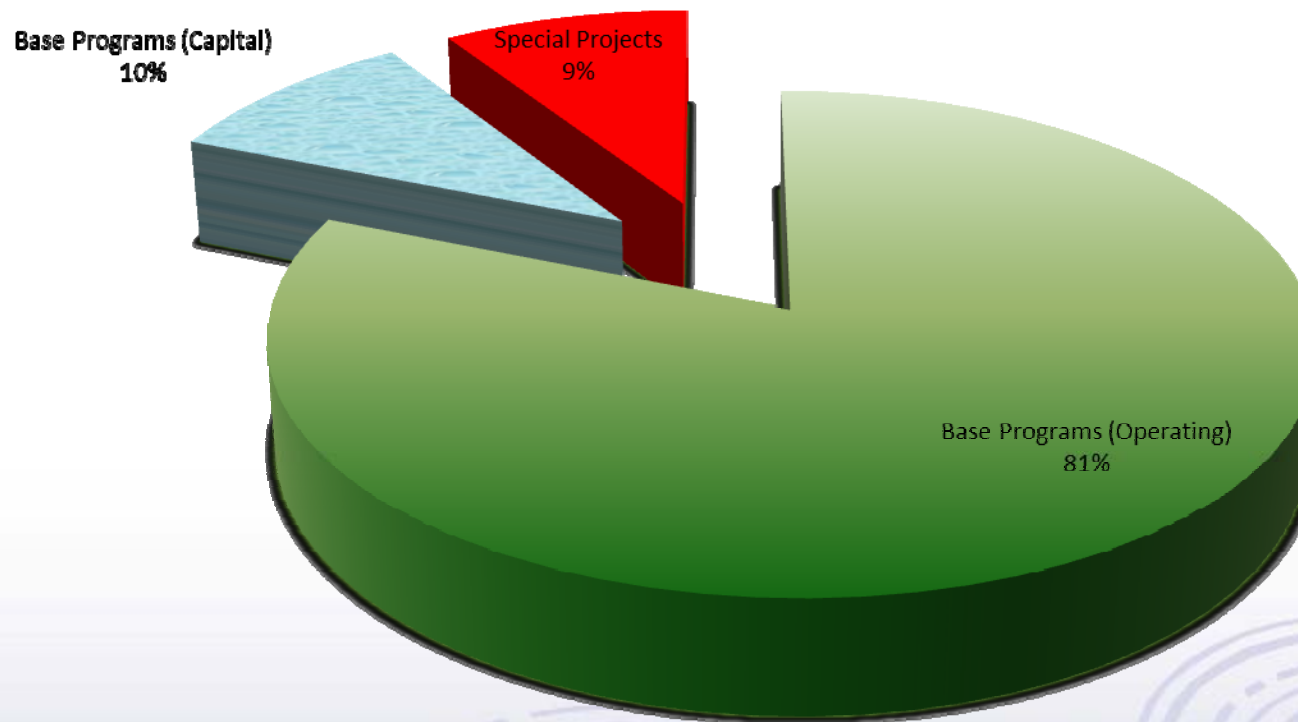
- ✓ Sept 13, 2012 Special Budget Meeting, General Membership
- Nov 23, 2012 First Draft, General Membership
- Jan 25, 2013 Second Draft, General Membership
- Jan 25, 2013 Municipalities advised of Meeting Date for Budget Approval
- Feb 28, 2013 Third Draft & Board Approval, 2013 Budget & Levy (AGM)

(Presentations to municipal councils between Nov 2012 and Feb 2013 as required)



2013 Budget - Expenditures

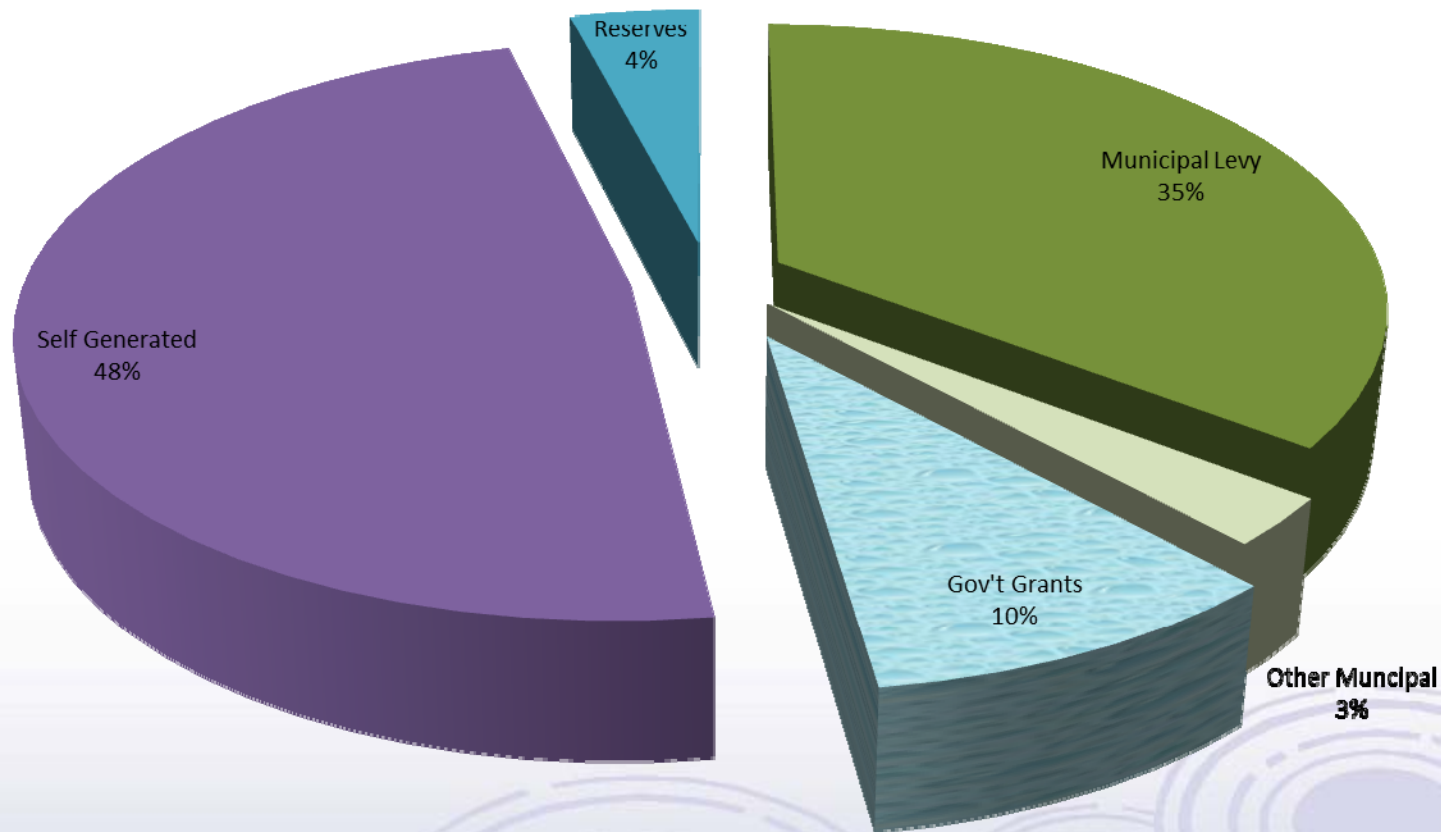
2013 Budget Expenditures = \$28.3 Million (\$ 32.8 Million in 2012)



2013 Budget - Sources of Revenue



Total 2013 Budget Revenue = \$28.3 Million (\$ 32.8 Million in 2012)



GRCA 2013 Budget - Major Assumptions



GRANTS – REDUCTION TO MNR GRANTS FOR BASE PROGRAMS

- *MNR Operating Grants reduced by 8.5% to \$871,000*
- *Water and Erosion Control Infrastructure (WECI) Grants to continue. Expect \$700,000 (50% for eligible projects)*
- *New “Showcasing Water Innovation” Grant of \$400,000 (\$903,000 over three years) for Water Management Plan*
- *Source Protection Grants reduced by 75% to \$644,000 (based on reduced activity)*

SELF-GENERATED REVENUE – INCREASES OF 2 - 3% APPLIED TO MOST USER FEES

- *Conservation Area User Fees to increase by approximately 3% to \$6,755,000 (under review)*
- *Property Rental Income to increase by 2% to \$3,076,000 (2013 Residential Rent Control Guideline is 2.5%)*
- *Outdoor Education (Schools) income held constant at \$729,000 (Under review in light of cancelled contracts)*
- *Hydro Generation Income held constant at \$450,000*
- *Permit and Inquiry Fees increased by 3% to \$371,000, Planning Fees to held constant at \$350,000*
- *Investment Income \$350,000 (mostly applied to Reserves)*

EXPENSES – MOST ITEMS EXPECTED TO INCREASE BY APPROXIMATELY 2 - 3%

- *Programs unchanged from prior year; no new positions, some vacancies left unfilled*
- *Insurance expenses estimated to increase by 2% to \$418,000*
- *Property Tax expense estimated to increase by 2% to \$541,000*
- *Salaries and Wages to increase by 2%, OMERS to increase by 1%+*
- *Motor Pool and Computer charge-out rates increased by 2% (not increased in 2012)*
- *Increases of between 0% and 3% have been applied to various general expenses*

GRCA 2013 Budget – CAPITAL



WATER MANAGEMENT CAPITAL: \$1.8 Million

- *Drimmie Dam (Elora) reconstruction may be delayed until 2013 (50% Grant, 33% General Levy, 17% Special Levy)*
- *Other 2013 still under discussion with MNR (dependent on 50% WECA Grants)*
- *Conestogo Dam Emergency Spillway – expected to begin in 2014-2015 (50% Grant, 50% General Levy) Total Cost will depend on Provincial Standards which are under review. Levy can be spread over 10-year period if required*

CONSERVATION AREA CAPITAL: \$622,000

- *No large projects to be undertaken in 2013*
- *Ongoing Maintenance and Repairs to Roads, Buildings and Equipment 2013 (funded from Conservation Area Revenue)*

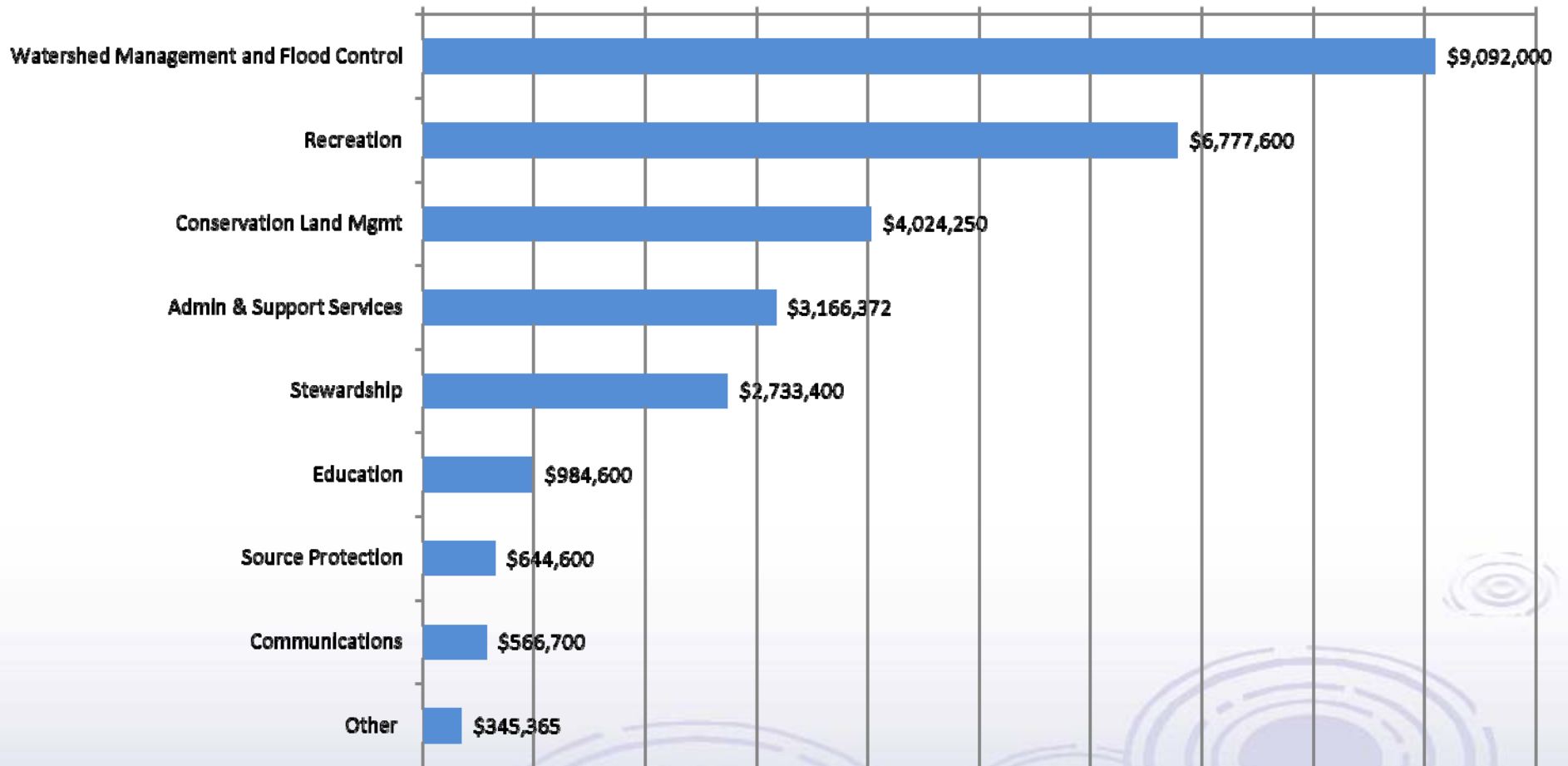
OTHER: \$345,000

- *Routine maintenance and replacement of equipment in 2013 (Net Motor Pool, Information Technology, etc.)*
- *No significant Capital Expenditures required at Administration Centre in 2013*
- *Guelph Lake Nature Centre to be replaced in future years (to be funded by Grand River Conservation Foundation donations)*

2013 Budget – Detailed Expenditure Breakdown

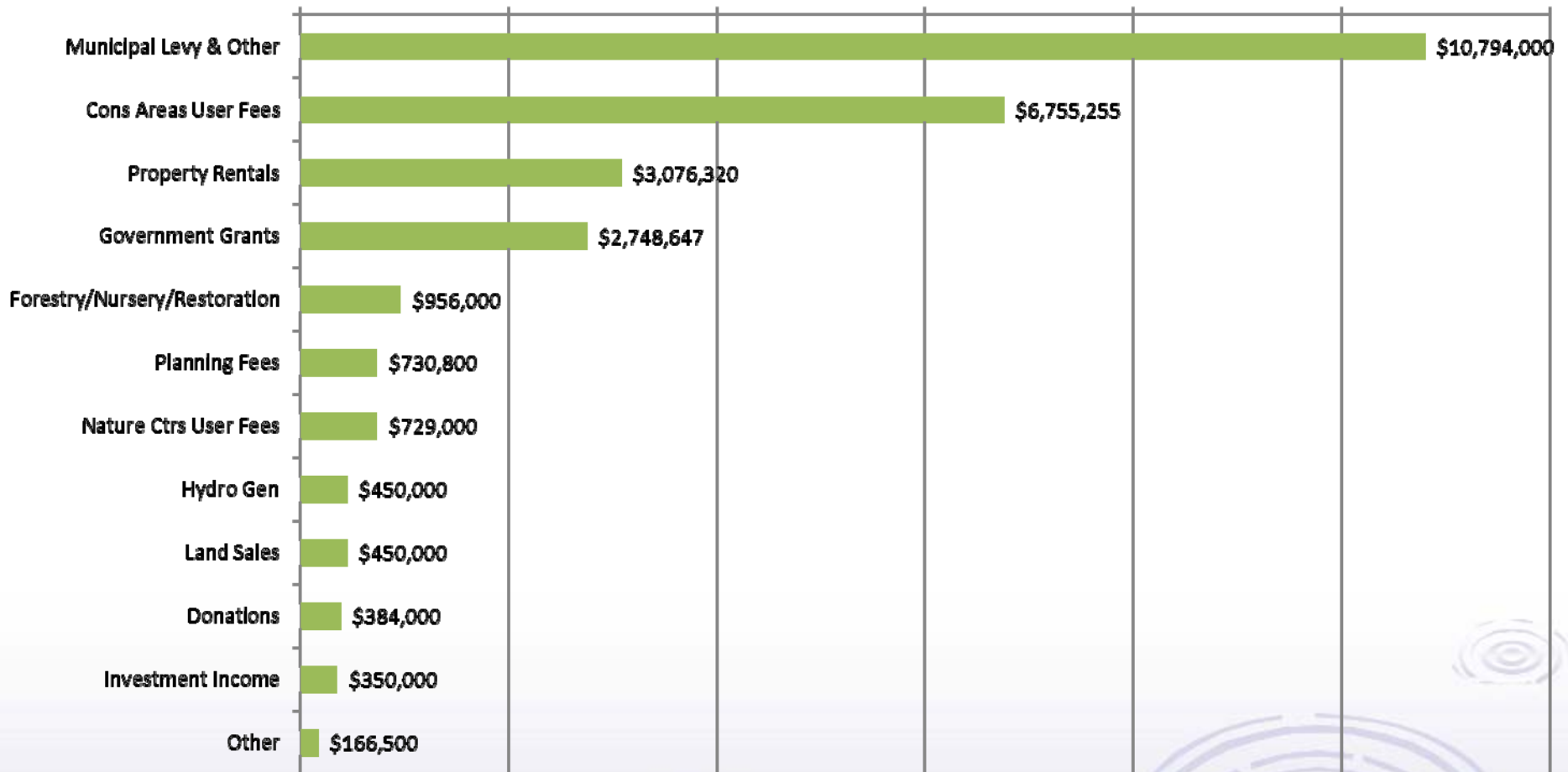


Operating + Capital Expenditures





2013 Budget – Detailed Revenue Breakdown



Note: Funding from Reserves not included



GRCRA Budget 2013 Summary

<u>Total Expenditures</u>		<u>2012 Budget</u>	<u>2013 Budget</u>	<u>Incr (Decr)</u>	<u>% Change</u>
A	Total "Base" Operating	22,424,686	22,976,922	552,236	2.5%
B	Total "Base" Capital	4,777,200	2,767,365	(2,009,835)	-42.1%
C	Total Special Programs	5,572,000	2,590,600	(2,981,400)	-53.5%
Grand Total		32,773,886	28,334,887	(4,438,999)	-13.5%

<u>Total Revenue</u>		<u>2012 Budget</u>	<u>2013 Budget</u>	<u>Incr (Decr)</u>	<u>% Change</u>
	Municipal General Levy	9,754,000	10,044,000	290,000	3.0%
	Other Municipal Funding	1,040,000	750,000	(290,000)	-27.9%
	Other Government Grants	6,057,047	2,668,147	(3,388,900)	-55.9%
	Self-Generated Revenue	13,816,639	13,628,375	(188,264)	-1.4%
	Funding From Reserves	2,106,200	1,244,365	(861,835)	-40.9%
Grand Total		32,773,886	28,334,887	(4,438,999)	-13.5%

GRCA Budget 2013



Section A: BASE PROGRAMS – OPERATING

	<u>BASE PROGRAMS</u>	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>Incr (Decr)</u>	<u>% Change</u>
<u>Operating Expenditures</u>					
	Watershed Management and Other	12,767,100	13,088,250	321,150	2.5%
	Conservation Areas	5,970,400	6,155,600	185,200	3.1%
	Corporate Services and Communications	3,687,186	3,733,072	45,886	1.2%
	Total Base Operating Expenditures	22,424,686	22,976,922	552,236	2.5%
				-	
<u>Sources of Funding</u>					
	Municipal General Levy	8,654,000	9,044,000	390,000	4.5%
	Municipal Special Levy	50,000	50,000	-	0.0%
	Government Grants	1,004,047	923,547	(80,500)	-8.0%
	Self-Generated	12,291,225	12,535,375	244,150	2.0%
	Reserves	124,000	124,000	-	0.0%
	Surplus Carried Forward	301,414	300,000	(1,414)	-0.5%
	Total Base Funding	22,424,686	22,976,922	552,236	2.5%

GRCA Budget 2013



Section B: BASE PROGRAMS – CAPITAL

<u>BASE PROGRAMS</u>	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>Incr (Decr)</u>	<u>% Change</u>
<u>Capital Expenditures</u>				
Water Contr. Structures, Gauges, FF&W	3,495,000	1,800,000	(1,695,000)	-48.5%
Conservation Areas	972,000	622,000	(350,000)	-36.0%
Miscellaneous	310,200	345,365	35,165	11.3%
Total Base Capital Expenditures	4,777,200	2,767,365	(2,009,835)	-42.1%
<u>Sources of Funding</u>				
Municipal General Levy	1,100,000	1,000,000	(100,000)	-9.1%
Municipal Special Levy	245,000	-	(245,000)	-100.0%
Government Grants	1,525,000	700,000	(825,000)	-54.1%
Self-Generated	622,000	622,000	-	0.0%
Reserves	1,285,200	445,365	(839,835)	-65.3%
Total Base Capital Funding	4,777,200	2,767,365	(2,009,835)	-42.1%

GRCA Budget 2013



Section C: SPECIAL PROJECTS

	<u>2012 Budget</u>	<u>2013 Budget</u>	<u>Incr (Decr)</u>	<u>% Change</u>
<u>Special Projects</u>				
Grand River Water Management Plan	725,000	725,000	-	0.0%
Rural Water Quality Program Capital Grants	745,000	700,000	(45,000)	-6.0%
Acquisition of Conservation Lands	300,000	300,000	-	0.0%
Source Protection Program	2,627,000	644,600	(1,982,400)	-75.5%
Other	1,175,000	221,000	(954,000)	-81.2%
Total Special Projects Expenditures	5,572,000	2,590,600	(2,981,400)	-53.5%
<u>Sources of Funding</u>				
Provincial Grants for Source Protection	2,627,000	644,600	(1,982,400)	-75.5%
Other Municipal and Government Grants	1,646,000	1,100,000	(546,000)	-33.2%
Self-Generated	602,000	171,000	(431,000)	-71.6%
Funding from Reserves	697,000	675,000	(22,000)	-3.2%
Total Special Projects Funding	5,572,000	2,590,600	(2,981,400)	-53.5%

General Municipal Levy for 2013



	% CVA in Watershed	2012 CVA (Modified)	CVA in Watershed	CVA-Based Apportionment	2013 Budget Operating Levy	2013 Budget Capital Levy	2013 Budget Total Levy	Actual 2012 Levy	% Change
Brant County	84.0%	4,617,533,532	3,878,728,167	3.2%	293,369	32,438	325,807	316,838	2.8%
Brantford C	100.0%	10,463,287,288	10,463,287,288	8.8%	791,393	87,505	878,898	862,855	1.9%
Amaranth Twp	82.0%	524,239,751	429,876,595	0.4%	32,514	3,595	36,109	35,134	2.8%
East Garafraxa Twp	80.0%	424,800,459	339,840,367	0.3%	25,704	2,842	28,546	28,085	1.6%
E. Luther Gr. Valley Twp	100.0%	269,736,422	269,736,422	0.2%	20,402	2,256	22,658	22,284	1.7%
Melancthon Twp	56.0%	383,738,117	214,893,345	0.2%	16,254	1,797	18,051	17,926	0.7%
Southgate Twp	6.0%	621,370,612	37,282,237	0.0%	2,820	312	3,132	3,024	3.6%
Haldimand County	41.0%	5,226,658,991	2,142,930,186	1.8%	162,081	17,921	180,002	176,469	2.0%
Norfolk County	5.0%	6,849,908,097	342,495,405	0.3%	25,905	2,864	28,769	28,110	2.3%
Halton Region	10.1%	25,597,001,757	2,590,480,178	2.2%	195,932	21,664	217,596	207,903	4.7%
Hamilton City	4.7%	61,580,520,579	2,894,284,467	2.4%	218,910	24,205	243,115	238,164	2.1%
Oxford County	37.9%	2,740,204,877	1,038,320,934	0.9%	78,534	8,684	87,218	85,055	2.5%
North Perth T	2.0%	1,352,147,366	27,042,947	0.0%	2,045	226	2,271	2,227	2.0%
Perth East Twp	40.0%	1,178,065,309	471,226,124	0.4%	35,641	3,941	39,582	39,012	1.5%
Waterloo Region	100.0%	67,801,126,946	67,801,126,946	56.7%	5,128,155	567,023	5,695,177	5,515,272	3.3%
Centre Wellington Twp	100.0%	3,363,737,426	3,363,737,426	2.8%	254,417	28,131	282,548	276,884	2.0%
Erin T	49.0%	1,826,926,994	895,194,227	0.7%	67,708	7,487	75,195	73,982	1.6%
Guelph C	100.0%	17,535,610,051	17,535,610,051	14.7%	1,326,310	146,651	1,472,961	1,428,957	3.1%
Guelph Eramosa Twp	100.0%	1,940,913,189	1,940,913,189	1.6%	146,801	16,232	163,033	158,883	2.6%
Mapleton Twp	95.0%	1,029,462,977	977,989,828	0.8%	73,971	8,179	82,150	79,893	2.8%
Wellington North Twp	51.0%	1,149,887,565	586,442,658	0.5%	44,356	4,904	49,260	48,080	2.5%
Puslinch Twp	75.0%	1,776,574,094	1,332,430,571	1.1%	100,779	11,143	111,922	108,963	2.7%
Total		218,253,452,399	119,573,869,559	100.00%	9,044,000	1,000,000	10,044,000	9,754,000	3.0%