

# 2026 Budget Assumptions

Board of Directors

May 23, 2025

Mark Critch, CPA, CMA

GM, Corporate & Fin Services/CFO



**Lake Simcoe Region**  
conservation authority

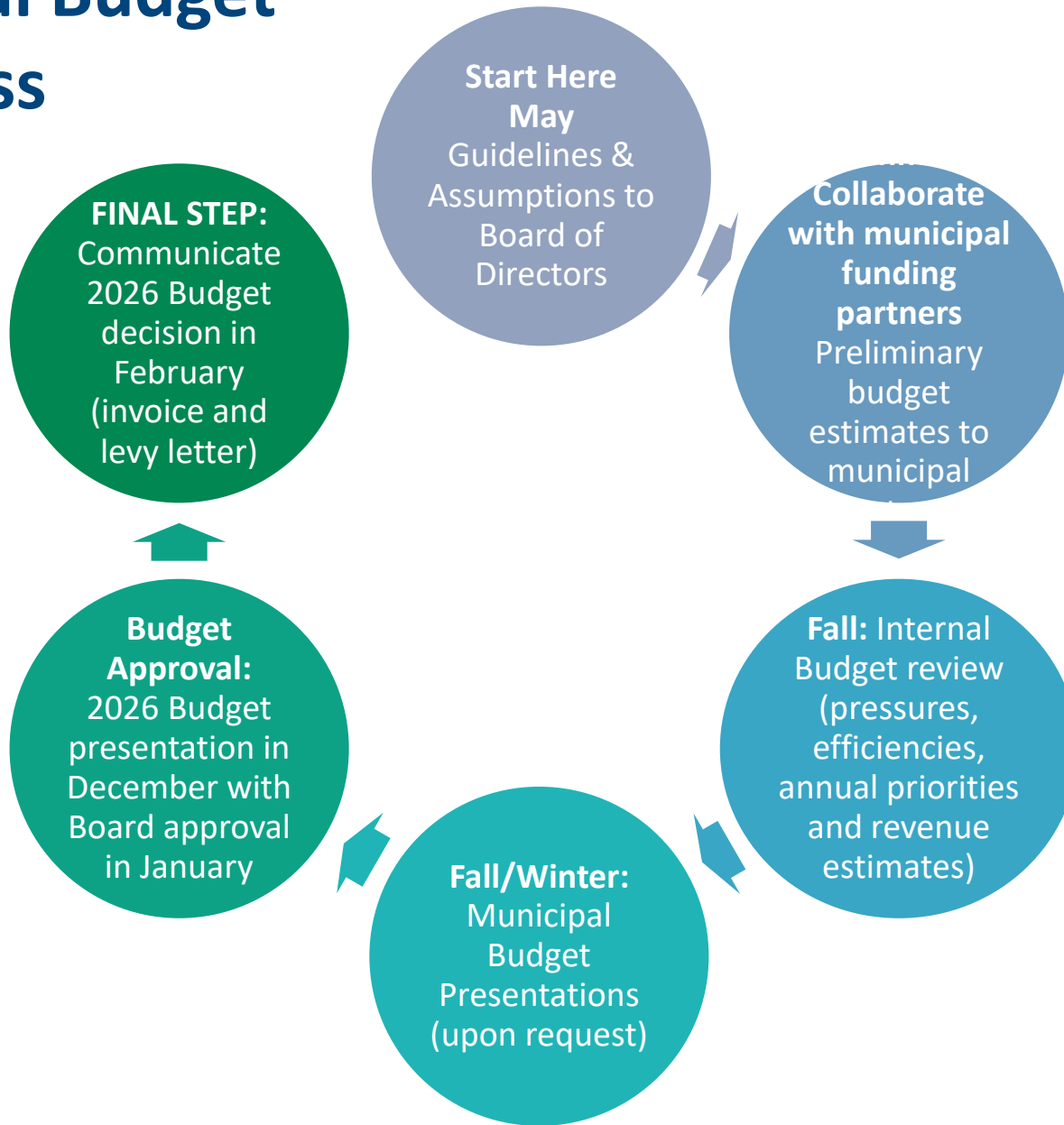


Member of Conservation Ontario

# 2026 Budget – Presentation Outline

1. Annual Budget Process
2. Overview of Budget Assumptions
3. Budget Recommendations: Governing Principles
4. Review of COLA and Inflation Comparators
5. Operating Impact of the New Nature Centre
6. Projected Financial Impact
7. Summarized Impact on Municipal Partners
8. Next Steps in 2026 Budget
9. Questions

# 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 2026 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



# 2026 Standard Budget Assumptions

1. LSRCA recognizes the challenges being faced by our Municipal funding partners
2. Incorporate lessons learned from 2025 forecast
3. Revenue from the Foundation continues to be used for education and projects
4. Interest Income(above budget assumption) to surplus
5. Only use reserves for pilot projects or one-time purchases
6. Continue to “Respect the Taxpayer” and understand the context of budget requests (“One taxpayer”)

# 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. New for 2026: Operating implications of the new Nature Centre will be phased in
4. Recommended Investment in new Strategic Initiatives: Up to 1.0% increase
5. New FTE's require business cases endorsed by ELT
6. Asset Management requires consistent re-investments



# Review of COLA Comparators

Municipalities	2026 CUPE agreement	2025 CUPE agreement	2024 CUPE agreement
Region of York, CUPE 905	Projected: 2.00%	2.00%	2.00%
City of Barrie, CUPE 2380	TBD	2.00%	2.00%
Region of Durham, CUPE 1764	TBD	TBD	1.50%
Conservation Authorities	2026 COLA	2025 COLA	2024 COLA
Toronto and Region Conservation Authority	Projected: 2.50%	2.00%	1.99%
Nottawasaga Valley Conservation Authority	Projected: 1.8%-2.2%	3.10%	5.90%
Lake Simcoe Region Conservation Authority	Recommended: Up to 2.5%	3.00%	2.00%

# Review of Inflation Comparators

Economic Data Sources	2026 Forecast	2025 Year to Date Actual/Projections
Statistics Canada (Federal)	2.7%	2.32%
Trading Economics (Publication)	2.3%	2.30%
Bank of Canada (Federal)	1.0%-3.0%	2.30%
Focus Economics (Publication)	2.1%	2.10%
Lake Simcoe Region Conservation Authority Recommended Budget Assumption	Up to 2.5%	2.5%

# Operating Impact of the New Nature Centre

Economic Data Sources	Projected 2026 Budget Increase	Projected 2027 Budget Increase	Impact on Outlook Years (2028+)
Increase in Education costs (capped at 2% increase in Category 3 funding)	\$7.2K	\$7.5K	To be re-visited after 1 year of operations
Increase in Facilities cost (assuming September 1 opening)	\$27.8K	\$41.2K	To be re-visited after 1 year of operations
Asset Management (capped at 0.5% of Category 1 funding)	\$27.8	\$16.1K	Continues for 3-4 years; Need \$135K/yr
<b>Total Cost Increase</b>	<b>\$62.8K</b>	<b>\$64.8K</b>	Focus on phasing in costs over 2-5 years

## Multiyear Targets:

Cover increased Educational operating costs within 2-3 years (many factors impacting here)

Cover Projected Operating cost of the building of \$69K by 2027

Phase in Asset Management Contributions over 5 years, building to \$135K contribution/year



# Projected Financial Impact

2026 Recommended Municipal Levy	Increase	Estimated \$
Category 1 Mandatory Levy (Base)	2.00%	\$111.3K
Additional Mandatory Levy (New Nature Centre)	1.00%	55.6K
Category 1 Lake Simcoe Protection Plan (Mandatory)	2.00%	58.4K
Category 2 Funding	2.00%	12.7K
Category 3 Funding (Base)	2.00%	7.2K
Additional Education Funding	2.00%	7.2K
<b>TOTAL Municipal Funding Increase</b>	<b>2.66%</b>	<b>\$252.4K</b>
Estimated Cost of 2026 Budget Assumptions	Assumption	Estimated \$
COLA (including Steps)	up to 2.50%	238.7K
Inflation	up to 2.50%	40.2K
Strategic Initiative	up to 1.00%	84.9K
Estimated New Operating Costs for the new Nature Centre	1.0-2.0%	62.8K
Asset Management (blended)	up to 0.5%	70.2K
Efficiencies/Additional Revenue /Program Adjustments	As needed	(244.4K)
<b>Total New Investments for 2026</b>		<b>\$252.4K</b>



# Summarized Impact on Municipalities

Municipal Funding Category	2025 Budget (000's)	2% Base Increase	New Nature Centre Levy (1%/2%)	2026 Budget Envelope (000's)	% Increase
Category 1 Mandatory Levy	\$5,565	\$111.3	\$55.6	\$5,732	3.0%
Category 1 Lake Simcoe Protection Plan (Mandatory)	2,921	58.4	0	2,979	2.0%
Category 2 Funding	636	12.7	0	649	2.0%
Category 3 Funding	361	7.2	7.2	376	4.0%
<b>TOTAL Municipal Funding</b>	<b>\$9,483</b>	<b>\$189.6</b>	<b>\$62.8</b>	<b>\$9,736</b>	<b>2.66%</b>



# Next Steps for 2026 Budget

1. Staff will use Board approved budget assumptions to develop 2026 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 2026 Budget
4. Staff will use predictive information from 2025 Forecast to develop 2026 Budget
5. 2026 Budget will be presented as draft to the Board in December, with approval in January 2026



# Questions?