

Municipality of Thames Centre



Draft **2024** Budget

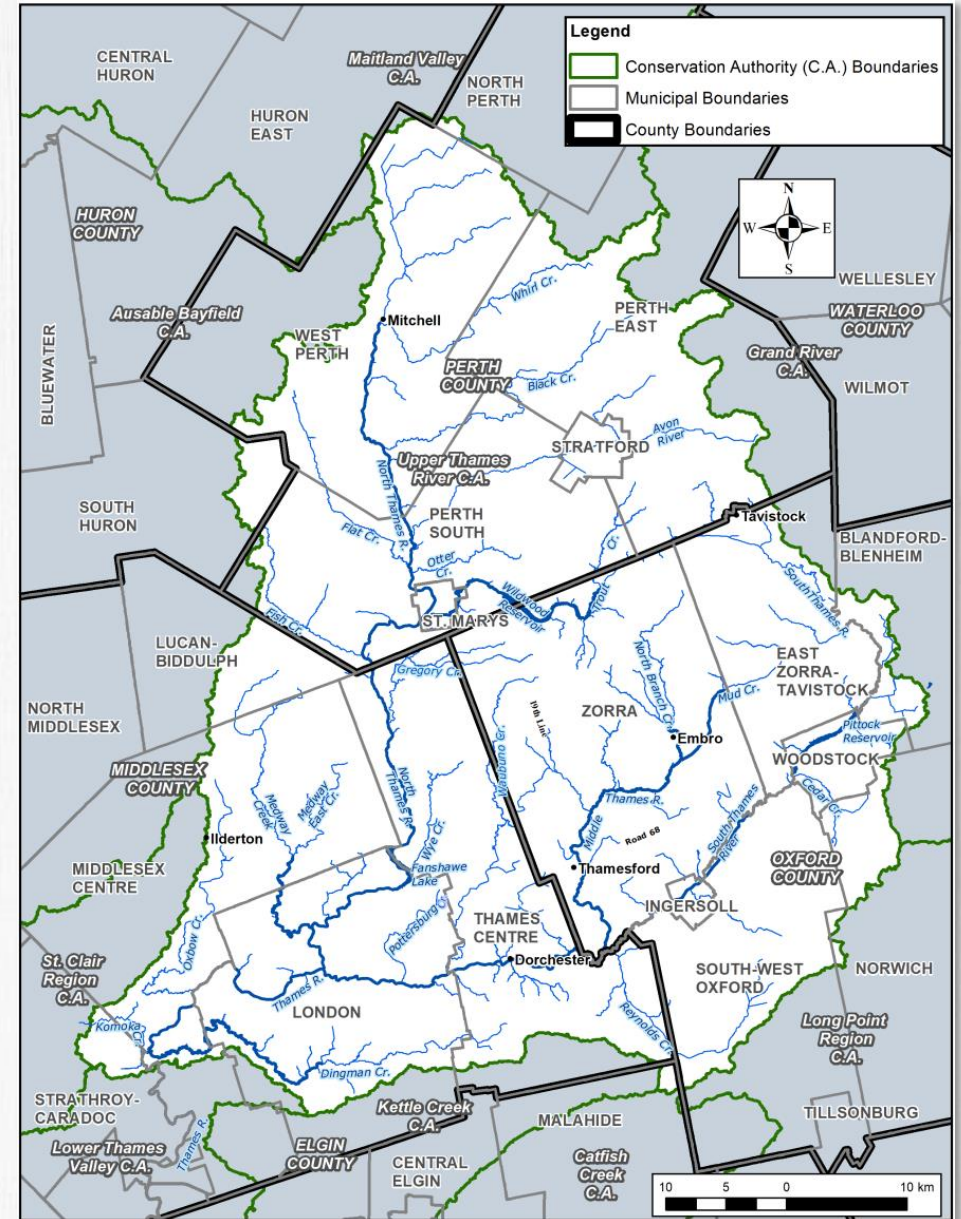
October 2023
Updated November 15, 2023

www.thamesriver.on.ca

UPPER THAMES RIVER
CONSERVATION AUTHORITY

Inspiring a Healthy Environment

- UTRCA's programs and services reflect this organization's longstanding goal to bring as much value – environmental programming – into this watershed as possible.
- We leverage the municipal investment and enter into partnerships – we provide excellent return on investment for our member municipalities and deliver programs and services that benefit the entire watershed.



Budget Overview

- Draft budget drivers
- Impacts on the 2024 Budget
 - Legislative changes
 - Historical context
 - Operating environment
- Capital projects

Budget Development Schedule

- **August**
UTRCA Board direction regarding budget concepts
- **October**
Draft Budget presented to Board
- **October - February**
Municipal input sessions with Senior Staff and Draft Budget circulation to member municipalities for comment
- **January**
Board review of municipal comments and budget reconsideration
- **February**
Budget review and approval

Impacts on the 2024 Budget

Impacts on the UTRCA 2024 Budget

Legislative Changes

- Reorganization of programs and services into 3 Categories with specific funding restrictions
- New mandatory deliverables due December 2024
- New service delivery standards due December 2024
- No provincial funding to offset additional work

APPROXIMATE COST: \$1.5M

UPPER THAMES RIVER
CONSERVATION AUTHORITY

Historical

- Chronically inadequate and reduced Provincial Transfer Payment
- Insufficient reserves
- Not eligible for Canada Emergency Response Benefit during COVID

Operating Environment

- Accessing qualified staff
- Compensation updates
- Aging infrastructure and increasing cost of capital projects
- Growth development pressure
- Increased land management pressures
- Development review fees frozen
- Reduced access to provincial grant programs
- Inflation

1. Legislative Changes

Note: There is no additional provincial funding to offset the costs of this additional work.

1. O.Reg. 686/21- Requires the completion of new deliverables by the end of 2024
 - Operation and asset management plans for water and erosion control infrastructure
 - Ice management plan
 - Land management strategy (with consultation)
 - Land inventory
 - Land acquisition and disposition strategy
 - Watershed-based resource management strategy (with consultation)



1. Legislative Changes (continued)

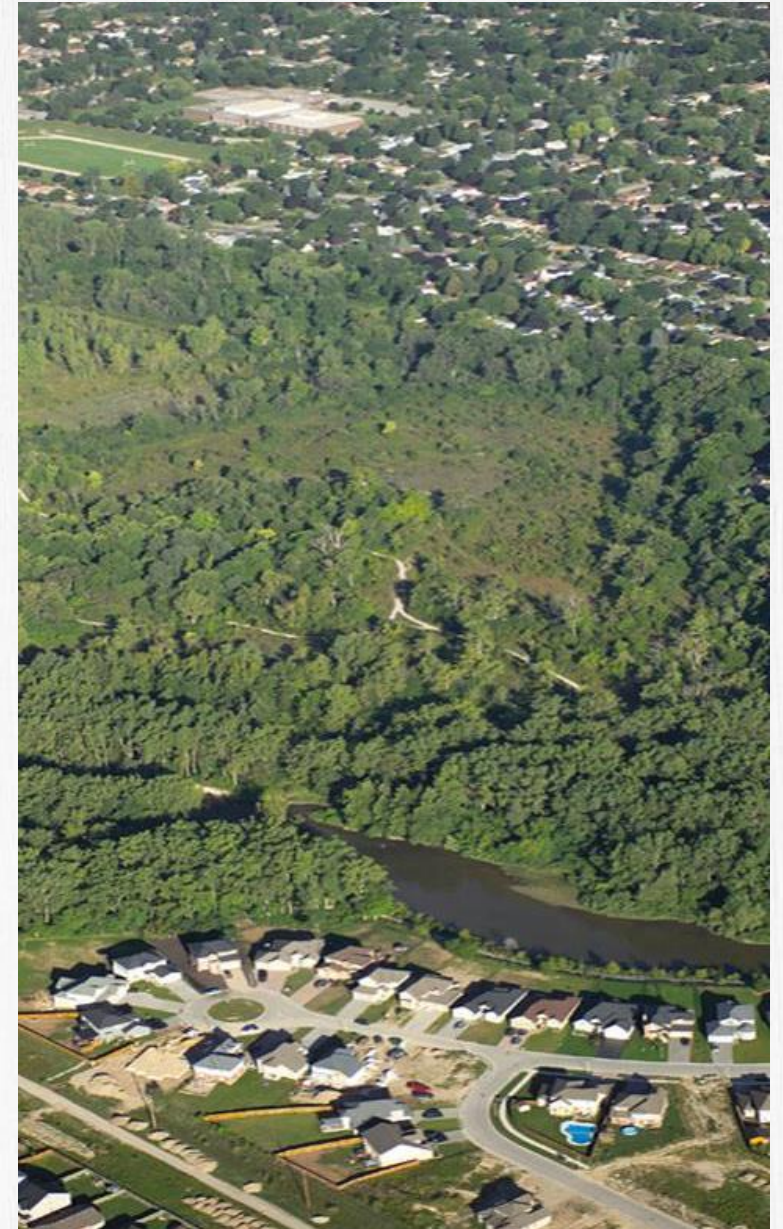
2. More Homes Built Faster and More Homes for Everyone

- Service delivery to meet planning and development review timelines – to expedite the approvals process
- Support consultation on updating hazard mapping

3. Section 28 of the Conservation Authorities Act

- Updating hazard mapping and modelling under legislation

Total budget impacts of Provincial Regulations and Legislative Changes: \$1.5M



2. Operating Environment

- Inflation
- Staff retention and compensation, our review undertaken in 2022
- Fees freeze on development reviews
- Increased growth demands
- Increased use of CA owned lands
- Significant capital costs increases



3. Historical Impacts

- Provincial transfer payment supporting UTRCA flood control programs was frozen in the 1990s and then cut in half in 2019. **This payment currently covers less than 13% of the program costs.**
- Historically, the UTRCA has kept levy contributions depressed, resulting in lower-than-desirable reserves in the areas of flood and erosion control structure operations and land management.
- Inability to access federal wage subsidies during the pandemic depleted reserves.



4. Capital Projects

- Significant increases to capital projects – municipalities with higher special benefiting rates will see greater impacts:
 - St. Marys Floodwall
 - Mitchell Dam
 - West London Dyke
- Aging infrastructure = more maintenance
- Project proposals have doubled forecasted costs



Categorization of Programs and Services

1 Mandatory

Programs and services that the Province has deemed mandatory. Municipal levy can be used without an agreement.

2 Non-Mandatory

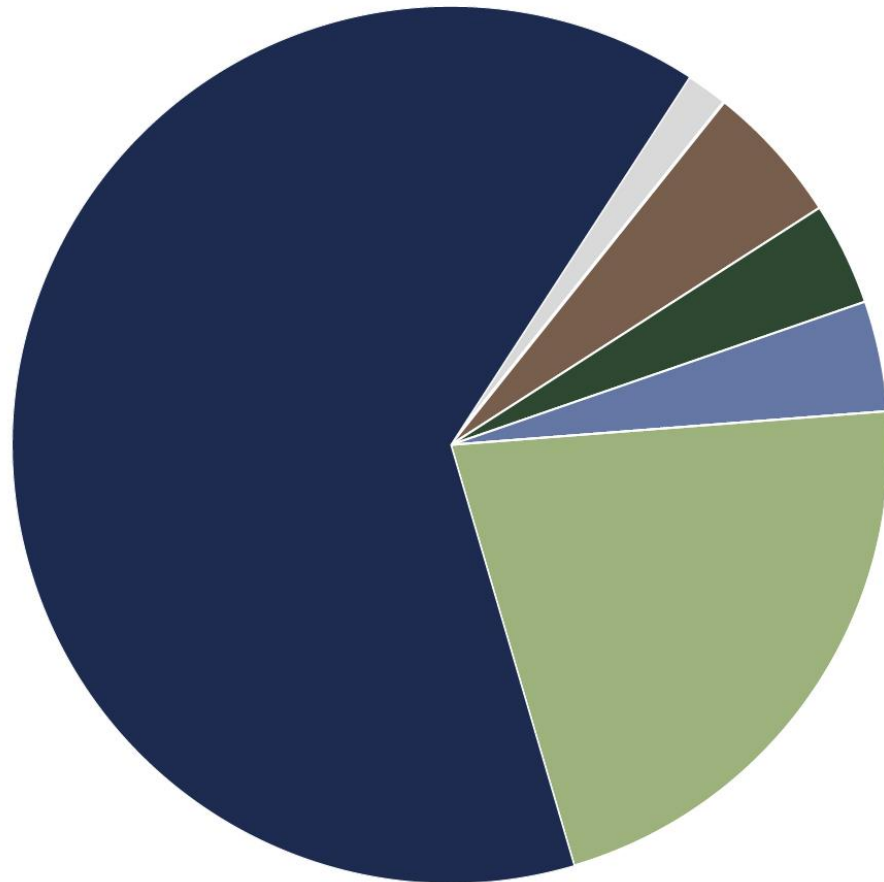
Municipality requests a CA to deliver a program or service on their behalf.

3 Other

Program and services a CA deems advisable to implement in their watershed. Agreement required if municipal funds (cost apportioning) are used.

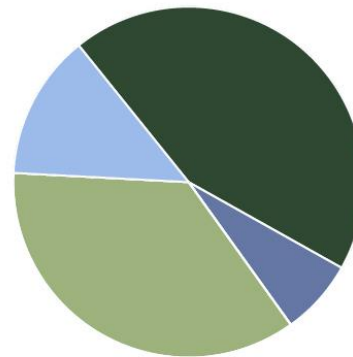
2024 Draft Budget

2024 Funding Sources: Program and Service Categories*



Category 1 (\$11,601,402)

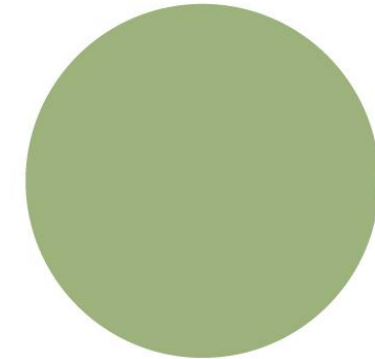
Category 2
(\$1,291,609)



Category 3 (\$4,543,378)

- Municipal Levy
- Provincial Transfer Payment - CA Act
- Provincial Transfer Payment - Clean Water Act
- Federal/Provincial Grants and Contracts
- Municipal Contracts
- Self-Generated Revenue
- Municipal Cost Apportioning Agreements

*Pies are sized in proportion to category funding.



Other Category 3
(Campground Operations)(\$4,893,550)

Draft Municipal Contributions – Thames Centre

Category 1 Levy	
General Distribution Levy	\$204,069
Special Benefitting Levy Dorchester Mill Pond, Dorchester CA	\$5,736
TOTAL	\$209,805

Category 3	
Proposed Cost Apportionment	\$19,439*

*Note – reduced from the 2023 amount \$25,318



Final Key Messages

- The largest impact on the UTRCA 2024 operating budget is tied to \$1.5M of new provincially legislated activities. No new provincial funding has been provided to offset these costs.
- Additional budget increases are tied to rising operational and capital costs. With aging flood control infrastructure, continued maintenance costs are also significantly higher.
- UTRCA is mitigating the impact on the municipal levy by applying program revenues to offset costs of mandated programs.





Questions

Tracy Annett, General Manager
Board Chair, Mayor Brian Petrie
Councillor Tom Heeman, UTRCA
Board Representative