



THE TORONTO AND REGION CONSERVATION AUTHORITY

## INDEX TO

### BUSINESS EXCELLENCE ADVISORY BOARD MEETING #6/03

**Friday, October 3, 2003**

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THE TORONTO AND REGION CONSERVATION AUTHORITY

**MEETING OF THE BUSINESS EXCELLENCE ADVISORY BOARD #6/03  
October 3, 2003**

The Business Excellence Advisory Board Meeting #6/03, was held in the Humber Room, Head Office, on Friday, October 3, 2003. The Chair David Barrow, called the meeting to order at 9:06 a.m.

**PRESENT**

David Barrow	Vice Chair
Rob Ford	Member
Bill O'Donnell	Member

**REGRETS**

Bas Balkissoon	Member
Ron Moeser	Chair
Dick O'Brien	Chair, Authority
Maja Prentice	Member

**RES.#C16/03 - MINUTES**

Moved by:	Bill O'Donnell
Seconded by:	Rob Ford

**THAT the Minutes of Meeting #5/03, held on September 5, 2003, be approved.**

**CARRIED**

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**PRESENTATIONS**

- (a) A presentation by Jim Dillane, Director, Finance and Business Development, TRCA, in regards to item 7.5 - Preliminary Overview of 2004 Capital and Operating Budget.

**RES.#C17/03 - PRESENTATIONS**

Moved by:	Bill O'Donnell
Seconded by:	Rob Ford

**THAT above-noted presentation (a) be heard and received.**

**CARRIED**

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## **SECTION I - ITEMS FOR AUTHORITY ACTION**

### **RES.#C18/03 - PROPOSED ADMINISTRATION FEES FOR PLANNING SERVICES AND PERMITTING**

Improvements to the Toronto and Region Conservation Authority's (TRCA) development review level of service are urgently needed, in tandem with a major overhaul of our plan review and permitting fee collection process to support an improved level of service.

Moved by: Bill O'Donnell  
Seconded by: Rob Ford

**THE BOARD RECOMMENDS TO THE AUTHORITY THAT the Planning fee Schedule and Permitting Fee Schedule as appended to this report be approved, effective November 1, 2003;**

**THAT staff be directed to advise Toronto and Region Conservation Authority's watershed municipalities of the planning and permitting fee changes immediately upon approval;**

**THAT the Urban Development Institute be advised of the planning and permitting fee changes immediately upon approval;**

**THAT all current applicants to which a change in fee structure will apply be advised within 30 days of approval of the fee structure changes;**

**THAT all current applicants who have not paid their application and technical fees will be required to pay this in addition to the revised clearance fees;**

**THAT the development industry be advised that application guidelines will be available on November 1, 2003 and input will be welcomed;**

**AND FURTHER THAT a preliminary target of \$1.8 million in revenue from planning and permitting activities be included in the 2004 preliminary operating budget.**

**CARRIED**

### **BACKGROUND**

Over the last year, development services staff have researched and analyzed the workload for plan and permitting review, the fee collection trends for three years of the plan review and permitting function, and have assessed the current status of fees charged and collected in our jurisdiction. In the report of February 7, 2003 to the Executive Committee several areas of concern related to our level of service and our ability to recover costs associated with development review were identified. The primary issues from that assessment are highlighted below:

- Significant changes in the complexity and volume of planning and technical review work, as well as, the fast track pace of the municipal development scene has put significant strain on TRCA's small planning and technical review staff (including ecologists, water resources engineers, geotechnical engineers, aquatic biologists, etc.). For example, permitting has increased 30% across the jurisdiction over the last year alone, and Environmental Assessment projects have doubled with expectations of many more to come over the next ten years.
- There are inconsistencies among municipalities in terms of their level of support for providing adequate review times and collection of preliminary planning fees on TRCA's behalf.
- Continuing complaints from municipalities and the development industry about the length of our commenting periods and the lack of clarity of approval requirements, including Fisheries and Oceans Canada and Ministry of Natural Resources (MNR).
- A large volume of applications are poorly documented and packaged by the applicant for the approval process, creating tedious cyclical commenting processes for TRCA staff.
- There are increases in involvement in Ontario Municipal Board efforts and specialized facilitation/negotiation for application clearance.
- There are increases in specialized planning and technical review associated with the Rouge Park and Oak Ridges Moraine Conservation Plan, and new initiatives associated with Terrestrial Natural Heritage, Generic Regulation, City of Toronto Ravine Bylaw, etc.
- The province and our municipal partners have a growing expectation for shorter commenting periods as part of the 'red tape reductions' and streamlining efforts (for example, Brampton's Development Review Protocol and Growth Management Review Committee).

TRCA senior staff have been assessing all requirements and concerns as expressed by our agency partners and industry colleagues, and have developed a strategy that will improve the level of service internally for staff and will begin to address areas of concern external to the TRCA in an attempt to improve all levels of approval and its inherent complexities.

The strategy includes the following key components:

- A major administration fee alteration for planning and permitting services to assist in building staffing capacity for plan review, technical support, enforcement and associated support costs to address this period of development growth;
- The establishment of an invoicing system at TRCA to improve the tracking of fees owed to the TRCA and to improve the collection of outstanding monies owed. This was implemented in September 2003;

- An internal streamlining effort to reduce delays in plan review including more staff training, the provision of a senior "SWOT" team plan review effort, and the provision of a minor works exemption approach to execute a faster permitting approval process;
- The creation of a guideline document for TRCA application requirements to improve the quality of applications will be available November 2003;
- Improvements to our post-permitting site inspection with increased enforcement follow-up;
- Working sessions with municipal partners to address proposals for streamlining, and improved communications and customer service procedures;
- The continuation of working sessions with the development industry to address issues for plan review and streamlining of approvals;
- The initiation of a dialogue with Fisheries and Oceans Canada to review our working relationships, and set new directions for improvements of mutual service under our current plan review agreements.

All components of this strategy are critical to the success of service area improvements in plan and permitting review. Several of the initiatives are already in progress. The most critical component of this proposal is the urgent need to implement a revised fee structure to ensure financial resources are available to improve the level of service for the balance of 2003 and beyond.

#### **RATIONALE**

TRCA staff participated in two parallel processes in order to address the changes to the fee structure. The GTA conservation authorities have been working for several months to review joint concerns and ideas about fee structures and needs, and TRCA staff have been working internally on budget requirements for the delivery of the development review function at TRCA and have updated this budgeting requirement.

The GTA conservation authorities are generally consistent in their current approach to fee charges (with the exception of the Nottawasaga Valley Conservation Authority), and are all experiencing a need to make major changes to planning review charges to address the demands of urban growth and staff capacity. The GTA conservation authorities conducted a review of their respective municipal development charges, and a review of a model that the Nottawasaga Valley Conservation Authority (NVCA) has used. NVCA has developed a model that works in their situation and relies primarily on fees from subdivision development using a "per lot" costing approach to charging fees.

The percentage of fees collected in all of the GTA conservation authorities is extremely low in relation to the total fee requirements on the development process. Other conservation authorities have adjusted their fee structure to address local needs. All conservation authorities have assessed, to a certain level, the cost of certain types of planning efforts to understand the level of staff time.

Section 21 of the Conservation Authorities Act provides guidelines for the collection of fees and allows conservation authorities to charge fees for plan review services and respond to legal, real estate and public inquiries. Fee structures must not exceed the costs associated with administering and delivering the services on a program basis.

TRCA's budget planning has determined that our costs for the comprehensive plan review and permitting process will require a target of \$2.7 million dollars in order to achieve a 60% cost recovery rate for this essential function at the TRCA. This target which applies across our jurisdiction is a large sum and requires a significant change in our fee charges approach to meet this challenge. The recovery of 60% of these costs is based on the staff's assessment that approximately 40% of staff time is required for review and comment on broad municipal planning assignments, and 60% is required for private development related applications.

TRCA has examined several models for fee charges, including the NVCA model, to assess their applicability to our development environment, and the scale and complexity of our applications. The NVCA model relies on a base fee of \$7,500 and a charge per lot which ranges from \$55/lot to \$210/lot, based on high, medium and low density scenarios. This is a difficult model for TRCA to apply in the absence of projected detailed lot calculations for each municipality within our jurisdiction. A test was conducted using confirmed lot calculations from the City of Brampton to assess the impact on charges based on this method. The charges that came from that test ranged per subdivision from \$10,000, up to as high as \$240,000 per application. Potentially this model could generate a significant amount of money to support a full range of planning, development review, and permitting related professional efforts within the TRCA, including post-development impact assessment and monitoring requirements for watershed planning which are not included today. Credit Valley Conservation recently directed staff to introduce charges of \$250 per lot, effective immediately.

In order to formulate a more reliable projection of TRCA's future revenue projection, a preferred model based on existing application data was developed. The attached proposed planning fee schedule and revised permitting fee schedule builds on a "base fee" approach, and augments this charge with adjustments according to the scale of the development on a per hectare basis to reflect complexity of the application. TRCA's municipal partners use combinations of base fee, per hectare and per lot approaches for development fees. Several important changes are incorporated into the proposed schedules for planning as follows:

- The planning fees schedule has been simplified to two stages of charges - preliminary application and clearance. Greater emphasis has been put on fee charges up-front to help finance the cost recovery needs. Clearance fees are mandatory;
- Fee charges for single, residential scale applications have remained low with only modest adjustments;
- Site plan applications and subdivision applications are now graded to reflect minor and major applications where the extent of technical and planning efforts differ;
- Additional charges will be executed for incomplete applications and additional field assessments, to deter poor quality applications that keep staff consumed in a non-productive commenting cycle;

The proposed permitting fee schedule has been restructured to:

- Distinguish between major and minor permitting requirements and the level of technical support needed for approvals;
- Approach permits on a separate “project basis” to more fairly deal with the level of technical effort required for each permit, to improve the ease of phasing permitting for applicants and to reflect a fairer cost for a range of projects and their complexity for permitting.

The proposed schedules for both planning fees and permitting fees have been tested using a model developed from our 2002 application database. We have theoretically applied our proposed fees to the quantities and types of applications and permits from our 2002 database to project a theoretical revenue scenario, based on the current rate of development.

This modeling approach highlights that we can reach our recommended target for service requirements of \$2.7 million dollars using this method. It also assumes that the high level of development activity continues in our watersheds, and that TRCA would have to respond with a higher level of service and increased staffing capacity. Based on our 2002 statistics, we project the following revenue to cover planning, technical review (planning ecologists, water resources engineering, hydrogeology, geo-technical), legal/property inquiries and enforcement.

Projected Revenue:	Planning Fees	\$1,653,250
	Permit Fees	591,250
	Clearance	<u>478,300</u>
TOTAL		\$2,722,800

### **RECOMMENDATIONS**

The environmental planning function and technical support that TRCA provides is an essential component of sound planning in our nine watersheds and across the waterfront. We request support from the Business Excellence Advisory Board to proceed to finalize a fee schedule that would significantly change our cost recovery situation as soon as possible, and would move us closer to an improved level of service in our jurisdiction. We recommend that staff move to conduct discussions with the municipal partners and UDI, and commence our finalized procedures before the end of 2003.

Applications that are currently being reviewed will be subject to the new clearance fee. Permits currently under review will be immediately subject to the new fee increase. Recognizing that many planning applications are already in process, the full targeted revenues will not be achieved immediately. Consequently, it is recommended that \$1.8 million be included in the 2004 operating budget at this time.

**Report prepared by: Carolyn Woodland, extension 5214**  
**For Information contact: Carolyn Woodland, extension 5214**  
**Date: September 25, 2003**  
**Attachments: 2**

**Attachment 1**

**TRCA Fee Schedule for Planning Services**

<b>APPLICATION TYPE</b>	<b>APPLICATION FEE</b>	<b>CLEARANCE FEE</b>
Concept Development/ Property Enquiry	\$150 \$250 with site visit	N/A
Variances	\$250	N/A
Consent/Severance/ Land Division	minor \$500 major \$1200	*minor N/A *major \$600
Residential Site Plan (Or comparable condominium application)	minor \$350 major \$2000	*minor N/A *major \$500
Non-Residential Site Plan	minor \$750 major - less than 25ha \$7000 - greater than 25ha \$10,000	*minor N/A *major \$1500 \$1500
Official Plan Amendment (OPA)	minor \$750 major \$3000	*minor N/A *major \$1500
Zoning By-law Amendment/ Rezoning (ZBA/RZ)	minor \$750 major \$3000	*minor N/A *major \$1500
Subdivision (or comparable condominium application)	minor - 5ha or less \$7500 major - less than 25ha \$15,000 - greater than 25ha \$20,000	*minor \$2500 *major \$5500 \$5500
Non-Municipal Driven Official Plan Amendments for urban expansion, golf courses or aggregate pits	less than 25ha \$5000 greater than 25ha \$10,000	\$5000

**Other Applicable Fees**

Additional Site Visit	\$200
Additional Clearance fee for Subdivision Phases	\$1000
*Applicant Driven Formal Modification	\$500
Re-submission due to *incomplete submissions	\$2500
*See Definitions	

**TRCA Fee Schedule  
for Planning Services  
IMPLEMENTATION GUIDELINES**

**Notes**

1. The application fee will be paid at the time of filing an application to the municipality. The final clearance fee will be billed directly by the TRCA and paid prior to final clearance of an application.
2. Re-submissions fees will be billed directly by the TRCA and must be paid prior to final clearance of an application.
3. Only one set of fees applies when processing and reviewing a combined application (e.g. a subdivision/OPA/ZBA). The highest rate of fees applies.
4. Notwithstanding note #3, if a subsequent application is filed on a property more than 3 years after the initial application, separate fees apply to each application.
5. The TRCA reserves the right to request additional fees should the review require a substantially greater level of effort.
6. Where a site visit and/or extended review is required for a Variance application, a clearance fee of \$100 is applicable.
7. Subdivisions that have several phases, will be charged a separate clearance fee of \$1000 at the time of clearing each phase.
8. All application fees (except Concept Development) include one initial site visit. A fee of \$200 is applicable for each additional site visit requested.

**Definitions**

**Minor** - An application is determined to be “**minor**” where no technical studies are required, or only a scoped Environmental Impact Statement (EIS) is required.

**Minor Subdivision** - A subdivision application is determined to be “**minor**” where no technical studies are required, or only a scoped Environmental Impact Statement (EIS) is required and where the site is 5ha or less.

**Major** - An application is determined to be “**major**” where technical studies beyond a scoped Environmental Impact Statement (such as Stormwater Management or Geotechnical) are required.

**Incomplete Submissions** - A submission for review is deemed to be “**incomplete**” where TRCA has provided a checklist of requirements, and the application has not met all requirements.

**Applicant driven formal modification** - A fee for an “**applicant driven formal modification**” will be charged where plans are submitted for review after the application has received draft plan approval from the municipality.

**Attachment 2**

**TRCA ADMINISTRATIVE FEE SCHEDULE FOR  
FILL, CONSTRUCTION AND ALTERATION TO WATERWAYS  
REGULATION SERVICES  
(ONTARIO REGULATION 158)**

<b>ONTARIO REGULATION 158 PERMIT APPLICATIONS</b>	<b>FEE</b>
Works on Personal Residential Property	*minor \$ 250 *major \$500
Municipal Projects (Regional/Local)	\$ 750
Municipal Projects (Regional/Local) related to an Environmental Assessment Application	\$1500
Utilities	\$ 2000
Projects on Subdivision Lands, Commercial, Industrial and Institutional Properties, Resource-based Recreation and Other Projects  Projects Include: SWM ponds and associated outfalls Other outfalls Road Crossings Grading Channel Modification In-stream Works	\$2800 per project
Minor Improvements	\$1500 per project
Permit Revisions	25% of current fee
Permit Renewals	25% of current fee Minimum \$100

<b>ONTARIO REGULATION 158 PROPERTY INFORMATION</b>	<b>FEE</b>
Solicitor/Realtor/Property Inquiry	\$ 150
Municipal Building Permit Services - Property Clearances (not regulated)	\$ 200
*See Definitions	

**Rates Effective November 1, 2003**

**IMPLEMENTATION GUIDELINES**  
**TRCA ADMINISTRATIVE FEE SCHEDULE FOR**  
**FILL, CONSTRUCTION AND ALTERATION TO WATERWAYS**  
**REGULATION SERVICES**  
**(ONTARIO REGULATION 158)**

**Notes**

1. The permit fee will be paid at the time of filing an application to the TRCA. In the event that the permit fee is not paid at the time of filing an application, fees must be paid prior to issuing a permit.
2. The TRCA reserves the right to request additional fees should the review require a substantially greater level of effort.
3. All permits are issued for two years except for Subdivision projects which are issued for five years.
4. All permit renewals are issued for 1 year.

**Definitions**

***Personal Residential Property***

**Minor** - Applications on a personal residential property determined to be “**minor**” include ancillary structures such as decks, sheds, garages and pools; minor additions (less than 50% of the original ground floor area); and the placement of less than 30 cubic metres of fill.

**Major** - Applications on a personal residential property determined to be “**major**” include major additions (greater than 50% of the original ground floor area), new structures or buildings; all works in the floodplain; and the placement of 30 cubic metres or more of fill.

**RES.#C19/03 -**

**HEART LAKE CONSERVATION AREA MASTER PLAN**

Commencing the Heart Lake Conservation Area Master Plan Process.

Moved by: Bill O'Donnell  
Seconded by: Rob Ford

**THE BOARD RECOMMENDS TO THE AUTHORITY THAT staff be authorized to develop a Heart Lake Conservation Area Master Plan;**

**THAT an Advisory Committee be established, which would include members of the Etobicoke and Mimico Creek Coalition, interested community groups, business representatives, community residents, agency staff, municipal staff and area councillors to assist with the development of the Master Plan and to facilitate the opportunity for public input;**

**AND FURTHER THAT the final Master Plan be brought to the Authority for approval.**

**CARRIED**

**BACKGROUND**

The Heart Lake Conservation Area (HLCA) is approximately 169 hectares of land located south of Mayfield Road, north of Sandalwood Parkway, east of Conservation Drive and west of Heart Lake Road in the City of Brampton, the Region of Peel. HLCA consists of mixed forest stands, with other ecological features such as wetland habitats, beach habitats, regeneration areas, and open meadow scattered throughout. As such, it provides one of the best quality habitats in the Etobicoke Creek Watershed. Approximately 8200 trees, shrubs and aquatic plants have been planted in sand dune, upland forest, lowland forest/wet meadow and riparian habitats during past restoration projects at HLCA.

HLCA's diverse ecosystem includes two kettle lakes (Heart Lake and Teapot Lake), headwaters for Spring Creek, a 58 hectare-wetland complex, 43.5 hectares of deciduous, coniferous and mixed forests (one of the largest individual blocks of continuous forest in the Etobicoke Creek Watershed), and surficial geology composed of glacial till and river deposits. This combination of unique habitats has qualified sections of HLCA to be identified as significant. The Heart Lake Wetland Complex is a Ministry of Natural Resources (MNR) Classified Wetland, while the Heart Lake Woodlands are classified as an Environmentally Significant Area. In addition, the Heart Lake Forest and Bog are the only regional Life Science Areas of Natural and Scientific Interest (ANSIs) within the Etobicoke and Mimico Creek Watersheds.

This Conservation Area is the largest natural greenspace area in the City of Brampton, and provides the community with attractions such as bird watching, boating, fishing, hiking trails and picnic areas. The Peel Children's Water Festival has been held annually at HLCA since 2002 and attracted over 9000 people in 2003. In 1997, over 56,000 people visited the park. A 1994 visitor survey revealed that almost 50% of the visitors originated from Brampton, 72% from Peel, and 23% from Toronto. A comprehensive Management Plan for HLCA was completed by the TRCA in 1981.

## **RATIONALE**

It is an appropriate time to complete a Master Plan for Heart Lake Conservation Area, as existing plans (namely the Twenty-Year Management Plan for the Heart Lake Conservation Area, 1981-2001) has not been updated. With the projected population growth in the City of Brampton and the Region of Peel, HLCA will likely become an even more popular environmental, outdoor recreation and tourism centre, requiring a plan that can address future public use demands and enhanced environmental protection. Furthermore, it is necessary to prepare a comprehensive and integrated Master Plan for the property that can respond to the changes in the availability of public funds and evolving concepts in conservation and sustainability, and move the TRCA towards its goal for The Living City - a vision for sustainable communities based on a healthy ecosystem.

The Master Plan for Heart Lake Conservation Area will aim to address property management and public safety issues, respond to future demands and growth in the region, integrate and implement Etobicoke Creek Watershed management strategies, establish appropriate environmental protection and restoration techniques, receive public input regarding appropriate use, development and management of lands and create a sense of stewardship among users and adjacent land owners.

The Master Plan will complement a number of TRCA initiatives, including:

- TRCA The Living City Vision;
- Implementation of Greening Our Watersheds: Revitalization Strategies for Etobicoke and Mimico Creeks (2002); and,
- TRCA Natural Heritage Strategy.

The goal of the HLCA Master Plan process will be to protect, conserve and manage the property within an ecosystem framework, and in consultation with the community ensuring watershed health, public enjoyment and environmental sustainability.

For the master plan process, staff will use the TRCA model for developing a management plan that has been successfully used at Claireville, Boyd North and Glassco Park, Cold Creek and Greenwood Conservation Area.

Staff have recommended the establishment of an advisory committee to provide an integrated approach to the development of the master plan. The Committee will assist with determining management zones and management recommendations, and provide direction and comment on the public use development and restoration plans.

The TRCA will select and invite agency and community representatives to be members of the advisory committee for the duration of the project. Suggested advisory committee representatives could include:

- TRCA - Board Members and staff;
- City of Brampton - Councillors and staff;
- Peel Region staff;
- City of Brampton Environmental Advisory Committee Member;
- Etobicoke and Mimico Creek Watersheds Coalition Member;
- Friends of Heart Lake;
- Community Residents; and,

- Local Business Representatives.

**DETAILS OF WORK TO BE DONE**

- Develop a project Terms of Reference, which will include the scope of work responsibilities and projected timelines, which will be submitted for approval to the TRCA Board.
- Establish advisory committee.
- Compile and synthesize all background material on the subject lands into a background report that will be distributed to the advisory committee.

It is anticipated that the master plan will be completed by December 2004.

**FINANCIAL DETAILS**

Provision for the development of the Heart Lake Conservation Area Master Plan has been included in the Authority's 2003 Capital Budget under account 408-49.

**Report prepared by: Deanna Strath, extension 5204**

**For Information contact: Mike Bender, extension 5287, Chandra Sharma, extension 5237**

**Date: September 22, 2003**

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**RES.#C20/03 -**

**EMPLOYEE ENGAGEMENT SURVEY**

Implementation of an annual Employee Engagement Survey and associated programs for continuous improvement.

Moved by: Bill O'Donnell  
Seconded by: Rob Ford

**THE BOARD RECOMMENDS TO THE AUTHORITY THAT staff be directed to report on the results of an annual Employee Engagement Survey with recommended measures for changes in processes and policies to pursue continuous improvement.**

**CARRIED**

**RATIONALE**

Employee engagement has been directly linked with the success of organizations, especially with respect to improved productivity, employee retention and innovation. The annual survey is a technique to measure not only the level of overall engagement of employees, but to identify the key drivers of employee satisfaction and engagement.

An annual Employee Engagement Survey would be conducted every October to measure the level of engagement and satisfaction of all employees concerning all aspects of working life at the Toronto and Region Conservation Authority, including compensation, working conditions, decision making and strategic direction, as well as internal processes such as budgeting.

This tool has been used in both the public and private sector for several years, including all levels of government, the banking industry and other such organizations.

The survey would take the form of an unmarked mailout in October with top line results available in December of each year. After the results are collated, there would be employee committees established to address the issues that have been identified in the survey.

This form of communication would be part of building a more sustainable organization where transformation of the team is a result of input from all levels, therefore creating more robust and enduring solutions.

**Report prepared by: Catherine MacEwen, extension 5219**  
**For Information contact: Catherine MacEwen, extension 5219**  
**Date: September 15, 2003**

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**RES.#C21/03 - 2004 PRELIMINARY ESTIMATES, CAPITAL AND OPERATING**  
Overview. Presents an overview of the 2004 Capital and Operating Preliminary Estimates.

Moved by: Bill O'Donnell  
Seconded by: Rob Ford

**THE BOARD RECOMMENDS TO THE AUTHORITY THAT the 2004 Preliminary Estimates, Operating and Capital, be approved;**

**AND FURTHER THAT Toronto and Region Conservation Authority (TRCA) staff and officials be authorized and directed to make appropriate representation to the TRCA's funding partners about the 2004 Preliminary Estimates.**

**CARRIED**

**BACKGROUND**

Annually, staff prepares preliminary budget estimates for discussion with, and submission to, the TRCA's major municipal funding partners. The Regions of Peel, York and Durham and the City of Toronto have specific and detailed processes for submission of the TRCA's funding requests. Staff meet with their municipal counterparts to review the TRCA's work to date on various projects and to present the Authority's needs in 2004 and beyond. In the case of the Regions of Peel, York and Durham, these presentations are made in cooperation with other conservation authorities who have jurisdiction within those regions. Following the discussions with the funding partners, staff will prepare the final 2004 budget which is presented to the Business Excellence Advisory Board (BEAB) in April, 2004.

In recent years, staff has tabled with the advisory board and the Authority multi-year business plans which include detailed business unit information as well as five year budget projections. Staff continues to refine the business plan format and process. The business plan will be presented as part of the 2004 final budget presentation.

## **RATIONALE**

Attached is a summary table which describes at a high level the operating requirements of the TRCA in 2004. At the meeting of the BEAB on October 3rd, staff will review with the Members in more detail the various budget issues which are summarized in this report, and provide capital estimates as they have been presented to the municipal funding partners.

### **Operating Estimates**

- The operating estimates assume that the operating levy from the city and three regions will increase by an average of 10%. The Members have been advised previously that this was the target which would be presented to the TRCA funding partners. The apportionment of the levy is based on modified Current Value Assessment (CVA). Based on information from the province, the shift in 2004 will be modest, no more than 2% among the city, the regions, Mono and Adjala-Tosorontio.
- Operating revenues will increase in a number of programs; BCPV has built in fee and parking increases;
- As described in the communication on planning fees, service level improvements are coupled with significant fee increases for permits and planning approvals.
- The increase in revenue from the Conservation Foundation of Greater Toronto (CFGT) includes significant development of The Living City program.
- 86% of the gross expenditure increase, or \$2.24 million, is attributed to salary/benefit pressures including salary/wage inflationary adjustments of 3%; cost of OMERS due to the accelerated reintroduction of premiums; increased health benefit costs; annualization of salary/wage adjustments and 2003 hirings.
- The balance of the gross expenditure increase results from general inflation of service/utility costs; significant increases in property insurance premiums.

### **Capital Programs**

- At this stage in the budget process, staff has provided the staff of three regions and the city with projected capital requirements for 2004 to 2008; growth in capital expenditures is consistent with the multi-year projections;
- Capital expenditure estimates for infrastructure projects, i.e. public use; major facilities retrofit, information technology, are as projected and shared among the funding partners on the basis of CVA; new funding is requested for specific conservation area facilities such as campgrounds and washrooms and for water systems in various locations.
- Water management related capital includes various projects such as groundwater monitoring, terrestrial natural heritage, flood plain mapping, flood control works which in varying amounts is funded from municipal water rates.
- The budget includes major works under the Toronto Waterfront Revitalization Corporation, including Port Union, Lower Don E.A. and Mimico shoreline.
- A major new project is The Living City Centre/Kortright retrofit project which involves new funding requests to York Region, specifically, and the other municipal funding partners as well as potential funding from the province, federal government, and CFGT.
- Greenspace acquisition is also included in the projections.

At the meeting on October 3rd, staff will present the capital budget requests that are being discussed with the Regions of Peel, York and Durham and the City of Toronto.

**For Information contact: Jim Dillane, extension 6292**

**Date: September 30, 2003**

**Attachments: 2**

Attachment 1

THE TORONTO AND REGION CONSERVATION AUTHORITY  
FOR OCTOBER 3, 2003 BUSINESS EXCELLENCE BOARD - 2004 PRELIMINARY BUDGET

OPERATING:

ACTIVITY	<-----2004 PRELIMINARY BUDGET----->						<-----2003 BUDGET----->						04 / 03 CHANGE		
	GROSS EXPEND.	OPERATING REVENUE	RE-SERVES	CFGT **	OTHER REVENUE	*NET EXPEND.	GROSS EXPEND.	OPER. REVENUE	ERVES	CFGT	OTHER REVENUE	*NET EXPEND.	GROSS EXPEND	NET EXPEND	Net.Exp. Change
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	\$	
<b>FINANCE &amp; BUSINESS DEVELOPMENT</b>															
Administration	1,820,400	325,000				1,495,400	1,662,900	300,000	60,000		1,302,900	9.5%	14.8%	192,500	
Rental Properties	1,671,300	2,285,100				(613,800)	1,344,200	1,974,400			(630,200)	24.3%	2.6%	16,400	
Greenspace Protection & Acquisition	1,454,900				55,000	1,399,900	1,323,700			55,000	1,268,700	9.9%	10.3%	131,200	
Black Creek Pioneer Village	4,301,700	1,994,300			500,000	1,807,400	3,974,700	1,915,600		370,000	1,689,100	8.2%	7.0%	118,300	
Food Services (excl. internal)	1,085,900	1,085,900					1,085,900	1,085,900							
	10,334,200	5,690,300			555,000	4,088,900	9,391,400	5,275,900	60,000		425,000	3,630,500	10.0%	12.6%	458,400
<b>WATERSHED MANAGEMENT</b>															
Program Administration	270,000					270,000	245,300		79,400		155,900	10.1%	73.2%	114,100	
Development Services	1,837,100	1,740,000		65,000	30,000	2,100	1,327,200	690,000		65,000	542,200	38.4%	-99.6%	(540,100)	
Watershed Strategies	2,113,600			856,000	692,100	565,500	1,655,900			421,000	697,100	27.6%	5.2%	27,700	
Resource Science	1,759,200	208,200		153,200		1,397,800	1,081,000			10,000	1,071,000	62.7%	30.5%	326,800	
Environmental Services	1,550,200	405,500		208,800	495,400	440,500	1,862,100	791,800		251,700	418,600	-16.7%	5.2%	21,900	
C.A. Public Use/ Land Management	4,804,000	3,791,800		68,300	5,000	938,900	4,737,000	3,847,100		68,300	5,000	816,600	1.4%	15.0%	122,300
Enforcement and Security	436,100					436,100	346,900	10,000			336,900	25.7%	29.4%	99,200	
	12,770,200	6,145,500		1,351,300	1,222,500	4,050,900	11,255,400	5,338,900	79,400	806,000	1,152,100	13.5%	4.4%	171,900	
<b>OFFICE OF THE CAO</b>															
Marketing Development	117,500					117,500	124,500				124,500	-5.6%	-5.6%	(7,000)	
Communications	561,200					561,200	513,700				513,700	9.2%	9.2%	47,500	
Corporate Services	882,100					882,100	861,600		60,000		801,600	2.4%	10.0%	80,500	
Conservation Field Centres	2,094,100	1,491,300		122,000	84,000	396,800	1,914,900	1,390,300	12,000	122,000	83,500	9.4%	29.2%	89,700	
	3,654,900	1,491,300		122,000	84,000	1,957,600	3,414,700	1,390,300	72,000	122,000	83,500	7.0%	12.1%	210,700	
<b>VEHICLE &amp; EQUIPMENT</b>															
Acquisitions adn Maintenance	738,000					738,1000	760,6000		100,000						
Program recoveries	(738,000)					(738,100)	(660,600)								
	0					0	100,000	0	100,000	0	0	-100.0%		0	

OPERATING SUMMARY:

TOTALS	26,759,300	13,327,100		1,473,300	1,861,500	10,097,400	24,161,500	12,005,100	311,400	928,000	1,660,600	9,256,400	10.8%	9.1%	841,000
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Net Expenditures funded by:

MNR TRANSFER PAYMENTS-PROGRAM OPERATING AND ADMINISTRATION	845,800					845,800						845,800			
MUNICIPAL LEVY						9,251,600						8,410,600	10.0%		841,000
						10,097,400						9,256,400			841,000

Deficit / (Surplus)

0

\* Net Expenditures in this document consist of the Municipal Levies and MNR Transfer Payments summarized above.

\*\*CFGFT stands for The Conservation Foundation of Greater Toronto.

**Attachment 2**

**THE TORONTO AND REGION CONSERVATION AUTHORITY  
2004 OPERATING BUDGET: SUMMARY OF CHANGES OVER 2003  
FOR OCTOBER 3/03 BUSINESS EXCELLENCE BOARD**

<u>ACTIVITY</u>	<u>GROSS EXPEND.</u> \$000's Increase/(Decrease)	<u>NET</u>
<b>OPERATING:</b>		
<b><u>FINANCE &amp; BUSINESS DEVELOPMENT</u></b>		
Administration	157,500	192,500
Rental Properties	327,100	16,400
Greenspace Protection & Acquisition	131,200	131,200
Black Creek Pioneer Village	327,000	118,300
Food Services	0	0
	942,800	458,400
<b><u>WATERSHED MANAGEMENT</u></b>		
Program Administration	24,700	114,100
Plan Review	509,900	(540,100)
Watershed Strategies	457,700	27,700
Resource Science	678,200	326,800
Environmental Services	(311,900)	21,900
C.A. Public use & Land Management	67,000	122,300
Enforcement and Security	89,200	99,200
	(1,514,800)	171,900
<b><u>CORPORATE SERVICES</u></b>		
Communications	47,500	47,500
Corporate Services- Customer Service - Corp Sec./ HR	20,500	80,500
Marketing	(7,000)	(7,000)
Conservation Field Centres	179,200	89,700
	(240,200)	210,700
<b><u>VEHICLE &amp; EQUIPMENT</u></b>		
Acquisitions and Maintenance	(22,500)	77,500
Program recoveries	(77,500)	(77,500)
	(100,000)	0
<b><u>OPERATING SUMMARY:</u></b>		
<b>TOTALS</b>	2,597,800	841,000
<b>Net Expenditures funded by:</b>		
<b>MNR TRANSFER PAYMENTS-</b>	0	0
<b>PROGRAM OPERATING AND</b>		
<b>ADMINISTRATION</b>		
<b>MUNICIPAL LEVY INCREASE</b>	0	841,000

<b><u>BREAKOUT OF STAFF \$ CHANGES:</u></b>	<b><u>% of Gross Increase</u></b>
Benefits: General	194.4      7.5%
-OMERS (including new positions)	525.0      20.2%
Salaries - 3% proposed wage adjustment	375.0      14.4%
-Increase of 15 FTE's: Some proposed, some new, some partial to full year	817.0      31.4%
-Reclassifications & increments	
	330.2      12.7%
	2,241.6      86.3%

**RES.#C22/03** -

**REVIEW OF RESERVES POLICY**

Staff report on Toronto and Region Conservation Authority (TRCA) reserves as requested at Business Excellence Advisory Board Meeting #5/03.

Moved by: Bill O'Donnell  
Seconded by: Rob Ford

**IT IS RECOMMENDED THAT the staff report dated September 25, 2003 on reserves be received.**

**AMENDMENT**

**RES.#C23/03**

Moved by: Bill O'Donnell  
Seconded by: Rob Ford

**THAT the main motion be amended to read:**

**IT IS RECOMMENDED THAT the staff report dated September 25, 2003 on the status of reserves be received.**

**AND FURTHER THAT staff be directed to report back on a policy to develop and manage reserves.**

**THE AMENDMENT WAS**

**CARRIED**

**THE MAIN MOTION, AS AMENDED, WAS**

**CARRIED**

**BACKGROUND**

In view of the discussion precipitated by the tabling of the interim financial progress report at its last meeting and staff's concerns regarding TRCA's ability to respond to significant losses of revenue caused by weather, natural disaster or economic downturn, the Business Excellence Advisory Board requested a report on TRCA reserves, and generally, on how the TRCA can protect itself, in future, from significant losses of revenue. On December 31, 2002 the TRCA's nine reserves totalled \$2,210,949, as itemized in the table below. These reserves were established over a number of years and, with one exception, are completely under the control of the TRCA.

Vehicle & equipment	\$446,792
Food service equipment	23,784
Major office equipment	31,061
Recreation development and restoration	306,075
Major maintenance	225,910
Lakefill quality control	284,837
Tree donation program	38,148
Special projects	804,342
Funds held under Provincial revenue sharing policy	50,000
<b>TOTAL</b>	<b>\$2,210,949</b>

#### Funds held under provincial revenue-sharing policy

This reserve is the only one that is not under complete control of the TRCA. The reserve holds funds received from the sale of assets (usually land) or long term leases, as directed by policy of the Ministry of Natural Resources. Ministry policy dictates that after Minister's approval is obtained to dispose of land, the TRCA must hold the proceeds in reserve to finance approved projects. The ministry's policy applies to assets which were acquired with provincial funds, in whole or in part. The \$50,000 current balance results from an initial deposit on the Earth Ranger's lease at Kortright. By 2005, lease payments will total \$1.2 million, all of which must be spent on improvements at Kortright, in accordance with the Minister's approval.

#### Vehicle & equipment reserve

The TRCA operates approximately 45 vehicles, passenger and truck, and numerous pieces of equipment such as mowers, tree spades, etc., which have an original cost of approximately \$3.4 million and which have varying amounts of useful lives remaining. Management guidelines are in place for replacement, additional units or redeployment of items, where feasible. An appropriate "charge back" is developed for each unit, to ensure that not only the original investment is recovered from operating and capital budgets, but also the annual operating costs. Charge back amounts can be varied at any time to factor in unusual circumstances, e.g., higher usage than originally contemplated when the charge back rates were first established.

#### Food Service \ Major Office Equipment \ Major Maintenance

These reserves were established with the intent of moderating the impact on operating budgets caused by non-recurring large equipment or maintenance expenditures.

### Recreation development and restoration

The “recreation development and restoration” reserve was established in the mid 1980's when TRCA entered into a long term lease with the operator of a water park at Claireville, now run by Wild Water Kingdom Ltd. A portion of each year's lease payments were set aside so that at the expiry of the lease sufficient funds would be available to renaturalize the grounds upon which the park was situated, in the event the operator failed to do so. An updated assessment of the park's infrastructure is required to re-establish the cost of renaturalization, when the lease expires. It must be noted that if the lease is renewed, then the potential for the TRCA to incur any cost becomes less likely.

### Lakefill quality control

When the TRCA launched the “Improved Lakefill Quality Control Program”, there was a certain amount of concern whether the revenue streams would be consistent enough from year to year to cover the annual, relatively fixed program costs and so it established the reserve to not only ensure the programs viability but also to have some funds to effect an orderly shut down of the program, should the need arise. As it turned out, revenues have been sufficient to carry the program and to also fund a small number of watershed management projects. For a number of reasons, it now appears that fill revenues will be a small fraction of the levels once achieved, and no significant costs are contemplated were the program to cease operating completely. There is a growing demand for an "inland fill quality program" which is in pilot testing and may require some start-up funds from this reserve.

### Tree donation program

Originally an initiative of The Conservation Foundation of Greater Toronto (CFGF), this program has recently been transferred to the TRCA for management, although the CFGF continues to actively solicit donations. Under this program, we have assumed an obligation to plant memorial trees within the designated Donor Forest in Kleinburg and to maintain them in perpetuity.

### Special projects

The “special projects” reserve has been accumulating over several years with revenues generated by a variety of revenue producing ventures of the Environmental Services section, by charging subdivision developers for the relocation of unwanted top soil. Staff have been recommending an updated/expanded nursery workshop and office complex for many years and, subject to budgetary approval, plan to use this reserve to achieve that objective.

**Report prepared by: Rocco Sgambelluri, extension 5232**  
**For Information contact: Rocco Sgambelluri or Jim Dillane, extension 6292**  
**Date: September 25, 2003**

## **SECTION IV - ITEMS FOR THE INFORMATION OF ANOTHER BOARD**

### **RES.#C24/03 - FINANCIAL PROGRESS REPORT**

As of September 30, 2003. Update to the Financial Progress Report presented to the Business Excellence Advisory Board (BEAB) at its meeting held on September 5, 2003.

Moved by: Rob Ford  
Seconded by: Bill O'Donnell

**IT IS RECOMMENDED THAT the Financial Progress Report dated September 30, 2003, be received.**

**CARRIED**

### **BACKGROUND**

At the meeting of the BEAB held on September 5, 2003, staff presented the Financial Progress Report for the period ending July 31, 2003. Staff advised of a number of issues which affected the financial performance of the Toronto and Region Conservation Authority (TRCA) including:

- TRCA revenues have been hurt by a number of events including SARS, the threat of West Nile virus, the decline in value of the U.S. dollar in relation to the Canadian dollar and the weather. Staff reported on the potential impact of SARS in an earlier report and received direction to investigate opportunities to receive relief.
- Black Creek Pioneer Village, Kortright Centre and the conservation areas, including campgrounds, have seen diminished revenues.

Staff advised that if no further action was taken to deal with the reduced revenues and unplanned expenditure increases, a deficit of \$451,900 is projected. Actions to be taken included:

- Conservation areas and Black Creek Pioneer Village will each find about \$100,000 in net expenditure reductions: this will be done by reducing expenditures in various categories.
- Development Services and Resource Science have an opportunity for additional revenue of \$100,000 including the strengthening of collection procedures for planning and permitting fees.
- Delaying hiring and gapping, as well as reductions in corporate service spending, will produce \$100,000 in savings.
- The balance will be made up from reserves if necessary.

Staff also advised that the August electricity outage had an impact, particularly on Black Creek Pioneer Village which was closed on the weekend of the power shortage and lost significant revenue. Staff is advised that the province has a program to reimburse organizations for losses. To date, staff has not received information about the provincial program.

After discussion with the BEAB, staff was directed to provide a report on the current status of TRCA reserves. This is included in the agenda of the October 3rd meeting, and an additional report on options with respect to reserves will be brought forward at a future BEAB meeting. Also, staff was directed to report to the BEAB at its October 3, 2003 meeting on further changes and adjustments needed to avoid a deficit, which is the subject of this communication.

## **RATIONALE**

Attached is an updated Financial Progress Report to September 30, 2003. With minor exceptions, the projections prepared as of July 31, 2003, continue to be valid. Black Creek Pioneer Village has seen its revenue projections deteriorate by about \$50,000 due to weather and the electricity outage in August. This is an added pressure. In effect, the projected deficit (assuming no further action) of \$451,900 previously projected is now at about \$500,000.

Further, there is now an additional concern with the financial impact of the Asian Long Horned Beetle infestation. Costs are being incurred and recorded with the expectation that funding from the province and/or Government of Canada will be available. No estimates of the potential costs are available.

Options to deal with the deficit are as outlined above, and staff is implementing the actions identified. Also, the Conservation Foundation has increased its fund raising target and efforts for 2003. If the CFGT is successful, and if they were willing to do so, a portion of the increased fund raising could be allocated to assist the TRCA.

## **DETAILS OF WORK TO BE DONE**

Staff will continue to monitor the financial situation and advise at the November 14th BEAB meeting of any further developments. Staff continue to seek out potential government programs which offer relief for revenues lost due to SARS and the electricity outage.

**Report prepared by: Jim Dillane, extension 6292**

**For Information contact: Jim Dillane, extension 6292**

**Date: September 30, 2003**

**Attachments:1**

**Attachment 1**

**PROGRESS REPORT AS OF JUNE 30, 2003, UPDATED FOR SUMMER REVENUE RESULTS  
SUMMARY OF PROJECTED VARIANCES AT DECEMBER 31, 2003**

<u>ACTIVITY</u>	<u>Expenditures</u> \$ Over/(Under)	<u>Revenue</u> \$ Over/(Under)	<u>Net Expenditures</u> \$ Over/(Under)
<b><u>FINANCE &amp; BUSINESS DEVELOPMENT</u></b>			
Administration	30,000	50,000	(20,000)
Rental Properties	(197,300)	(258,000)	60,700
Greenspace Protection & Acquisition	(28,800)	35,000	(63,800)
Black Creek Pioneer Village	(149,500)	(392,900)	243,400
Food Services	(76,300)	(112,900)	36,600
<b><u>WATERSHED MANAGEMENT</u></b>			
Program Administration	(22,000)	0	(22,000)
Development Services	13,000	(53,400)	66,400
Watershed Strategies	106,000	111,000	(5,000)
Resource Science	(14,500)	0	(14,500)
Environmental Services	(36,700)	(36,700)	0
C.A. Public use & Land Management	(155,400)	(352,000)	196,600
Enforcement and Security	0	(10,000)	10,000
		0	
<b><u>CAO'S OFFICE DIVISION</u></b>			
		0	
Marketing	(3,500)	0	(3,500)
Communications	(44,000)	0	(44,000)
		0	
Corporate Services	(9,700)	(35,700)	26,000
Conservation Field Centres	(96,000)	(129,000)	33,000
<b><u>VEHICLE &amp; EQUIPMENT</u></b>			
Acquisitions and Maintenance	(25,500)	(25,500)	0
Program recoveries	0	0	0
Operating total	(710,200)	(1,210,100)	<b>499,900</b>
<b><u>CAPITAL</u></b>			
Land Projects	0	0	0
Admin Infrastructure	0	0	0
Enviro. Projects	(103,900)	0	(103,900)
Erosion/Flood Control	0	0	0
Waterfront incl. Port Union	(3,047,700)	(2,050,000)	(997,700)
Public Use Infrastructures	(400,000)	(400,000)	0
Capital total	(3,551,600)	(2,450,000)	<b>(1,101,600)</b>
<b>Projected Change in Levy / Grant usage</b>			<b>(1,101,600)</b>

**Total Projected Deficit / (Surplus)**

**499,900**

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**TERMINATION**

ON MOTION, the meeting terminated at 10:13 a.m., on Friday, October 3, 2003.

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David Barrow  
Vice Chair

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Brian Denney  
Secretary-Treasurer

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