

2027 Budget Assumptions

Board of Directors

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Mark Critch, CPA, CMA

General Manager, Corporate & Financial Services/CFO



Lake Simcoe Region
conservation authority

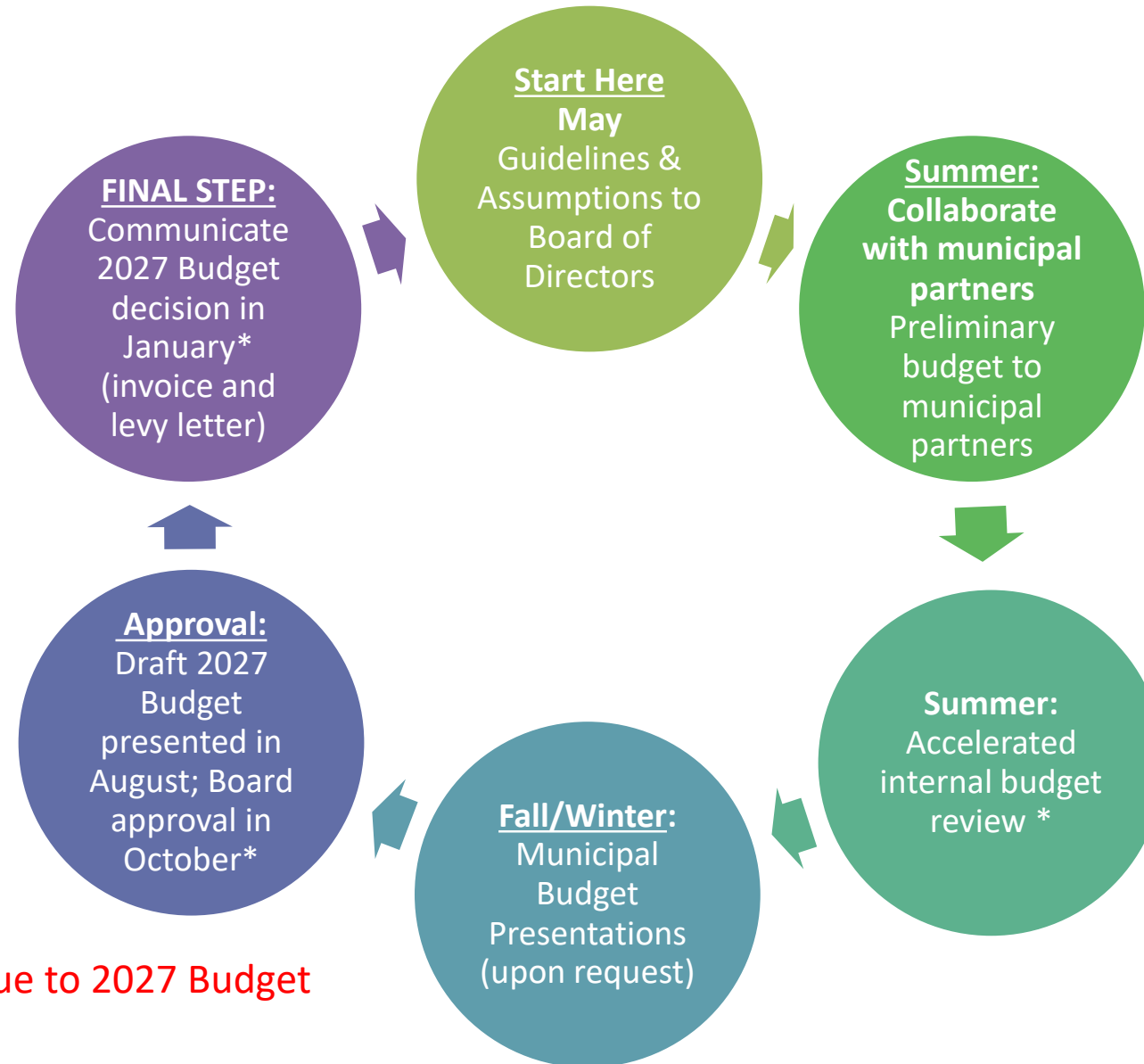


2027 Budget – Presentation Outline

1. Annual Budget Process and Timelines
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
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Annual Budget Process and Timelines



*Unique to 2027 Budget

Purpose of the Budget Assumptions

1. Allows for accelerated budget development this year
2. Sets clear organizational direction for budget targets
3. Enables staff to work with municipal funding partners to secure preliminary budget approval
4. Internally, it allows staff to build the 2027 budget & reduces re-work
5. Provides the Board of Directors the opportunity to influence the general direction of the budget
6. Strengthens the advocacy role of LSRCA Board members at municipal Budget Presentations

2027 Standard Budget Assumptions

1. LSRCA recognizes the joint challenges with our Municipal funding partners, including elections, financial (tax) limitations and Conservation Authority consolidation
2. Incorporate lessons learned from 2026 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. Continuing in 2027: Second year of phasing in operating implications of the new Nature Centre
4. Deferring any new investment in Strategic Initiatives
5. No new FTE planned. Any new FTE's (non-levy only) require business cases endorsed by ELT
6. Asset Management requires consistent re-investments

Review of COLA Comparators

Municipalities	2027 CUPE agreement	2026 CUPE agreement	2025 CUPE agreement
Region of York, CUPE 905	3.25%	3.50%	2.00%
City of Barrie, CUPE 2380	3.25%	3.75%	2.00%
Region of Durham, CUPE 1764	TBD	3.25%	3.25%
Conservation Authorities	2027 COLA	2026 COLA	2025 COLA
Toronto and Region Conservation Authority	Projected: 2.00-2.50%	2.50%	2.50%
Nottawasaga Valley Conservation Authority	Projected: 2.00%	2.10%	3.10%
Lake Simcoe Region Conservation Authority	Recommended: Up to 2.50%	2.00%	3.00%



Review of Inflation Comparators

Economic Data Sources	2027 Forecast	2026 Year to Date Actual/Projections
Statistics Canada (Federal)	2.40%	2.40%
Trading Economics (Publication)	2.30%	2.30%
Bank of Canada (Federal)	2.20-2.30%	2.00%
Focus Economics (Publication)	2.30%	2.10%
Lake Simcoe Region Conservation Authority Recommended Budget Assumption	Up to 2.50%	2.50%

Operating Impact of the New Nature Centre

Operating Cost Category	Approved 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	Builds for another 2-3 years; Need \$135K/yr
Total Cost Increase	\$62.8K	\$64.8K	Focus on phasing in costs another 2-3 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

2027 Recommended Municipal Levy	Increase	Estimated \$
Category 1 Mandatory Levy	2.00%	\$114.6K
Category 1 Additional Mandatory Levy (New Nature Centre)	1.00%	57.3K
Category 1 Lake Simcoe Protection Plan (Mandatory)	2.00%	59.6K
Category 2 Funding	2.00%	13.0K
Category 3 Funding	2.00%	7.5K
Category 3 Additional Education Funding	2.00%	7.5K
TOTAL Municipal Funding Increase	2.67%	\$259.5K
Estimated Cost of 2027 Budget Assumptions	Assumption	Estimated \$
COLA (including Steps)	up to 2.50%	247.2K
Inflation	up to 2.50%	31.9K
Strategic Initiative	Not Applicable	0.0K
Estimated New Operating Costs for the new Nature Centre	1.0-2.0%	64.8K
Asset Management (blended)	up to 0.5%	72.3K
Efficiencies/Additional Revenue /Program Adjustments	As needed	(156.3K)
TOTAL Projected Cost Increase in 2027		\$259.5K

Summarized Impact on Municipalities

Municipal Funding Category	2026 Budget (000's)	2% Base Increase	New Nature Centre Levy (1%/2%)	2027 Budget Envelope (000's)	% Increase
Category 1 Mandatory Levy	\$5,732	\$114.6	\$57.3	\$5,904	3.00%
Category 1 Lake Simcoe Protection Plan (Mandatory)	2,979	59.6	0	3,069	2.00%
Category 2 Funding	649	13.0	0	662	2.00%
Category 3 Funding	375	7.5	7.5	390	4.00%
TOTAL Municipal Funding	\$9,735	\$194.7	\$64.8	\$9,995	2.67%

Next Steps for 2027 Budget - Timelines

1. Budget assumptions will be shared with municipal funding partners next week
2. Internal budget reviews will coincide with Q2 financial reviews with budget holders
3. Draft budget will be presented to the Board of Directors in August
4. Final 2027 Budget review and Board of Directors vote will occur at October Board meeting
5. Budget restatement in Q1 2027 may be required for additional external funding and some reserve draws (no levy impact)

Next Steps for 2027 Budget

1. Staff will host on-line financial updates (June and October) for municipal funding partners; sharing preliminary budgets early to enable coordination with municipal budget cycles
2. Staff will continue to look for efficiencies and cost savings to support the 2027 Budget
3. Staff will use predictive information from 2026 Forecast to develop 2027 Budget
4. Earlier budget approval will enable staff to focus attention on consolidation and the related impact on the 2028 Budget development

Questions?

