

2026 Draft Capital and Operating Budget

Board of Directors

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Lake Simcoe Region
conservation authority





Presentation Outline

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2. 2026 Annual Priorities
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What's new for the 2026 Budget?

1. Development services fees have been reduced by \$860K (-22%), staffing and program costs have been adjusted to match.
2. Fee freeze, imposed by the Province continues into 2026.
3. Nature Centre expected to open in September 2026.
4. 2026 Budget will begin phasing in facility and Education and Engagement programming costs.
5. Investment yields are expected to be well above variable market returns for 2026.

2026 Annual Priorities

1. Conservation Authority Consolidation
2. 75th Anniversary
3. New Nature Centre
4. Lake Simcoe Conservation Preserve
5. Indigenous Relations Framework
6. Flood Forecasting and Warning and Low Water Response Programs Audit implementation



2026 Budget Assumptions

Assumption	Guideline	Draft Budget
Inflation	up to 2.50%	2.00% When applicable
COLA (including STEP)	up to 2.50%	2.00%
Base Municipal Funding (all categories)	2.00%	2.00%
New Nature Centre: Facility operating costs	1.0%	1.0%
New Nature Centre: Incremental program costs	2.0%	2.0%
Strategic Initiatives	up to 1.00%	0.00%
Asset Management (blended)	up to 0.50%/0.50%	0.50%

Operating and Capital Budget

Budget	2025 Approved Budget	2026 Draft Budget	Increase/ (Decrease)
Operating	\$15.8M	\$15.4M	(\$0.4M)
Capital & Projects	<u>15.5M</u>	<u>14.6M</u>	<u>(0.9M)</u>
Total Operating and Capital	\$31.3M	\$30.0M	(\$1.3M)

Expenditures by Service Area

Service Area	2025 Approved Budget	2026 Draft Budget	Increase/ (Decrease)
Corporate Services	\$3.1M	\$3.1M	-
Ecological Management	2.0M	2.0M	-
Education and Engagement	0.9M	1.0M	0.1M
Greenspace Services	1.1M	1.1M	-
Development Planning Services	5.0M	4.2M	(0.8M)
Water Risk Management	2.6M	2.9M	0.3M
Watershed Studies and Strategies	1.1M	1.1M	-
Capital and Projects	<u>15.5M</u>	<u>14.6M</u>	<u>(0.9M)</u>
Total Expenditures	\$31.3M	\$30.0M	(\$1.3M)

Summary of Revenues

Revenue Category	2025 Approved Budget	2026 Proposed Budget	Increase/ (Decrease)
Category 1 Levy	\$5.6M	\$5.7M	\$0.1M
Category 1 Funding - Special Benefitting	0.2M	0.2M	-
Category 1 Lake Simcoe Protection Plan Levy	2.9M	3.0M	0.1M
Category 2 Funding	0.6M	0.7M	0.1M
Category 3 Funding	0.4M	0.4M	-
Provincial and Federal Funding	2.2M	2.3M	0.1M
Deferred Funding and Municipal Agreements	1.4M	1.2M	(0.2M)
Revenue Generated by Authority	<u>18.0M</u>	<u>15.6M</u>	<u>(2.4M)</u>
Total	\$31.3M	\$29.1M	(\$2.2M)

2026 Municipal Funding: 2.66% Increase

Municipality	2025 Approved Budget (in 000s)	2026 Proposed Budget (in 000s)	Increase/ (Decrease)
Region of York	\$6,185	\$6,343	\$158
Region of Durham*	530	534	4
Town of Bradford-West Gwillimbury	474	489	15
City of Barrie	1,506	1,558	52
Town of Innisfil	421	437	16
Town of New Tecumseth	46	47	1
Township of Oro-Medonte	98	100	2
Township of Ramara	82	83	1
City of Kawartha Lakes	63	65	2
City of Orillia	<u>78</u>	<u>79</u>	<u>1</u>
Total	\$9,483	\$9,735	\$252

*Excludes \$200K for Category 1 Special Benefit funding from Durham Region (year 2 of 2) for Floodplain Mapping

2026 Operating Budget Highlights

1. There are no new FTE's being added in 2026.
2. Cost of Living increase for 2026 is established at 2.0%, in line with local municipalities and conservation authorities.
3. Conservative approach to budgeting for the Development Services fees and expenses.
4. New co-managed IT support provides the most cost-effective approach to protecting IT infrastructure – major strides in network security in 2025 and into 2026.
5. Continued benefit from the Procurement Audit that resulted in multi-year savings in waste management, telecom and a different payment provider.
6. Long-term investment strategy in a decreasing interest rate environment has led to investment returns outpacing standard (variable rate) investment options.

2026 Budget: Overview of Reserve Activity

Reserve Type	2026 Opening Balance*	2026 Transfers	2026 Draws	2026 Projected Ending Balance
Rate Stabilization	\$2,827	\$723	(\$310)	\$3,240
Asset Management	2,290	409	(752)	1,947
Working Capital	1,303	-	(841)	462
Restricted	<u>2,102</u>	<u>10</u>	<u>(188)</u>	<u>1,924</u>
Totals	\$8,522	\$1,142	\$(2,091)	\$7,573

*Estimated Opening Balance for January 1, 2026

2026 Capital and Projects Budget

Projects	Amount in 000s
Offsetting Projects	\$6,442
Simcoe Hydrology and Lake Decoupling	674
Restoration Projects	394
Climate Change Studies	334
Stormwater Management Inspection and Maintenance	310
Other Projects	235
Subwatershed Plan Updates	169
Infrastructure Hazard Projects	<u>119</u>
	\$8,677
Capital and Projects Spending	
Scanlon Creek Nature Centre	\$4,241
Capital Assets: Infrastructure and Building	653
Capital Assets: Furniture, Fixtures and Equipment	468
Capital Assets: Land Improvements	455
Lake Simcoe Preserve	<u>86</u>
	\$5,903
Total Capital and Projects	\$14,580

2026 Budget Story

1. 2026 Budget is within all Board approved assumptions.
2. 2026 will see the opening of the new Nature Centre. New operating costs are being phased in, starting with the 2026 Budget.
3. Through multiple check-ins, municipal funding partners have been supportive of the 2026 Budget as it is at or near all budget targets.
4. Leveraging reserve draws, where necessary, to achieve 2026 annual priorities.
5. 2026 Budget is balanced in the investments being made towards staff, projects and our assets, all within a sustainable increase for our municipal funding partners.

Looking Ahead

1. Draft budget will be available for 30 days following Board approval, adhering to all legislative requirements.
2. January 2026 is set for the weighted vote on the 2026 Budget.
3. Budget Companion document is under development with release expected later in Q1 2026.
4. Staff will update the Board in Q1 on the impact of the fee freeze, leveraging the independent fee study by Watson and Associates
5. Well positioned for sector changes in 2026 and beyond.

Questions?