

FURTHER TO BUSINESS EXCELLENCE ADVISORY BOARD #6/03
To be held October 3, 2003

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8.2 FINANCIAL PROGRESS REPORT

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TO: Chair and Members of the Business Excellence Advisory Board
Meeting #6/03, October 3, 2003

FROM: James W. Dillane, Director, Finance and Business Development

RE: **2004 PRELIMINARY ESTIMATES, CAPITAL AND OPERATING**
Overview

KEY ISSUE

Presents an overview of the 2004 Capital and Operating Preliminary Estimates.

RECOMMENDATION

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.

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.

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Date: September 30, 2003
Attachments: 2

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	RESERVE CFGT **	NET EXPEND.	GROSS EXPEND.	OPERATING REVENUE	RESERVE CFGT	NET EXPEND.	%	Net Exp. Change
FINANCE & BUSINESS DEVELOPMENT										
Administration	1,820,400	325,000		1,495,400	1,662,900	300,000	60,000	1,302,900	9.5%	14.8%
Rental Properties	1,671,300	2,285,100		(613,800)	1,344,200	1,974,400		(630,200)	24.3%	2.6%
Greenspace Protection & Acquisiti	1,454,900			1,399,900	1,323,700			1,268,700	9.9%	10.3%
Black Creek Pioneer Village	4,301,700	1,994,300		1,807,400	3,974,700	1,915,600		1,699,100	8.2%	7.0%
Food Services (excl. Internal)	1,085,900	1,085,900		4,088,900	1,085,900	1,085,900		3,630,500	10.0%	12.6%
	10,334,200	5,690,300		4,088,900	9,391,400	5,275,900	60,000	425,000		4.8%
WATERSHED MANAGEMENT										
Program Administration	270,000			270,000	245,300		79,400	155,900	10.1%	73.2%
Development Services	1,837,100	1,740,000		2,100	1,327,200	690,000		542,200	38.4%	(540,100)
Watershed Strategies	2,113,600			565,500	1,655,900		421,000	537,800	27.6%	5.2%
Resource Science	1,759,200	208,200		1,397,800	1,081,000		10,000	1,071,000	62.7%	30.5%
Environmental Services	1,550,200	405,500		440,500	1,862,100	791,800		418,600	(16.7%)	5.2%
C. A. Public User Land Manager	4,804,000	3,791,800		938,900	4,737,000	3,847,100		816,600	1.4%	15.0%
Enforcement and Security	436,100			436,100	346,900	10,000		336,900	25.7%	29.4%
	12,770,200	6,145,500		4,050,900	11,255,400	5,338,900	79,400	3,879,000	13.5%	4.4%
OFFICE OF THE CAO										
Marketing	117,500			117,500	124,500			124,500	(5.6%)	(7,000)
Development	561,200			561,200	513,700			513,700	9.2%	47,500
Corporate Services	882,100			882,100	861,600		60,000	801,600	2.4%	80,500
Conservation Field Centres	2,094,100	1,491,300		396,800	1,914,900	1,390,300	12,000	307,100	9.4%	28.2%
	3,654,900	1,491,300		1,957,600	3,414,700	1,390,300	72,000	1,746,900	7.0%	210,700
VEHICLE & EQUIPMENT										
Acquisitions and Maintenance	738,100			738,100	760,600		100,000	660,600	(3.0%)	11.7%
Program recoveries	(738,100)			(738,100)	(660,600)			(660,600)	(11.7%)	(77,500)
	0			0	100,000		100,000	0	0	0
OPERATING SUMMARY:										
TOTALS	26,759,300	13,527,100		10,097,400	24,183,500	12,005,100	314,400	928,000	10.8%	5.1%
Net Expenditures funded by:										
MNR TRANSFER PAYMENTS- PROGRAM OPERATING AND ADMINISTRATION				845,800				845,800		10.0%
MUNICIPAL LEVY				8,251,800				8,410,500		841,000
				10,097,400				9,256,400		841,000
Deficit / (Surplus)				0				0		

* Net Expenditures in this document consist of the Municipal Levies and MNR Transfer Payments summarized in the box above.
** CFGT stands for 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>
OPERATING:		
<u>FINANCE & BUSINESS DEVELOPMENT</u>		
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
<u>WATERSHED MANAGEMENT</u>		
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
<u>CORPORATE SERVICES</u>		
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
<u>VEHICLE & EQUIPMENT</u>		
Acquisitions and Maintenance	(22,500)	77,500
Program recoveries	(77,500)	(77,500)
	(100,000)	0
<u>OPERATING SUMMARY:</u>		
TOTALS	2,597,800	841,000
Net Expenditures funded by:		
MNR TRANSFER PAYMENTS-	0	0
PROGRAM OPERATING AND ADMINISTRATION		
MUNICIPAL LEVY INCREASE	0	841,000

BREAKOUT OF STAFF \$ CHANGES:

	Gross Increase	% of
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%