

2023 Budget Assumptions

Board of Directors

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Lake Simcoe Region
conservation authority



Member of Conservation Ontario

2023 Budget – Presentation Outline

1. Purpose of Budget Assumptions
2. Standard Budget Assumptions
3. Budget Recommendations: Governing Principles
4. Review of COLA and Inflation Comparators
5. Financial Impact of Each Budget Scenario
6. Summary of Recommendations
7. Next Steps in 2023 Budget
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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 2023 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



2023 Standard Budget Assumptions

1. LSRCA recognizes the challenges being faced by our Municipal funding partners
2. Incorporate lessons learned from 2022 forecast
3. Foundation revenue 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 included in 2023 budget.



Review of COLA & Inflation Comparators

| Municipalities | 2023 CUPE agreement | 2022 CUPE agreement | 2021 CUPE agreement |
|---------------------------------|----------------------------|----------------------------|----------------------------|
| Region of York, CUPE 905 | 2.00% | 2.80% | 1.25% |
| City of Barrie, CUPE 2380 | In negotiations | 1.00% | 1.00% |
| Region of Durham, CUPE 1764 | 1.50% | 1.75% | 1.75% |
| Conservation Authorities | 2023 COLA | 2022 COLA | 2021 COLA |
| TRCA | 1.99% | 2.00% | 2.00% |
| NVCA | TBD | 1.30% | 1.80% |
| LSRCA | TBD | 2.00% | 1.00% |

Financial Impact of Funding Targets

Municipal partners were canvassed to determine targets required to meet most of our partners guidelines.

| Target % | Funding Category | Amount |
|--------------|-------------------------------|------------------|
| 2.00% | Increase to General Levy | 81.9 K |
| 1.68% | Increase to Special Capital | 74.2 K |
| 2.00% | Increase to Special Operating | 10.0 K |
| 1.85% | Total | \$166.1 K |

Financial Impact of Scenarios

| Scenarios | 1.50 % COLA | | 2.00% COLA | | 2.50% COLA | |
|-------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Base (Step) | 37.8 K | | 37.8 K | | 37.8 K | |
| Base (COLA) | 102.9 K | | 137.2 K | | 171.4 K | |
| Inflation (4.00%) | 42.6 K | | 42.6 K | | 42.6 K | |
| Strategic Initiatives (1.50%) | 135.0 K | | 135.0 K | | 135.0 K | |
| Asset Management (0.50%) | 22.1 K | | 22.1 K | | 22.1 K | |
| Efficiencies/Revenues | (174.3K) | | (208.6 K) | | (242.8 K) | |
| Total | \$166.1 K | 1.85% | \$166.1 K | 1.85% | \$166.1 K | 1.85% |

Summary of Budget Recommendations

1. Inflation: Up to 4.00% (2022 Budget: 2.00%)
2. COLA for staff: Up to 2.00% (2022 Budget: 2.00%)
3. Infrastructure levy for Asset Mgmt.: 0.50% increase on capital funding only
4. Investment in Strategic Priorities: 1.50% (2022: 0.00%)
5. No additional FTEs in 2023, unless they are fully funded from grants and/or fees (exception Strategic Priorities)
6. General and Special Operating Levy: Up to 2.00% (2022: 2.00%)
7. Special Capital Levy: Up to 1.68% (2022 Budget: 1.70%)



Next Steps for 2023 Budget

1. Staff will use Board approved budget assumptions to develop 2023 Budget
2. Staff will share preliminary budgets with municipalities, ensuring coordination with municipal budget cycles
3. Staff will host on-line financial update for municipal funding partners in Fall
4. Staff will continue to look for efficiencies and cost savings to support the 2023 Budget
5. Staff will use predictive information from 2022 Forecast to develop 2023 Budget
6. 2023 Budget presentations to funding partners will begin in the fall/winter



Questions?