



LAKEHEAD REGION
CONSERVATION AUTHORITY

2024 Draft Budget

September 2023
Version 2.0

PREPARED BY:
Tammy Cook, CAO
Mark Ambrose, Finance Manager

VERSION		Approval Date	RESOLUTION #
2024 Version 1.0	Draft Budget for consultation	August 30, 2023	#83/23
2024 Version 2.0	Draft Budget for consultation (edits)		
2024 Version 3.0	Levy		
	Reserve Withdrawals		
	Budget Document		

EXECUTIVE SUMMARY

The first phase of the budget process has been completed by staff resulting in the completion of the Draft 2024 Budget. As part of the second phase of the process, the Draft Budget is being presented to the Board at the August Board Meeting for approval, prior to the being sent to each Member Municipality and being posted on the Authority's website, as required in O. Reg. 402/22. Consultation with Member Municipalities will be held as warranted in order to finalize the Final Budget, which will be presented to the Board at the November Board Meeting for approval.

The 2024 Draft Budget document contains details for the Lakehead Region Conservation Authority's (LRCA) planned operations and capital activity. The Draft Budget is \$2,906,519 which includes a total levy of \$1,854,691 of which all Member Municipalities pay \$1,109,775 with the remainder being sole-benefitting levy to the City of Thunder Bay (\$744,916).

It is noted that at the time of budget preparation confirmation had not been received that the long-standing provincial Section 39 Transfer Payment was forthcoming in 2024 from the province. For budget purposes, it has been assumed it will be provided. If funding does not materialize, staff will come back to the Board with a revised budget, including the use of Reserve Funds from the Operating Capital Category. It is noted that notification of provincial funding is consistently late.

The budget results in a 3.01% increase in levy-all in 2024 compared to 2023. The 2024 budget requires a 3.01% increase in order to maintain its current level of service, which is well below the current cost-of-living increases.

Financial pressures anticipated in 2024 include: Salaries and Wage increases; increase in fuel costs; and increased costs of goods and services due to inflation.

Changes to the *Conservation Authorities Act* within Bill 229, Schedule 6 and the released Phase 1 and 2 regulations have been incorporated into the budget. The 2024 budget has been formatted to adhere to legislative changes that will come into effect for the 2024 budget. Programs have been categorized into three mandated categories including:

- Category 1: Mandatory Programs and Services
- Category 2: Non-Mandatory Programs and Services at the request of a Municipality
- Category 3: Non-Mandatory Programs and Services

Highlights of the 2024 Budget expenditures include:

- Continuation of the annual programming including:
 - Plan Review,
 - Development Regulations,

- Flood Forecasting and Warning,
- Operation and maintenance of LRCA owned properties,
- Stewardship, and
- Education programming.
- Capital improvements at the Conservation Areas
 - Hazelwood – Parking Lot various small renovations
 - Mills Block – Parking lot design to enlarge and move
 - Little Trout Bay – Installation of a floating dock/kayak launch
 - Cascades – Update entrance sign
- Other items
 - LRCA 70th Anniversary event(s)
 - Update of Authority website
 - Completion of mandated tasks (due December 31, 2024)
 - Conservation Area Strategy
 - Watershed Based Resource Management Strategy
 - Ice Management Plan
 - Asset Management Plan – Victor Street
 - Asset Management Plan – Neebing-McIntyre Floodway
 - Operational Plan – Victor Street
 - Operational Plan – Neebing-McIntyre Floodway

The Watershed Stewardship Technician contract will continue for a full year using MNRF Transfer Payment funding and other funding (non-levy). The Education Coordinator position will continue using non-levy funds.

The total Budget Levy is summarized in Appendix A including the amount applicable to each Member Municipality. Appendix B outlines the cost for each Member Municipality based on per resident, per household and \$100,000 of assessed value.

Overall, the 2024 Budget reflects the short-term objectives of the Authority and considers long-term requirements to ensure the LRCA can provide sustainable benefits to the watershed residents, while meeting the Authority’s legislative responsibilities.

TABLE OF CONTENTS

1	INTRODUCTION.....	1
2	BACKGROUND.....	2
2.1	Mandate.....	2
2.1.1	Purpose.....	3
2.1.2	Founding Principles.....	3
2.1.3	Objects of an Authority.....	3
2.2	Organization Details.....	3
2.2.1	Area of Jurisdiction.....	3
2.2.2	Board of Directors/Members.....	4
	Agricultural Representative.....	4
2.2.3	Staff Complement.....	5
2.2.4	Conservation Areas.....	5
2.2.5	Other Land Owned by the LRCA.....	6
2.2.6	Watershed Monitoring.....	6
2.3	Sources of Funding.....	7
2.3.1	Grant Revenue.....	8
2.3.1.1	Provincial Section 39 Transfer Payment.....	8
2.3.1.2	Source Water Protection Funding.....	9
2.3.1.3	Water and Erosion Control Infrastructure Funding.....	9
2.3.2	Municipal Levy.....	10
2.3.2.1	Levy – All.....	10
2.3.2.2	Sole- Benefitting Levy.....	10
2.4	Modified Current Value Assessment (MCVA).....	10
2.5	Budget Approval Process.....	11
2.5.1	O. Reg. 402/22: Budget and Apportionment.....	11
2.5.2	Budget Approval Methods.....	12
2.6	Asset Management Plan.....	14
2.7	Reserve Policy.....	15
2.8	Purchasing Policy.....	15
2.9	Lakehead Conservation Foundation.....	15
2.10	Conservation Ontario.....	15
2.11	Programs and Services.....	16
2.11.1	Category 1 – Mandatory Programs and services.....	16
2.11.2	Category 2 – Non-Mandatory Programs and services at the request of a municipality.....	17
2.11.3	Category 3 – Non-MANDATORY Programs and SERVICES.....	19
2.11.4	Corporate Services.....	20
3	2023 BUDGET.....	20
	Budgeted Revenue.....	20
	Consideration of opportunities to raise and use self-generated revenue.....	22

	Budgeted Expenditures.....	23
3.1	Corporate services	25
	Administration	25
	Community Relations.....	26
	Vehicle and Equipment Program	26
	Information technology management.....	28
	corporate GIS	28
3.2	Category 1: Mandatory programs and services.....	29
3.2.1	Risk of Natural Hazards.....	29
	Floodplain Mapping	29
	Technical Studies	30
	CommUnications and Outreach.....	31
	Flood Forecasting and Warning	31
	Drought and Low Water Response	32
	Ice Management	32
	Infrastructure: Neebing-Mcintyre Floodway	33
	Infrastructure: Victor Street Erosion	35
	Review of Proposals under an Act	36
	Plan Review Comments	36
	Administering and Enforcing the Act (Section 28 Development Regulations). 37	
3.2.2	Conservation and Management of Lands owned and controlled by the LRCA 38	
	Conservation Areas.....	38
	Administer Section 29 Regulations in Conservation Areas	40
	Other Owned Land.....	41
3.2.3	Source Water Protection	43
3.2.4	Other Programs and services	44
	Provincial Groundwater Monitoring Network (PGMN).....	44
	Provincial Water Quality Monitoring Network (PWQMN)	45
	Watershed Based Resource Management Strategy.....	45
3.3	Category 2: Non-Mandatory Programs at the request of a Municipality.....	46
	Mapping Service.....	46
3.4	Category 3: Non-Mandatory Programs.....	47
3.4.1	Education	47
	Environmental Education.....	47

	Nature Interpretive Programming	47
3.4.2	Stewardship	48
	superior stewards Program	48
	Tree Seedling Program.....	49
	Private Land Stewardship	50
3.4.3	Green Infrastructure Research Project.....	51
4	RESERVE APPROPRIATIONS	52
4.1	Percentage of Target Reserve Limit Reached	53
4.2	2024 Planned Appropriations to and from Reserves	54
5	CONCLUSION.....	55
6	RECOMMENDATIONS	56

LIST OF FIGURES

Figure 1: Projected Revenues

Figure 2: Projected Expenses by Program

Figure 3: 2024 Budget Summary

Figure 4: Levy-all Comparison for the period of 2018 to 2024

Figure 5: Budget Levy Comparison

Figure 6: 2024 Compared to 2023 Levy Cost Comparison

LIST OF APPENDICES

Appendix A: 2024 Budget Summary

Appendix B: Budget Levy Comparison

Appendix C: Passed Resolutions

1 INTRODUCTION

The Lakehead Region Conservation Authority (LRCA) draft budget for 2024 is \$2,906,519 which includes a total levy of \$1,854,691 of which all Member Municipalities pay \$1,109,775 with the remainder being sole-benefitting levy to the City of Thunder Bay (\$744,916).

The budget results in a 3.01% increase in levy-all in 2024 compared to 2023. The 2024 budget requires a 3.01% increase in order to maintain its current level of service, which is well below the current cost-of-living increases.

The total Budget Levy is summarized in Appendix A including the amount applicable to each Member Municipality, which includes a summary of the breakdown between Operating and Capital. Appendix B outlines the cost for each Member Municipality based on per resident, per household and \$100,000 of assessed value.

It is noted that at the time of budget preparation confirmation had not been received that the long-standing provincial Section 39 was forthcoming for the 2024/2025 fiscal budget year from the province. For budget purposes, it has been assumed it will be provided. If funding does not materialize, staff will come back to the Board with a revised budget, including the use of Reserve Funds from the Operating Capital Category. It is noted that notification of provincial funding is consistently late.

2 BACKGROUND

The LRCA is a community-based environmental protection and advisory agency, established in 1954 (initially the Neebing Valley Conservation Authority) by the Province of Ontario at the request of municipalities in the Lakehead watershed. The LRCA's purpose is to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in the Lakehead Watershed. Conservation Authorities undertake a broad range of programs, including: watershed management, erosion control, Flood Forecasting and Warning, recreation and land management, water level monitoring, Plan Review, environmental education and stewardship. We improve quality of life by actively providing Conservation Areas for semi-passive recreation and environmental education opportunities.

Our integrated approach to resource management leads to a wide range of programs and projects, which are aimed at keeping our watersheds healthy. We improve quality of life by actively providing open space and protecting life and property from flooding and erosion, as well as restoring and conserving aquatic and natural habitats. In addition to serving our watershed residents, we also provide advice and counsel to all levels of government regarding natural hazards.

The LRCA is one of 36 Conservation Authorities across Ontario, including one of five in Northern Ontario.

Historically Conservation Authorities were administered by Ministry of Natural Resources and Forestry (MNRF); however, in 2018, Conservation Authorities were moved under the Ministry of Environment, Conservation and Parks (MECP). In September 2022, Conservation Authorities were moved back under the administration of MNRF.

2.1 MANDATE

In 2017, the LRCA adopted vision and mission statements and in January 2018, the LRCA adopted its first ever Five-Year Strategic Plan for the period 2018-2022. The Strategic Plan was updated in 2022 for the next five-year period (2023-2027). The Strategic Plan identifies four main priorities including: conserve and sustain; protect and support; connect and explore; and govern and enhance. LRCA's vision and mission statements are as follows:

Vision: A healthy, safe and sustainable Lakehead Watershed for future generations.

Mission: To lead the conservation and protection of the Lakehead Watershed.

Action items will be drafted taking into consideration the identified initiatives in the Strategic Plan, which will be incorporated into future work plans and budgets, as well as the overall business of the Authority.

2.1.1 PURPOSE

With the passing of Bill 139 on December 12, 2017, a purpose statement was added to the *Conservation Authorities Act*, which states:

The purpose of this Act is to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario.

2.1.2 FOUNDING PRINCIPLES

Conservation Authorities are based on three fundamental principles:

- Municipal and Provincial partnership
- Local initiative and involvement
- Management of natural resources on a watershed basis.

2.1.3 OBJECTS OF AN AUTHORITY

Per Section 20(1) of the *Conservation Authorities Act*,

The objects of an authority are to provide, in an area over which it has jurisdiction,

- a) the mandatory programs and services required under Section 21.1;
- b) any municipal programs and services that may be provided under section 21.1.1; and
- c) any other program or services that may be provided under section 21.1.2.

2.2 ORGANIZATION DETAILS

2.2.1 AREA OF JURISDICTION

The LRCA Area of Jurisdiction (2,719 square kilometres) includes:

- City of Thunder Bay
- Municipality of Neebing
- Municipality of Shuniah
- Municipality of Oliver Paipoonge
- Township of Conmee
- Township of O'Connor
- Township of Gillies
- Township of Dorion

The Ministry of Natural Resources and Forestry (MNRF) is responsible for areas outside the jurisdiction of the Authority.

The scientific boundary of the Lakehead Watershed is 11,526 square kilometres.

2.2.2 BOARD OF DIRECTORS/MEMBERS

Policy and budget decisions are made by a Board of Directors comprised of eleven members appointed by LRCA's Member Municipalities. The number of representatives appointed as Members of the LRCA Board of Directors is based on population as outlined in subsection 2(2) of the *Conservation Authorities Act*.

Per Bill 229, Schedule 6, as of the end of the 2022 term of the Board, at least 70% of the appointees to the Board must be municipal councillors, unless an exception has been granted by the Minister, at the request of a municipality (per Section 14(1.1), 14(1.2) of the *Conservation Authorities Act*). Therefore, unless an exception has been granted each Member Municipality must only appoint municipal councillors, with the exception being the City of Thunder Bay who has four Members. They will be required, at a minimum, to appoint three municipal councillors. Prior to this change, the City of Thunder Bay appointed two municipal councillors and two citizen appointees. Historically, other municipalities had periodically appointed citizens to the Board.

As of February 2, 2021 (per Section 17 (1.1)(1.2)(1.3) of the *Conservation Authorities Act*) the term of the Chair and Vice-Chair is limited to one year and they can serve for no more than two consecutive terms. Positions must rotate between participating municipalities; therefore, the Board cannot appoint the succeeding chair from the same municipality as the current chair. A Conservation Authority or a municipality can request permission for a longer term to the Minister.

Two exceptions have been granted by the Minister to date. For the 2022 election both the Chair and Vice-Chair were approved to continue their terms if so elected. Additionally, for the 2023 election, the Chair was approved to continue her term if so elected. In both terms, the incumbent(s) was acclaimed to their positions.

AGRICULTURAL REPRESENTATIVE

Per Bill 229, Schedule 6, as of February 2, 2021, the Minister may appoint an Agricultural Representative to the Board of Directors. If appointed the Agricultural Representative can not vote on enlarging, amalgamating or dissolving an authority or any budgetary matter. Their term can be up to four years as determined by the Minister. At the time of budget preparation, it was unknown whether or not an Agricultural Representative would

be appointed to the LRCA Board. Per diems for this position would be paid by the Ministry.

2.2.3 STAFF COMPLEMENT

In 2024, the Authority will have a full-time equivalent (FTE) staff complement of 12 who deliver the programs/services on behalf of the LRCA Board, which include:

- Chief Administrative Officer
- Finance Manager
- Watershed Manager
- Lands Manager
- Communications Manager
- Development Regulations Officer
- GIS/Water Resources Technologist
- Information Systems Coordinator
- Admin Clerk/Receptionist
- Financial Admin Assistant
- Field Operations Lead Hand
- Environmental Planner

Recurring contract employees that amount to an equivalent of 2.5 FTEs include:

- Education Co-ordinator (39 weeks)
- Floodway Labourer (39 weeks)
- Watershed Stewardship Technician (52 weeks)

Seasonal employees that amount to an equivalent of 1.0 FTEs include:

- Two Conservation Area labourers (15 weeks – summer students)
- Two River Clean-Up labourers (14 weeks – summer students)
- Assistant Water Resources Technologist (16 weeks – summer student)

2.2.4 CONSERVATION AREAS

The LRCA owns and maintains ten Conservation Areas, which provide semi-passive recreational use opportunities to the public and access to Lake Superior. The areas include:

- Hurkett Cove (Township of Dorion)
- Cascades (City of Thunder Bay)
- Silver Harbour (Municipality of Shuniah)
- Cedar Falls (Township of O'Connor)
- Little Trout Bay (Municipality of Neebing)
- Hazelwood Lake (unorganized Township of Gorham)

- MacKenzie Point (Municipality of Shuniah)
- Mission Island Marsh (City of Thunder Bay)
- Mills Block (City of Thunder Bay)
- Wishart (unorganized Township of Gorham)

In 2022, Mills Block Forest and Wishart Forest were renamed as Conservation Areas. Previously, they were referred to as Managed Forests.

Boat launches at Silver Harbour and Little Trout Bay Conservation Areas provide access to Lake Superior.

As a private landowner, the LRCA pays property taxes to the Municipality/Township in which the land resides.

2.2.5 OTHER LAND OWNED BY THE LRCA

The LRCA also owns and maintains one Forest Management property known as Williams Forest, located in the Municipality of Oliver Paipoonge and is not open to the public. That property, as well as other Conservation Areas have Forest Management Plans under the Managed Forest Tax Incentive program (MFTIP), which provides some tax relief as well as provides a plan for proper long-term forest management. As warranted, harvesting occurs with revenue used to maintain the forest management area and the associated Forest Management Plans. Surplus generated funds in a given year are allocated to the Forest Management Reserve.

The LRCA also owns other conservation, floodplain and erosion lands as well as the banks and bed of the Neebing-McIntyre Floodway. Property taxes are paid on all lands.

Conservation of Land Tax Incentive Program (CLTIP) is applied to annually to reduce the taxes in recognition of natural heritage features for the following lands:

- 330 Beaver Avenue
- Wakefield Common
- Hurkett Cove
- Mills Block

2.2.6 WATERSHED MONITORING

The LRCA conducts a variety of watershed monitoring throughout the year including:

- Provincial Groundwater Monitoring Program (in partnership with MECP)
- Provincial Water Quality Monitoring Program (in partnership with MECP)
- Streamflow Gauges (in partnership with Water Survey of Canada)

- Precipitation Gauges (some in partnership with Water Survey of Canada)
- Neebing River Climate Change Monitoring Station (in partnership with MECP)
- Dorion Fish Culture Station Monitoring Station (new as of 2018, in partnership with MNRF)
- Bathing Beach Sampling (Hazelwood Lake and Mission Island Marsh)
- Blue/Green Algae Monitoring (Hazelwood, Mission, Hurkett, Silver Harbour)
- Snow Surveys
- Floodway Channel water level monitoring
- Ontario Low Water Response
- Green Infrastructure Research
- Invasive Species Monitoring (Neebing-McIntyre Floodway and Conservation Areas)

2.3 SOURCES OF FUNDING

LRCA funding comes from several sources:

- Grant Revenue
 - MNRF – Provincial Section 39 Transfer Payment
 - MNRF – Water and Erosion Control Infrastructure (WECI) (when applicable and approved)
 - MECP – Source Water Protection
 - MNRF – Wetland and Shoreline Protection within the Thunder Bay AOC Transfer Payment (2020-2025)
- Special Projects (programs/available funds vary from year to year)
 - TD Friends of the Environment
 - Enbridge
 - Ontario Power Generation
 - Canada Summer Jobs
 - Environment and Climate Change Canada (ECCC) - Great Lakes Protection Initiative
 - Invasive Species Centre – Invasive Species Action Fund
 - Green Shovels Collaborative – Invasive Phragmites Control Fund
- Municipal Levy
 - Levy – All
 - Levy - Sole-Benefitting
- Other Revenue
 - Interest
 - Department of Fisheries and Oceans Wolf River Weir Inspections
 - Coin Boxes/Pay and Display – parking fees/day use fees at Conservation Areas
 - Explore Card sales

- Lakehead Conservation Foundation donation
- Multi-purpose Room rentals
- Forest Management harvesting
- Property Rentals
- Mapping Service
- Donations
- Lawyer Request Fees
- Development Regulation Permit Fees
- Plan Review Fees (new 2021)
- Education Fees
- Calendar advertising
- Other

2.3.1 GRANT REVENUE

2.3.1.1 PROVINCIAL SECTION 39 TRANSFER PAYMENT

The *Conservation Authorities Act* Section 39 Provincial “Operating” Grant funds the Conservation Authority in undertaking provincially mandated activities that include:

1. Flood/Erosion Operations (flood and erosion control structures, Flood Forecasting and Warning, ice management) and
2. Hazard Prevention (Plan Input, Hazard Information).

Eligible activities include:

- Flood and Erosion Operations
 - Operation of Flood Control Structures
 - Routine/Minor Maintenance of Flood Control Structures
 - Preventative Maintenance of Flood Control Structures
 - Operation of Erosion Control Structures
 - Routine/minor Maintenance of Erosion Control Structures
 - Preventative Maintenance of Erosion Control Structures
 - Flood Forecasting and Warning-System Operation
 - Ice Management
- Hazard Management
 - Plan Input (Official Plan/Amendment review only)
 - Information (i.e., Watershed Planning/Technical Studies)
- Administration

Funds are provided by lump sum payment for work undertaken from April 1 to March 31 of any given year. Funding is contingent of having local matching levy from the Member Municipalities. Interim and Year End reports are submitted by the LRCA to the MNRF.

Between 1998 and 2019, Provincial Section 39 Transfer Payments to all 36 Conservation Authorities remained at the same level of \$7,400,000. In 2019, mid-way through the budget year, the Provincial Government announced a 48-50% funding cut to all Conservation Authority Section 39 Transfer Payments, effective for the current year. LRCA's transfer payment was reduced from \$292,380 to \$150,940, resulting in a funding reduction of 48% (\$141,440). This resulted in an emergency mid-year amendment to the budget, which resulted in a cancellation of all planned training, advertising, and capital expenditure spending at Conservation Areas as well as delaying some planned repairs. Funds were reallocated to ensure that the provincially mandated programs were still delivered.

At the time of budget preparation, no confirmation had been received that this long-standing Transfer Payment is forthcoming for the 2024/2025 fiscal year. For budget purposes, staff have budgeted as though the funding would be provided at the reduced level of \$150,940. If this funding is not forthcoming, it is proposed to utilize funds from the Operating Capital Reserve, which was established to provide operating funds in the event of loss of funds in a given year. Notification of the approval of this funding is consistently delayed annually.

2.3.1.2 SOURCE WATER PROTECTION FUNDING

The MECP provides 100% funding to administer the Source Protection program through Provincial Transfer Payment, which is a program under the *Clean Water Act* to protect municipal drinking water systems, which there are two in the LRCA Area of Jurisdiction (i.e., Bare Point Water Treatment Plant (City of Thunder Bay) and Rosslyn Drinking Water System (Municipality of Oliver Paipoonge)).

This program runs on the Provincial fiscal year of April 1 to March 31 of any given year. For the first time, the program funding was approved for two years (2022-2023 and 2023-2024). The approved budget for 2022-2023 was \$57,715 and for 2023-2024 was \$58,200 with a total FTE of 0.50 (0.2 FTE Information Systems Coordinator, 0.2 FTE Watershed Manager and 0.1 FTE Admin Clerk/Receptionist). It is anticipated that a multi-year funding agreement will be executed for the remainder of 2024.

It is noted that if the Drinking Water Source Protection Transfer Payment was ever eliminated, the cost to administer this mandatory program would be applicable to the City of Thunder Bay and the Municipality of Oliver Paipoonge as sole-benefitting municipalities.

2.3.1.3 WATER AND EROSION CONTROL INFRASTRUCTURE FUNDING

MNRF administers the Water and Erosion Control Infrastructure (WECI) funding program, which typically provides an annual five-million-dollar capital investment to fund major

maintenance required to maintain Conservation Authority dams and other flood and erosion control structures.

The WECL program provides matching funding to Conservation Authorities for studies or major maintenance of water or erosion control structures that are either owned by, or maintained by Conservation Authorities. Local benefiting municipalities provide matching funds. A committee made up of five Conservation Authority representatives, one MNR and one Conservation Ontario representative, oversees the program and determines the priority list of eligible projects based on need and level of risk.

Funding is not guaranteed year to year. The LRCA applies for funding when major maintenance or studies are required on the Neebing-McIntyre Floodway or if major maintenance (i.e., soil nailing) is required on City of Thunder Bay owned land on Victor Street along the banks of the Kaministiquia River.

2.3.2 MUNICIPAL LEVY

2.3.2.1 LEVY – ALL

Operation and Capital Project costs that benefit all Member Municipalities is levied to all Member Municipalities based on their proportion of the Modified Current Value Assessment (see Section 2.4).

2.3.2.2 SOLE- BENEFITTING LEVY

A sole-benefitting levy is applied to a single Municipality for work undertaken by the LRCA upon which they are sole-benefitting. The operation and maintenance of the Neebing-McIntyre Floodway and Victor Street erosion protection (City owned land) are included in the sole-benefitting levy of the City of Thunder Bay. Another example is the completion, updating or maintenance of floodplain mapping, where the municipality/municipalities upon which the watershed is located are levied for that cost of the project.

2.4 MODIFIED CURRENT VALUE ASSESSMENT (MCVA)

Modified Current Value Assessment (MVCA) means a method of apportioning an authority's operating and capital costs that is based on the MCVA of the properties within the authority's area of jurisdiction (as outlined in O. Reg. 402/22). Municipal Current Value Assessment values are modified for conservation authorities where only a portion of a municipality falls within an area of jurisdiction of an authority. Since the LRCA's Member Municipalities are geographically entirely within the LRCA area of jurisdiction, no modification of the CVA is required. The Modified Current Value Assessment (MCVA) data is provided by the MNR annually, which is then used to calculate the levy-all for

each Member Municipality. Each Conservation Authority has an Agreement regarding the use of Modified Property Assessment Information with MNRF. Generally, this data is received by the Conservation Authority in late August. Since adoption of the CVA method, the levy percentage for Member Municipalities fluctuates annually.

For population data, reliance on the information from Statistics Canada is used, as the information received within the MCVA is not reflective of the actual population in our Member Municipalities. Representation on the Board is determined by the population of the applicable Member Municipality as detailed in the *Conservation Authorities Act*.

2.5 BUDGET APPROVAL PROCESS

The *Conservation Authorities Act* and O. Reg. 402/22 outline the process of approving Conservation Authority budgets, specifically the process of approving the annual Municipal levies.

2.5.1 O. REG. 402/22: BUDGET AND APPORTIONMENT

O. Reg. 402/22: Budget and Apportionment specifies that the 2024 budget and all subsequent budgets must adhere to this regulation. It provides details on the budget process and municipal apportionment methods for levying participating municipalities and includes revocation of the previous regulations that governed municipal levies (O. Reg. 670/00 and O. Reg. 139/96).

The regulated budget process includes:

First Phase

Budget must include:

- All sources of revenue (other than municipal levy)
- Categorize operating expenses into Category 1, 2 and 3
- Categorize capital expenses into Category 1, 2 and 3
- Amount of levy for each Member Municipality
- Specify if the Authority considered opportunities to raise and use self-generated revenue to help finance the authority's operations, including the programs and services it provides, a description of what the authority considered.

Budget must:

- Apply any relevant revenue to specific programs to offset levy.
- Apply Modified Current Value Apportionment method to determine levy for each program.
- Apply Benefit Based Apportionment method to sole benefitting programs (i.e., Floodway, Victor Street Erosion)

Second Phase

Draft Budget Process:

1. Notify all Member Municipalities of Draft Budget meeting if a Member Municipality will owe levy for Category 1 *Clean Water Act* programs and Services.
 - a. Advise of amounts owing or to be owed for Category 1 *Clean Water Act* programs and services (n/a to LRCA)
2. Hold meeting to consider draft budget.
3. Hold vote on whether or not to approve the draft budget for consultation.
 - a. If there is a levy for Category 1 *Clean Water Act* programs and services, hold a separate vote of Members from applicable municipalities for that portion of the draft budget (n/a to LRCA).
 - b. Vote is a one-member-one vote method.
4. Send Member Municipalities a copy of the Draft Budget and all financial information relating to the apportionment of operating and capital expenses.
5. Post a copy of the Draft Budget and financial information on Governance section of Authority's website.
6. Consult as necessary with Member Municipalities on draft budget in order to finalize final budget.

Third Phase

Final Budget Approval Process:

1. Notify all Member Municipalities of Budget meeting.
 - a. Notification must be at least 30 days prior to meeting.
 - b. Must include copy of most recent draft of the budget.
 - c. Must specify amount of levy for the given year.
2. Hold meeting to approve budget.
3. Hold a recorded vote to municipal levy/amounts owing.
 - a. If there are any Category 1 *Clean Water Act* apportionments, hold a vote with participating municipality representatives (n/a to LRCA).
 - b. Weighted vote to approve municipal levy/amounts owing.
 - c. Authority can not send a notice of apportionment unless a vote has occurred.
4. Hold a recorded vote to approve final budget.
 - a. One -member-one vote to approve final Budget Document.
5. "Promptly" after the final budget process is approved, provide a copy of the final budget to the Minister and each Member Municipality.
6. Post final budget on the Authority's website in the Governance section.

2.5.2 BUDGET APPROVAL METHODS

Quorum must be achieved to approve the budget (i.e., 6 of 11 members must be present. Voting by proxy is not permitted.

For each phase of the budget approval process, the following budget approval method shall be used:

- Draft Budget
 - Decide on whether to approve draft budget for consultation
 - one-member-one-vote method
- Final Budget
 - Municipal levy/amounts owing
 - recorded weighted majority vote
 - Budget document
 - recorded one-member-one-vote

Weighted Majority Vote:

As outlined O. Reg. 402/22 Section 19, a recorded weighted vote is to be conducted to approve the levy/amounts owing in the Final Budget.

The following rules apply:

- Each Members vote shall be weighted according to the ratio of the MCVA for applicable Member Municipality.
- Approval requires 51%, based on the weighted percentage of those present.
- In the case of a tie vote, the vote is lost.
- If a municipality appoints more than one member to the authority, each members' votes shall be equal to the municipality's weighted vote divided by the number of members the municipality appoints to the authority.
- A municipality shall not have a weighted vote of more than 50 percent of the total weighted value for all the votes to be cast unless the municipality appoints more than 50 percent of the members to the authority.
- Absent members percentage does not carry to the members present from their Municipality (only applies to the City of Thunder Bay, as they have four members).
- Must be a recorded vote.

For weighted voting, the weighting of the votes is based on the applicable year's MCVA values provided annually by MNRF. In the case of the City of Thunder Bay, where their MCVA apportionment is greater than 50%, their members are equally apportioned 50% of the total vote, as no one municipality can hold greater than 50 percent of the vote for the weighted majority vote.

Weighted Vote Allocations:

Municipality	# of Members	2024 CVA (%)	Vote %
City of Thunder Bay	1	85.80	12.5
	1		12.5
	1		12.5
	1		12.5
Conmee	1	0.44	1.55
Dorion	1	0.29	1.02
Gillies	1	0.25	0.88
Neebing	1	2.26	7.96
O'Connor	1	0.48	1.69
Oliver Paipoonge	1	5.53	19.47
Shuniah	1	4.95	17.43
TOTAL	11	100	100

Example: Conmee = $(0.44 / (100 - 85.80)) \times 50$

One-Member-One-Vote Method:

A one-member one-vote (i.e. majority vote) is to be conducted to approve consultation of the draft budget and approval of the Budget Document. Each member present has an equal weighting of their vote.

Majority Vote Allocations:

Municipality	# of Members	% Vote
City of Thunder Bay	1	9.09
	1	9.09
	1	9.09
	1	9.09
Conmee	1	9.09
Dorion	1	9.09
Gillies	1	9.09
Neebing	1	9.09
O'Connor	1	9.09
Oliver Paipoonge	1	9.09
Shuniah	1	9.09
TOTAL	11	100

2.6 ASSET MANAGEMENT PLAN

TBT Engineering Consulting Group completed the LRCA Asset Management Plan (AMP) in July 2016, which was updated in 2021 by KGS Group. The AMP provided insight into the current condition of the Authority's assets and a timeline indicating recommended repairs, maintenance and replacement of assets. The goal of the AMP is to provide a

strategy to achieve and maintain the desired level of services for each asset while maintaining financial goals.

The Asset Management Plan is updated every five years. The next update will occur in 2026.

2.7 RESERVE POLICY

The Authority has an approved Reserve Policy (FIN-04) which outlines how the various reserves are to be managed. A summary of planned appropriations to and from Reserves is included in Section 4.

2.8 PURCHASING POLICY

The LRCA approved Purchasing Policy (FIN-06), which was updated in 2019, guides all purchasing.

2.9 LAKEHEAD CONSERVATION FOUNDATION

The Lakehead Conservation Foundation was formed in 1987 as it became evident that funding from the Province of Ontario was decreasing. Since inception, the Foundation has donated \$816,290 towards these programs. Their annual contribution has been typically \$20,000 and is allocated for environmental education and other special projects.

Due to COVID-19 in 2021 the annual Dinner and Auction and the Wine Tasting Fundraising events were cancelled, and in 2022 the Dinner Auction was cancelled resulting in a loss in revenue of approximately \$20,000.00 each year, and subsequently no donation to the LRCA. The LCF is planning on hosting both events in 2024. Future donations will be determined based on the success of the events.

2.10 CONSERVATION ONTARIO

Conservation Ontario (CO) is the network or umbrella organization of the 36 Conservation Authorities similar to the Association of Municipalities (AMO). Decisions made at CO Council Meetings do not bind individual Conservation Authorities unless specifically adopted by the Conservation Authority. CO advocates on behalf of the collective and has been instrumental during the current *Conservation Authorities Act* review process. Typically, both the Chair and CAO attend the quarterly CO Council meetings; however, since COVID, meetings have been mostly virtual, with one meeting in person per year. The LRCA pays an annual levy to CO.

2.11 PROGRAMS AND SERVICES

In October 2021 the MECP released O. Reg. 686/21: Mandatory Programs and Services and O. Reg. 687/21: Transition Plans and Agreements under the *Conservation Authorities Act*. The purpose of the transition period is to provide conservation authorities and municipalities with the time to address changes to the budgeting and levy process based on the delivery of mandatory programs and services (Category 1), municipal programs and services (Category 2), and other programs and services (Category 3) and to reach agreements.

As required in O. Reg. 687/21: Transition Plans and Agreements the following requirements have been completed:

- **Transition Plan** (November 24, 2021): Included a timeline/workplan to meet the requirements for the first and second phases of the transition period.
- **Inventory of Programs and Services** (February 28, 2022): List of all the programs and services that the authority was providing at that time, and those that it intends to provide as of January 1, 2024. Summarized programs into Category 1, 2 and 3 and detailed how they were funded.

The Act outlines programs areas which have been categorized into three categories:

2.11.1 CATEGORY 1 – MANDATORY PROGRAMS AND SERVICES

Mandatory programs and Services (as outline in the Act)

21.1 (1) *An authority shall provide the following programs or services within its area of jurisdiction:*

1. *A program or service that meets any of the following descriptions and that has been prescribed by the regulations:*
 - i. *Programs and services related to the risk of natural hazards*
 - ii. *Programs and services related to the conservation and management of lands owned or controlled by the authority, including any interests in land registered on title.*
 - iii. *Programs and services related to the authority's duties, functions and responsibilities as a source protection authority under the Clean Water Act, 2006.*
 - iv. *Programs and services related to the authority's duties, functions and responsibilities under an Act prescribed by the regulations.*

3. *A program or service, other than a program or service described in paragraph 1, that has been prescribed by the regulations on or before the first anniversary of the day prescribed under clause 40 (3) (i).*

Within the budget the Mandatory Programs and Services are categorized under each of the following categories:

- Risk of Natural Hazards
 - Floodplain Mapping
 - Technical Studies
 - Communications and Outreach
 - Flood Forecasting and Warning
 - Drought and Low Water Response
 - Ice Management
 - Infrastructure: Neebing-McIntyre Floodway
 - Infrastructure: Victor Street Erosion
 - Review of Proposal Under an Act
 - Plan Review Comments
 - Administering and Enforcing the Act (Section 28 Development Regulations)
- Conservation and Management of Lands
 - Conservation Areas
 - Administer Section 29 Regulations in Conservation Areas
 - Other owned land
- Source Protection
- Other Programs and Services
 - Water Quality and Quantity Monitoring: Provincial Groundwater Monitoring Network
 - Water Quality and Quantity Monitoring: Provincial Water Quality Monitoring Network
 - Watershed-based Resource Management Strategy (new mandated requirement due December 31, 2024)

2.11.2 CATEGORY 2 – NON-MANDATORY PROGRAMS AND SERVICES AT THE REQUEST OF A MUNICIPALITY

Municipal programs and services (as outlined in the Act)

21.1.1 (1) *An authority may provide within its area of jurisdiction municipal programs and services that the authority agrees to provide on behalf of a municipality*

situated in whole or in part within its area of jurisdiction under a memorandum of understanding or such other agreement as may be entered into with the municipality in respect of the programs and services.

On November 28, 2022, the *More Homes Built Faster Act* (Bill 23) was passed and subsequently O. Reg. 596/22 (Prescribed Acts) came into affect on January 1, 2023. This legislation impacts the LRCA's Category 2 programs as outlined in the Inventory of Programs.

Within LRCA's current Inventory of Programs, the Category 2 programs include:

- Mapping Service
 - GIS mapping service provide to Municipality of Oliver Paipoonge, Township of Dorion and the Lakehead Rural Planning Board, as a fee for service.

Effective January 1, 2023, the following section was added to the *Conservation Authorities Act*:

21.1.1 (1.1) *An authority shall not provide under subsection (1), within its area of jurisdiction, a municipal program or service related to reviewing and commenting on a proposal, application or other matter made under a prescribed Act.*

Where the prescribed Acts are outlined in O. Reg. 596/22:

The following Acts are prescribed for the purposes of subsections 21.1.1 (1.1) and 21.1.2 (1.1) of the Act:

1. The *Aggregate Resources Act*.
2. The *Condominium Act, 1998*.
3. The *Drainage Act*.
4. The *Endangered Species Act, 2007*.
5. The *Environmental Assessment Act*.
6. The *Environmental Protection Act*.
7. The *Niagara Escarpment Planning and Development Act*.
8. The *Ontario Heritage Act*.
9. The *Ontario Water Resources Act*.
10. The *Planning Act*.

The new legislation prohibits the LRCA from providing the Category 2 program "Natural Heritage Planning Review" program as proposed to the City of Thunder Bay. Staff have removed this program from the Inventory of Programs. The "GIS Mapping Service" program will continue to be offered to the applicable municipalities.

2.11.3 CATEGORY 3 – NON-MANDATORY PROGRAMS AND SERVICES

Other programs and services (as outlined in the Act)

21.1.2 (1) *In addition to programs and services described in section 21.1 and 21.1.1, an authority may provide, within its area of jurisdiction, any other programs and services that it determines are advisable to further the purposes of this Act.*

NEW AS OF JANUARY 1, 2023 - (1.1) *An authority shall not provide under subsection (1), within its area of jurisdiction, a program or service related to reviewing and commenting on a proposal, application or other matter made under a prescribed Act.*

(2) *On and after the day prescribed by the regulations, if financing under section 25 or 27 by a participating municipality is necessary in order for the authority to provide such programs and service authorized to be provided under subsection (1), the program or service shall not be provided by the authority unless an agreement that meets the following criteria has been entered into between the authority and the participating municipality in respect of the program and service:*

1. *The agreement must provide for the participating municipality to pay to the authority,*
 - i. *An apportioned amount under section 25 in connection with a project related to the program or service, or*
 - ii. *An apportioned amount under section 27 in respect of the program or service.*
2. *The agreement must include provisions setting out on which the agreement terminates and a requirement that it be reviewed by the parties within the period specified in the regulations for the purpose of determining whether or not the agreement is to be renewed by the parties.*
3. *The agreement must meet such other requirements as may be prescribed by the regulations.*

Category 3 programs included in the budget include:

- Education
 - Environmental Education
 - Nature Interpretive Programming
- Stewardship
 - Superior Stewards
 - Tree Seedling
 - Private Land Stewardship
- Environmental Research
 - Low Impact Development Research with PhD Student

2.11.4 CORPORATE SERVICES

Corporate Services that apply to all program areas are considered an enabling service and are categorized as a separate budget category. They are considered to be applicable to all Member Municipalities and are part of the levy-all. Subservices within this category include:

- Corporate Services
 - Administration
 - Community Relations
 - Vehicle and Equipment Program
 - Information Technology Management
 - Corporate GIS

The *Conservation Authorities Act* defines the following term:

- Operating expenses:** include,
- a) salaries, per diems and travel expenses of employees and members of an authority,
 - b) rent and other office costs,
 - c) program expenses,
 - d) costs that are related to the operation or maintenance of a project, but not including the project's capital costs, and
 - e) such other costs as may be prescribed by regulation.

3 2023 BUDGET

The 2024 Draft Budget document contains details for the Lakehead Region Conservation Authority's (LRCA) planned operations and capital activity. The Budget has been set at \$2,906,519 which includes a total levy of \$1,854,691 of which all Member Municipalities pay \$1,109,775 with the remainder being sole-benefitting levy to the City of Thunder Bay (\$744,916). The draft budget has a 3.01% levy-all increase compared to the 2023 approved budget.

BUDGETED REVENUE

The LRCA draws revenue from a variety of sources:

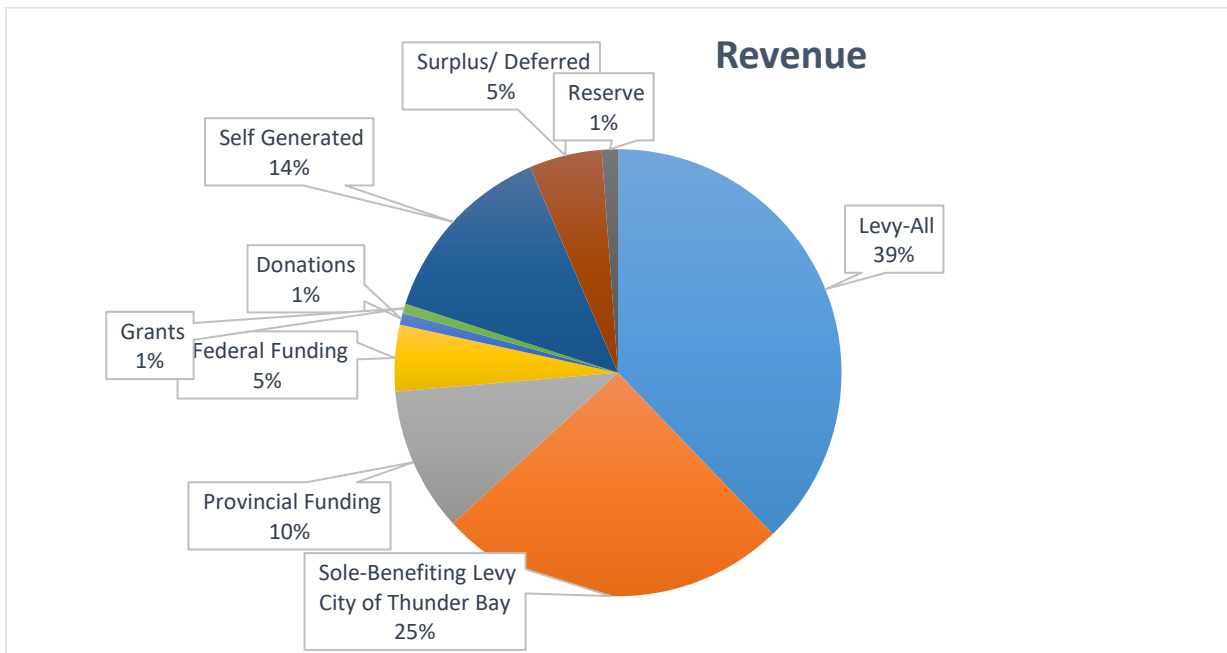
- Municipal levies
- Provincial transfer payments (MNRF)

- Other Transfer Payments for specific purposes (i.e., Source Water Protection)
- User fees (i.e., parking fees, education programs, permit fees, etc.)
- Reserves and prior years deferred revenue
- Donations from the Lakehead Conservation Foundation
- Other miscellaneous sources of revenue (i.e., property rental, interest, etc.)
- Other funding sources (vary from year to year)
-

**See Section 2.3 – Sources of Funding for a detailed analysis*

Projected Revenues by category:

FIGURE 1: 2024 PROJECTED REVENUES



Significant revenue sources budgeted for 2024 include the following:

- \$1,109,775 – Levy-all
- \$744,916– Levy – City of Thunder Bay (sole-benefitting)
- \$150,940 – MNRF Section 39 Provincial Transfer Payment
- \$40,000 – MNRF Shoreline Protection Program
- \$60,950 – MECP – Source Water Protection
- \$54,000 – ECCC Great Lakes Protection Initiative (Floodway Stewardship)
- \$85,300 – MECP and ECCC and Waterfront Shoreline Restoration
- \$9,996 – Invasive Phragmites Control Fund
- \$32,000 – ECCC Boulevard Lake Naturalization
- \$100,000 – Interest income

Other grants that the LRCA intends to apply for in 2024 include:

- TD Friends of the Environment (\$20,000)
- Canada Summer Jobs (\$10,566)

This budget has been prepared based on estimates of potential revenue from various funding sources, which will be dependent on successful funding applications. Some of the projects included in the budget will only be completed if grant funding is successfully obtained. Additional applications for other programs may be completed as funding becomes available throughout the year.

CONSIDERATION OF OPPORTUNITIES TO RAISE AND USE SELF-GENERATED REVENUE

Per O. Reg. 402/22, Section 13(2)8, the budget must provide a description of what opportunities the authority considered to raise and use self-generated revenue to help finance the authority's operations, including the programs and services it provides.

Currently the LRCA's self generated revenue is derived from fee for service and user fees from the following sources:

- Interest
- Mapping Service (Category 2 program)
- Education programming fees (Category 3 program)
- Plan Input fees
- Section 28 Permit fees
- Lawyer Inquiry fees
- Explore Card sales
- Coin boxes for parking/day use fees at:
 - Mills Block Forest
 - Little Trout Bay
 - Cedar Falls
 - Hurkett Cove
 - Wishart Forest
 - Hazelwood Lake
- Pay and Display Units for parking fees (enforced under City of Thunder Bay Parking By-Law)
 - Mission Island Marsh
 - Cascades
- Pay and Display Unit for Day Use fee (new as of 2023)
 - Silver Harbour

The Fee Schedule will be reviewed annually to determine the annual fee rates, as approved by the Board. On December 28, 2022 a Minister's Direction was issued to Conservation Authorities prohibiting them from changing fees related to reviewing and commenting on planning and development related proposals or land use planning policies, or for permits issued by the Conservation Authority for the period of January 1, 2023 to December 31, 2023. At the time of budget creation, it was not known if fees were going to be frozen again for 2024.

Increased revenue will be used to offset levy and reinvest in amenities provided at Conservation Areas.

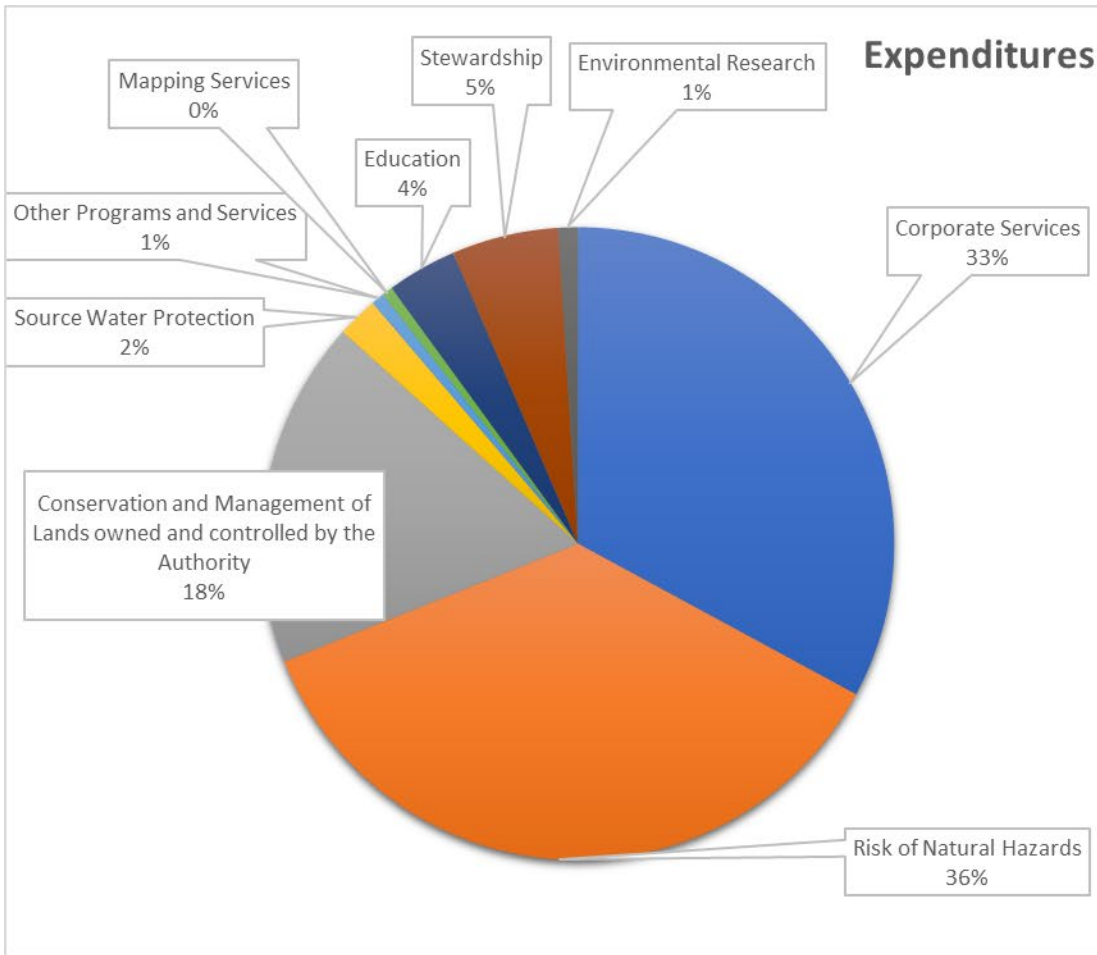
BUDGETED EXPENDITURES

The 2024 Budget is categorized into nine categories as listed below:

Projected Expenses by category include:

- 1) Corporate Services
- 2) Risk of Natural Hazards
- 3) Management, Operations and Maintenance of Authority Owned Lands
- 4) Drinking Water Source Protection
- 5) Other Programs and Services as described in Section 21.1(2) of the Act
- 6) Mapping Services
- 7) Education
- 8) Stewardship
- 9) Environmental Research

FIGURE 2: 2023 PROJECTED EXPENSES BY PROGRAM



3.1 CORPORATE SERVICES

Corporate Services include programs that apply to all programs and services and the general overall management of the organization.

ADMINISTRATION

Expenditures	\$668,095	
Annual	\$668,095	Travel and training (admin staff)
		Wages and benefits (admin staff)
		Insurance
		Professional fees, subscriptions, memberships
		Conservation Ontario levy
		Security monitoring
		Vehicle rental
		Board Member allowance (per diems, travel, meeting expenses)
		Audit fees
		Latonnell Conference
		Legal fees
		Bank fees
		Computer equipment and software
		Photocopying
		Postage
		Stationery and office supplies
		Utilities
		Annual Report
		Telephone
		Northern Ontario Safety Group
		Health and Safety Training
One-Time		
Revenue	\$668,095	
Grants	\$150,940	MNRF Section 39
Self-Generated	\$111,788	Interest Revenue \$100,000, DFO Inspections \$2,000, SWP Admin Fee \$8,375, Various Revenues \$1,413
Levy-All	\$295,367	
Reserve	\$75,000	2023 interest moved to reserve to fund 2024 wage increases
Prior Year Surplus	\$35,000	

COMMUNITY RELATIONS

Community Relations applies to all programs and includes: promoting the Authority; media relations; website; creation of publications (i.e., fact sheets, annual report, etc.) and other materials; and watershed-wide communication and promotion of LRCA and its programs to watershed residents, municipalities, and other agencies. Annually the LRCA produces a calendar, which is fully funded by paid advertising.

In 2024, the LRCA’s website will undergo an update in order to update the content management system (CMS), as the current version was last updated in 2015. This will also address outdated web security protocols, outdated programming, and allow staff and website administrators from Shout Media to more efficiently and cost-effectively maintain and update the website. A general refresh of the look, feel, and functionality of the website will also occur at this time.

The LRCA’s 70th anniversary is marked in 2024. As such, some expenses are included in the budget to allow for celebration of this milestone through a public event, promotional items, and other initiatives.

Expenditures	\$164,433	
Annual	\$114,443	Staff wages
		Vehicle rental
		Advertising
		Training
		Booth rentals
		Promotional items
		Website
		Calendar Expenses (\$6,000)
One-Time	\$50,000	Website update (\$40,000), 70 th Anniversary promotional items/events (\$10,000)
Revenue	\$164,433	
Grants		
Other	\$6,700	Other Revenue \$700, Calendar Revenue \$6,000
Levy-All	\$132,733	
Deferred	\$25,000	

VEHICLE AND EQUIPMENT PROGRAM

The Vehicle and Equipment Program is utilized to internally charge LRCA programs vehicle related usage costs to self fund all vehicle and equipment costs, including replacement, in the form of a Reserve.

The following table illustrates the 2024 Vehicle and Equipment Program Budget for revenue and expenses, which shows the actual revenue and expenses for the previous three years. The projected surplus at the end of the financial year is to be transferred into the Replacement of Vehicle/Equipment Reserve.

2024 Vehicle and Equipment Budget			
	2024 BUDGET	2023 BUDGET	2022 BUDGET
Revenue:			
Vehicle rental recoveries	33,550.00	33,000.00	35,750.00
Equipment rental recoveries	3,000.00	3,000.00	3,000.00
	36,550.00	36,000.00	38,750.00
Expenses:			
Insurance	5,000.00	5,000.00	4,800.00
Vehicles:			
Repairs and maintenance	6,500.00	5,000.00	5,500.00
Annual safety check	1,200.00	900.00	900.00
Licenses	-	500.00	1,000.00
Fuel	11,500.00	9,000.00	7,800.00
Equipment:			
Fuel	2,800.00	2,300.00	1,500.00
Repairs and maintenance	4,000.00	3,500.00	3,000.00
Small Tools	500.00	500.00	500.00
	31,500.00	26,700.00	25,000.00
Transfer to V/E Reserve	5,050.00	9,300.00	13,750.00
Reserve for Vehicle/Equipment Replacement			
Budgeted Purchases from Reserves:			
Battery Chainsaw	800.00		
Battery Trimmer	750.00		
Riding Mower	4,100.00		
Chipper attachment	3,500.00		
Total	9,150.00		

INFORMATION TECHNOLOGY MANAGEMENT

Information Technology Management is provided to all programs and services. It includes all hardware and software and is managed by the Information Systems Coordinator.

Expenditures	\$59,289	
Annual	\$59,289	Staff wages
		Accounting Software
		Adobe upgrades
		Bitdefender upgrade
		Office 365 upgrade
		Dalto Alto Cloud Backup
		Computer purchases
		Travel and Training
One-Time		
Revenue	\$59,289	
Grants		
Other		
Self-Generated		
Levy-All	\$59,289	
Deferred		

CORPORATE GIS

Corporate GIS is provided to all programs and services. It includes the overall management of data and GIS software and is managed by the Information Systems Coordinator.

Expenditures	\$27,687	
Annual	\$27,687	Staff wages
		ESRI Software
		Hardware
One-Time		
Revenue	\$27,687	
Grants		
Other		
Self-Generated		
Levy-All	\$27,687	
Deferred		

3.2 CATEGORY 1: MANDATORY PROGRAMS AND SERVICES

One summer student (Water Resources Technologist Assistant) will be hired in 2024 for 16-weeks. The Water Resources Technologist Assistant will assist the GIS/Water Resources Technologist and Development Regulations Officer with the following program areas:

- PGMN
- PWQMN
- Bathing Beach Sampling
- Filing and data management.

3.2.1 RISK OF NATURAL HAZARDS

Mandatory Programs and Services related to the risk of natural hazards.

FLOODPLAIN MAPPING

The Regulatory Floodplain is the approved standard used in a particular watershed to define the limit of the flood plain for regulatory purposes. Adaptive watershed management requires a preventative and proactive approach to address the potential impacts of urbanization and climate change.

The Authority completed various floodplain mapping studies, which are currently used during the administration of the Regulations and for Plan Input and Review purposes. When the studies were completed, partial funding was provided under a variety of government funding programs. The studies were completed between 1979 and 1985, with McVicar Creek updated in 1995.

In recent years, utilizing National Disaster Mitigation Funding, updates to floodplain mapping studies were completed including:

- McIntyre River (2015),
- Neebing River (2018),
- McVicar Creek (2019),
- Kam River (2020),
- Pennock Creek, (2020),
- Mosquito Creek, (2020).

Completed studies are shared with applicable Member Municipalities for use by the engineering departments, for asset management and to be incorporated into their Official Plan and Zoning By-Law.

It is important for the recently updated Watershed hydraulic models to be updated regularly to reflect newly installed/modified infrastructure, such as culverts and bridges, and other changes that are proposed or permitted through the regulations process. Protocols for updating the hydraulic model are needed to ensure that updates are performed efficiently and on a regular schedule with clear communication between the LRCA, Municipality and the Consultant updating the models. A Consultant will be hired to complete the annual updates to the models. Any changes to the watersheds allowed through the regulation process, or otherwise identified, will be tracked by LRCA and sent to the Consultant. As the anticipated updates will occur within the City of Thunder Bay, the costs will be part of a sole-benefitting levy to the City of Thunder Bay.

Expenditures	\$41,408	
Annual	\$41,408	Maintenance of current models and annual updates to existing models
Revenue	\$41,408	
Grants		
Other		
Levy, Sole-Benefitting City of Thunder Bay	\$41,408	
Deferred		

TECHNICAL STUDIES

Studies, mapping and data collection to understand the risks related to natural hazards including how those risks might be affected by climate change. Development of plans and policies to support the delivery of programs.

Expenditures	\$2,282	
Annual	\$2,282	Staff wages
Revenue		
Grants		
Levy-All	\$2,282	
Deferred		

COMMUNICATIONS AND OUTREACH

Promoting public awareness of natural hazards including flooding, drought and erosion including: public events and materials; social media services; website; and media relations.

Expenditures	\$11,170	
Annual	11,170	Staff wages
		Clothing Allowance
One-Time		
Revenue	\$11,170	
Grants		
Levy-All	\$11,170	
Deferred		

FLOOD FORECASTING AND WARNING

This includes procedures undertaken by the LRCA required to reduce this risk of loss of life and property damage due to flooding through the forecasting of flood events and the issuing of flood messaging (i.e., Watershed Conditions Statements, Flood Watch and Flood Warnings) to prepare those who must respond to the flood event. Additionally, this includes development and implementation of a comprehensive system developed to guide and implement Flood Forecasting and Warning activities, to effectively manage flood control structures and to provide guidance during the response to a flood.

Annual measures include:

- Operation and maintenance of stream flow gauges and precipitation gauges
- Snow surveys
- Spring Melt Meeting with Member Municipalities and applicable agencies
- Maintaining Flood Forecasting and Warning System Manual
- Monitor weather conditions 365 days per year
- Issuance of Flood Messaging as warranted
- Attend the annual Provincial Flood Forecasting Workshop
- Collect streamflow and precipitation data (partnership with Water Survey of Canada)
- Facilitate the CoCoRaHS program (volunteer-based precipitation monitoring program)
- Participate in Ontario Power Generation’s Kaministiquia River Dam Safety Emergency Preparedness and Response Plan
- Post flood event meetings and reports

Expenditures	\$52,670	
Annual	\$52,670	Staff wages
		Vehicle rental
		Materials and supplies
		Insurance
		Staff training (Flood Forecasting workshop, WISKI training)
		WISKI software annual maintenance fees
		Computer and office equipment, network repairs
		Boot Allowance
		Clothing Allowance
One-Time		
Revenue	\$52,670	
Grants		
Other		
Levy-All	\$52,670	
Deferred		

DROUGHT AND LOW WATER RESPONSE

In conjunction with the MNRF, the Authority administers the Ontario Low Water Response program within the LRCA area of jurisdiction, which is a response plan to minimize the effects of drought. The program includes condition monitoring and analysis and technical support to the Water Response Team representing major water users and decision makers who recommend drought response actions.

Expenditures	\$4,023	
Annual	\$4,023	Staff wages
		Materials and equipment
Revenue	\$4,023	
Grants		
Other		
Levy-All	\$4,023	
Deferred		

ICE MANAGEMENT

Ice Management is a new program area, as outlined as a mandatory program. The program will be developed in 2024. The program will involve inspecting ice issue areas, identifying risks and support for any required mitigation. Prior to December 31, 2024, an Ice Management Plan is mandated to be developed.

Expenditures	\$8,394	
Annual	\$8,394	Staff Wages
Revenue		
Grants		
Other		
Levy-All	\$8,394	
Deferred		

INFRASTRUCTURE: NEEBING-MCINTYRE FLOODWAY

OPERATING

This category includes costs associated with the operation and minor maintenance of flood control structures, the primary purpose of which is to provide protection to life and property. This includes all costs related to the Neebing-McIntyre Floodway. Overall, flood control services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damages and loss of life.

Expenditures	\$183,746	
Annual	\$183,746	Annual structural inspections of Neebing Weir and Diversion Structure
		Floodway water level monitoring
		Minor maintenance (tree removal, minor repairs, etc.)
		Hiring of two summer students (14 weeks) to complete Floodway maintenance
		Staff wages
		Vehicle rental
		Materials and supplies
		Insurance
		Property Taxes
One-Time		
Revenue	\$183,746	
Grants		
Other		
Self-Generated	\$500	CLE Land Rental
Levy, Sole-Benefiting City of Thunder Bay	\$183,246	
Deferred		

CAPITAL

This category includes costs associated with the capital and major maintenance of flood control structures, the primary purpose of which is to provide protection to life and property. This includes all costs related to the Neebing-McIntyre Floodway. Overall, flood control services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damages and loss of life.

The Floodway has provided 40 years of continuous operation since completion in 1984. In 2023, a consultant was hired to update the Neebing-McIntyre Floodway Integrity Study, which is updated every 10 years. The study will provide comprehensive review of the original design assumptions versus the actual observed and predicted performance. The schedule of long-range maintenance will be reviewed as part of the study and will be used to confirm future required funds to maintain the integrity of the Floodway. The data will also be used to update the Asset Management Plan.

Expenditures	\$476,000	
Annual	\$476,000	Annual Levy to deferred for future use
One Time		
Revenue	\$476,000	
Grants		
Other		
Levy, Sole-Benefiting City of Thunder Bay	\$476,000	A constant amount is levied annually, with funds not needed in the given year placed in a deferred fund for future years in order to avoid the highs and lows when major maintenance is required. LRCA staff maintains a timeline for major maintenance required on the Floodway, which is used to calculate required future funds needed in order to provide a consistent and manageable annual levy to the City of Thunder Bay. As the Floodway is an essential part of mitigating the risk to life and property, the LRCA must guarantee funds are available to ensure the integrity of the Floodway is maintained.

Some of the larger (over \$100,000) major maintenance expected to be required in the next 10 years include (based on 2013 Integrity Study):

- 2024 – Diversion Channel Dredging
- 2025 - Dredging Island Drive to CPR Bridge
- 2028 – Dredging Balmoral Sediment Trap

- 2031 – Dredging Island Drive to Lake

Major maintenance projects are eligible for Provincial Transfer Payment Water and Erosion Control Infrastructure (WECI) funding which the LRCA applies for the year the work is undertaken; however, the allocation of WECI funds varies year-to-year and is not guaranteed year-to-year; therefore, total costs of major maintenance are used in determining required future funds. Any additional funding obtained through WECI will result in the levy being carried forward for future year’s projects and adjusting the long-term projections accordingly.

INFRASTRUCTURE: VICTOR STREET EROSION

OPERATING

This category includes costs associated with the minor maintenance of erosion control structures on City of Thunder Bay owned land on Victor Street and protection of City owned infrastructure along Kam riverbank. The primary purpose of which is to provide protection to life and property. Overall, erosion control services reduce watershed resident’s exposure to the threat of property damages and loss of life. This area has historically been managed/monitored on behalf of the City of Thunder Bay.

Expenditures	\$20,704	
Annual	\$20,704	Victor Street soil nailing, slope inspection (2x/year)
		Staff wages
One-Time		
Revenue	\$20,704	
Grants		
Self-Generated		
Levy, Sole-Benefiting City of Thunder Bay	\$20,704	
Levy-All		
Deferred		

CAPITAL

This category includes costs associated with the capital and major maintenance of erosion on City of Thunder Bay owned land on Victor Street, the primary purpose of which is to provide protection to life and property. Overall, erosion control services reduce watershed resident’s exposure to the threat of property damages and loss of life. The main erosion control structure is the soil nailing completed along Victor Street on City of Thunder Bay land to protect Victor Street and the adjacent infrastructure.

In 2019 the Kaministiquia River Erosion Sites Inventory Report was completed which delineated the 100-year erosion rate along the Kaministiquia River within the City of Thunder Bay. Within the report, it was identified that Victor Street was within the 100-year erosion hazard, based on the completed methodology. A detailed analysis of the area was recommended to look at the risk to Victor Street and adjacent infrastructure, including long-term recommendations related to access and egress to the area. This study was completed in 2020; recommendations will be incorporated into future budgets in consultation with City of Thunder Bay Engineering.

Expenditures	\$24,058	
Annual	\$24,058	Amount to be deferred for future use.
One Time		
Revenue	\$24,058	
Grants		
Levy, Sole-Benefiting City of Thunder Bay	\$24,058	
Levy-All		
Deferred		

REVIEW OF PROPOSALS UNDER AN ACT

As a mandatory program, staff will provide input to the review and approval processes under other applicable law (i.e., *Aggregate Resources Act, Drainage Act, Environmental Assessment Act*, etc.) with comments related to natural hazards, wetlands, watercourses and Section 28 permit requirements.

Expenditures	\$2,981	
Annual	\$2,981	Staff wages
Revenue		
Grants		
Other		
Levy-All	\$2,981	
Deferred		

PLAN REVIEW COMMENTS

Conservation Authorities are delegated the responsibility from MNRF to comment on all *Planning Act* applications processed by their Member Municipalities as to the applications adherence to Section 3.1 of the Provincial Policy Statement (i.e., natural hazards).

This category includes reviewing comprehensive updates to Member Municipality Official Plans and Zoning By-laws; site specific amendments to Official Plans and Zoning By-laws; subdivision applications; site plan control; consent applications; minor variances, etc. Comprehensive Official Plan and Zoning By-Law reviews are eligible for Section 39 Transfer Payment; however, due to the province under funding core mandate programming, no transfer payment is allocated for this mandated review.

Effective January 1, 2021, the LRCA began charging a Fee for Service for all Plan Review comments. The generated revenue will be used to reduce levy required to administer this delegated program. A few years of revenue will be required to fully predict future years generated revenue, which will fluctuate annually depending on the volume of *Planning Act* applications received by our Member Municipalities.

Effective January 1, 2023 a Minister’s Direction as part of the *More Homes Built Faster Act* 2022 (Bill 23) was issued to Conservation Authorities to not change fees related to reviewing and commenting on planning applications for the period of January 1, 2023 to December 23, 2023; therefore, fees charged to applicants for planning comments were not changed through the legislated period. It is unknown whether or not the freezing of fees will be extended into 2024.

Expenditures	\$84,390	
Annual	\$84,390	Staff wages
		Training
		Legal Fees
One time		
Revenue	\$84,390	
Other	\$43,783	Canada Summer Jobs \$8,283, Planning Fees Revenue \$35,500
Levy-All	\$40,607	
Deferred		

ADMINISTERING AND ENFORCING THE ACT (SECTION 28 DEVELOPMENT REGULATIONS)

The Development Regulations category includes the costs and revenues associated with administering Ontario Regulation 180/06: Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation under the *Conservation Authorities Act*, which includes: permit application review, inspections, permit issuance, enforcement and follow-up. Also, which may include defending appeals and conducting Hearings.

Effective January 1, 2023, a Minister’s Direction as part of the *More Homes Built Faster Act 2022* (Bill 23) was issued to Conservation Authorities to not change fees related to permits issued by Conservation Authorities for the period of January 1, 2023 to December 23, 2023; therefore, fees charged to applicants for development permits were not changed through the legislated period. It is unknown whether or not the freezing of fees will be extended into 2024.

Expenditures	\$140,951	
Annual	\$140,951	Staff wages
		Training and travel
		Legal Fees
		Engineering Support
		Provincial Offences Officer supplies
		Professional Fees
One-Time		
Revenue	\$140,951	
Self-Generated	\$ 30,283	Lawyer property inquiries \$4,000, Development Regulation Permit fees \$21,000, Canada Summer Jobs \$5,283
Levy-All	\$110,668	
Other		
Deferred		

3.2.2 CONSERVATION AND MANAGEMENT OF LANDS OWNED AND CONTROLLED BY THE LRCA

Programs and services related to the conservation and management of lands owned or controlled by the authority.

CONSERVATION AREAS

OPERATING

This includes all expenses and revenue associated operation and minor maintenance of land owned and/or managed by the Authority. In total, the LRCA owns 2,600 hectares of land, including Conservation Areas, administrative office lands, flood and erosion prone land and conservation lands.

The Conservation Areas provide an opportunity for the watershed residents for semi-passive activities such as hiking, nature appreciation, photography, fishing, etc. Of the eight Conservation Areas, five provide access to Lake Superior with three being adjacent to Provincially Significant wetlands. Comments on planning applications near Conservation Areas will be provided by the LRCA.

The Bathing Beach monitoring program will continue at Hazelwood Lake and Mission Island Marsh Conservation Areas, which monitors *E. coli* levels in conjunction with the Thunder Bay District Health Unit. Additionally, cyanobacteria (blue-green algae) monitoring will continue in 2024. The confirmed presence of cyanobacteria (Microcystins) within the conservation areas in 2022, specifically Mission Island Marsh and Hazelwood Lake, has warranted a continuation of data collection. Continued testing will solidify LRCA’s understanding of cyanobacteria within selected Conservation Areas, while protecting visitors and their pets from Harmful Algal Blooms (HABS). Further, the study will contribute to a greater understanding of how cyanobacteria are influencing the Lakehead Watershed. Continued testing will involve the use of Eurofin’s Algal Toxin (Microcystins) Test Strip Kit for Recreational Water and continued Microscopy Work provided by Blue-Green Labs.

In 2024, staff will complete the mandatory Conservation Area Strategy and Land Inventory (due December 31, 2024).

In 2021, pay stations were added to Mission Marsh and Cascades Conservation Areas, and in 2023 a pay station was added at Silver Harbour Conservation Area, in an effort to increase generated revenue. The pay stations at Mission Marsh and Cascades Conservation Areas have resulted in a significant increase in revenue at the respective Conservation Areas. This increase in revenue is anticipated to continue in the years ahead and will be used to off-set required levy to operate the areas and enhance amenities at the area.

In 2024, a floating dock/kayak launch will be installed at Little Trout Bay Conservation Area and the sign at Cascades Conservation Area will be upgraded with a metal art/sign, similar to the Mission Island Marsh sign.

Expenditures	\$317,880	
Annual	\$272,130	Staff wages
		Clothing allowance
		On-going maintenance
		Garbage removal
		Sanding/salting of parking areas
		Outhouse rentals
		Property Taxes
		Credit Card usage fees
One-Time	\$45,750	Metal Art Entrance Sign at Cascades (\$25,000), Floating dock and kayak launch at Little Trout Bay (\$20,750)
Transfer to Reserve		

Revenue	\$317,880	
Other		
Levy-All	\$150,947	
Self-Generated	\$87,840	Explorer Cards, Pay-Stations, Coin Box Revenue
Deferred	\$79,093	

CAPITAL

The capital fund is used for major maintenance and capital investment at the Conservation Areas. In 2021, KGS Group updated the LRCA’s Asset Management Plan (AMP), which assessed the current condition, annual maintenance and major repairs required to the Authority’s assets. LRCA staff have analyzed the AMP and prepared a long-term schedule of capital repairs, which has been used to provide a consistent and manageable annual levy. It was identified in the AMP that there are some major repairs required to ensure the integrity and safety at our Conservation Areas. In addition, other major capital requirements were identified to be completed in the near future to avoid conditions deteriorating.

Minor repairs as outlined in the AMP will occur in 2024. A consultant will be engaged to design a larger parking lot and entrance at Mills Block Conservation Area in an effort to add more parking and relocate the parking from the City easement onto LRCA owned land.

Expenditures	\$57,000	
Annual	\$20,000	Hazelwood Lake Dam Reserve (\$20,000)
One-Time	\$37,000	Hazelwood Lake Parking lot updates (\$7,000)
		Mills Block Parking Lot Design (\$30,000)
Revenue	\$57,000	
Grants		
Other		
Levy-All	\$94,750	
Appropriation to Reserve	(\$37,750)	Transfer to Reserve for future capital work

ADMINISTER SECTION 29 REGULATIONS IN CONSERVATION AREAS

Enforcement and compliance in Conservation Areas, related to Conservation Areas Regulations and Parking by-law enforcement in the City of Thunder Bay and Conservation Area Regulation enforcement in Conservation Areas. APEX will be used to increase enforcement at Cascades and Mission Island Marsh after hours and on weekends.

Expenditures	\$12,065	
Annual	\$12,065	Staff wages Enforcement Supplies Apex weekend enforcement
One-Time		
Revenue	\$12,065	
Grants		
Other		
Levy-All	\$12,065	
Self-Generated		
Deferred		

OTHER OWNED LAND

Operation and minor maintenance in other Conservation Authority owned land (i.e., forest management property, floodplain lands, etc.). In 2024, staff will complete the mandatory Land Inventory (due December 31, 2024).

The Authority owns and maintains one Forest Management property (William’s Forest) and has Forest Management Plans on 10 property holdings, which guide the management of the areas as well as reduce property taxes through the Managed Forest Tax Incentive Program (MFTIP) administered by MNRF.

The Forest Management Reserve is used for activities related to the forest management properties, including maintaining Forest Management Plans and for promoting greening activities. The Reserve is maintained from previous year’s revenue for future purchases of forest management properties and forest management related expenditures.

In 2024, some harvesting may be undertaken at Wishart Conservation Area subject to contractor availability and market conditions.

Expenditures	\$53,759	
Annual	\$48,759	Wages (\$16,259) Property taxes (Williams, Wishart, Mills Block Forests), Office Building, other lands Routine Maintenance (\$6,000)
One-Time	\$5,000	Registered Professional Forester, Tree Seedlings for Wishart

Revenue	\$53,759	
Grants		
Other	\$1,000	
Levy-All	\$47,759	
Self-Generated	\$5,000	Wishart Harvesting Revenue
Deferred		

OFFICE CAPITAL AND OPERATING

This fund is used for long-term capital repairs of the LRCA Administration Facility. In 2021, the Authority updated the Asset Management Plan (AMP) that provides guidance on the long-term maintenance and major capital repairs to maintain the integrity and safety of the building. The AMP was used to plan upgrades and repairs over the next five years. As a result, LRCA staff have completed a long-term plan for the timing of significant repairs, which is used to provide a consistent and manageable annual levy. This levy does not include any additional capital plans; it is only to maintain the building in its current condition.

Expenditures	\$10,000	
Annual	\$ 10,000	Maintenance of grounds, buildings, and equipment Emergency repairs as needed
Revenue	\$10,000	
Grants		
Other		
Levy-All	\$37,000	
Transfer To Reserve	(\$27,000)	Transfer of Levy for future use

Per the 2021 AMP, some of outstanding larger projects that are expected to be completed include:

- Short-Term (1-5 years):
 - Replace heating pumps
 - Air Conditioner units for Board and Multipurpose room
 - Exhaust Fans replaced
 - Plumbing – insulate piping throughout building
 - Repointing brick siding for damaged areas
 - Replace foundation on front signage
 - Plumbing fixtures
- Mid-Term (5-10 years):
 - Replace windows and parging
 - Hot water heater
 - Radiators and unit heater replacement

- A/C and thermostat control replacement
- Replace unit ventilators at end of life
- Replace A/C heads and outdoor condensing units
- Flooring
- Major heating repairs (piping and boiler)
- Long-term (10-20 years):
 - Exterior doors and handrails
 - Eaves trough and downspouts
 - Parking lot replacement
 - Patio stone area
 - Shingles and roof repairs
 - Detached Garage Replacement
 - Refrigerant Piping for Cooling Units

3.2.3 SOURCE WATER PROTECTION

This category refers to programs and services related to the Authority's duties, functions and responsibilities as a Source Protection Authority under the *Clean Water Act, 2006*.

The Source Water Protection program commenced in 2005 with 100% funding provided from the MECP with the goal of completion of Source Protection Plans for municipal drinking water systems. Within the Lakehead Watershed, there are only two municipal drinking water systems: City of Thunder Bay Bare Point Water Treatment Plant and the Municipality of Oliver Paipoonge Rosslyn Village Drinking Water System.

The Lakehead Source Protection Plan was approved on January 16, 2013, with an effective date of October 1, 2013. The Source Protection Plan contains a series of policies developed by the Source Protection Committee in consultation with the local community to protect municipal drinking water sources from existing and future drinking water threats. The Plan describes the actions that must be taken by various implementing bodies to protect surface water and groundwater sources that supply municipal drinking water.

The affected municipalities are responsible to implement the Source Protection Plans and must adhere to the policies including providing annual reports to the Source Protection Authority (i.e., LRCA Board). The Source Protection Authority is then required to assess the municipal annual reports and report annually to the MECP.

The current Agreement, which provided funding for two years between the LRCA and MECP will expire on March 31, 2024. It provides funding for administration and 0.5 FTE salary and benefits. The Source Protection Authority (i.e., LRCA Board) is responsible for maintenance of the Source Protection Committee, submission of Annual Reports to MECP, maintenance and retention of data and files (i.e., 15-year retention requirement) related to this program, which began in 2005. There is an expectation by MECP that each

Source Protection Authority maintain qualified staff to ensure that the Plan remains current.

The MECP has indicated that the next funding agreement will also be a multi-year agreement. If funding is not provided in the future, the cost of the program would be a sole-benefitting levy applicable to the City of Thunder Bay and Oliver Paipooonge.

Expenditures	\$60,950	
Annual	\$60,950	Staff wages (0.2 FTE Watershed Manager, 0.2 FTE Information Systems Coordinator, 0.1 FTE Administrative Assistant) Travel and per diem expenses to attend Chair's meetings Source Protection Committee (member per diems, room rental, agenda costs) Administration Fee
One-Time		
Revenue	\$60,950	
Grants	\$60,950	MECP Transfer Payment
Other		
Levy-All		
Deferred		

3.2.4 OTHER PROGRAMS AND SERVICES

PROVINCIAL GROUNDWATER MONITORING NETWORK (PGMN)

The Authority in partnership with the MECP participates in the Provincial Groundwater Monitoring Program (PGMN).in which LRCA monitors eight groundwater monitoring wells. LRCA staff collect samples and submit them to the MECP laboratory for analysis. Laboratory costs and sample shipping costs are paid by the MECP. The data not only provides data for the LRCA area of jurisdiction, but it is also the only sampling completed in northern Ontario.

Expenditures	\$7,247	
Annual	\$7,247	Vehicle rental Wages Materials and equipment
One-Time		

Revenue	\$7,247	
Grants		
Other		
Levy-All	\$7,247	
Deferred		

PROVINCIAL WATER QUALITY MONITORING NETWORK (PWQMN)

The Authority in partnership with the MECP participates in the Provincial Water Quality Monitoring Network (PWQMN) program, in which LRCA monitors six surface water locations. LRCA staff collect samples and submit them to the MECP laboratory for analysis. Laboratory costs and sample shipping costs are paid by the MECP. The data not only provides data for the LRCA area of jurisdiction, but it is also the only sampling completed in northern Ontario.

Expenditures	\$8,225	
Annual	\$8,225	Vehicle rental
		Wages
		Materials and equipment
One-Time		
Revenue	\$8,225	
Grants		
Other		
Levy-All	\$8,225	
Deferred		

WATERSHED BASED RESOURCE MANAGEMENT STRATEGY

Prior to December 31, 2024, Conservation Authorities are mandated to develop a Watershed Based Resource Management Strategy. The Strategy will develop guiding principles and objectives that inform the design and delivery of programs and services the CA is required to provide; collate/compile existing resource management plans, watershed plans, studies and data; strategy development, implementation; and annual reporting. A review of programs and services provide for the purposes of compliance with the regulations and Section 21.1 of the *Conservation Authorities Act*. Also, it will develop a process for periodic review including procedures to engage/consult with stakeholders and the public. Strategy development must include a stakeholder and public consultation component and be made available to the public.

Developing guiding principles and objectives that inform the design and delivery of programs and services the CA is required to provide. Collate/compile existing resource management plans, watershed plans, studies and data. Strategy development, implementation and annual reporting. A review of programs and services provide for the

purposes of compliance with the regulations and Section 21.1 of the CA Act. Develop process for periodic review including procedures to engage/consult with stakeholders and the public. Strategy development must include a stakeholder and public consultation component. Make available to the public.

Expenditures	\$3,911	
Annual	\$3,911	Wages
One-Time		
Revenue	3,911	
Grants		
Other		
Levy-All	\$3,911	
Deferred		

3.3 CATEGORY 2: NON-MANDATORY PROGRAMS AT THE REQUEST OF A MUNICIPALITY

MAPPING SERVICE

The LRCA offers for a fee, a mapping service to our Member Municipalities who choose to participate. LRCA staff maintain the hardware and software required to provide a web-based mapping service that provides mapping capabilities to its users. Additionally, maps are created are updated, by request for a Member Municipality (i.e. Official Plan/Zoning By-Law Comprehensive Updates, etc.). Revenue from this service is used to maintain equipment and supplies related to GIS.

Expenditures	\$16,000	
Annual	\$16,000	Staff Wages Portion of ESRI License Plotter and computer expense
One-Time		
Revenue	\$16,000	
Grants		
Other	\$16,000	Oliver Paipoonge \$12,350, Dorion \$650, Lakehead Rural Planning Board \$3,000
Levy-All		

3.4 CATEGORY 3: NON-MANDATORY PROGRAMS

3.4.1 EDUCATION

ENVIRONMENTAL EDUCATION

The Environmental Education program provides curriculum-based educational presentations and field trips to Conservation Areas and within school classrooms. The non-mandatory (i.e., not related to the risk of natural hazards) education program is operated with 100% other funding (no levy). The program covers a wide array of topics including watersheds, various natural heritage, and natural science topics such as birds, trees, aquatics invertebrates, and other topics, many of which are tied directly to Ontario Ministry of Education curriculum expectations. As a private landowner, the LRCA is uniquely positioned to provide meaningful, impactful outdoor education programming utilizing Conservation Areas as “living classrooms”. Watershed stewardship best practices and fostering a sense of wonder and appreciation for the natural world is the goal of the education program, as the best way to inspire people to care about the natural world and the environment is to give them meaningful educational and recreational experiences.

Expenditures	\$41,074	
Annual	\$41,074	Education Coordinator position (39 weeks) Vehicle rental Educational expenses (guest speakers, supplies, safety items, etc.)
One-Time		
Revenue	\$41,074	
Grants	\$6,700	OPG Donation (\$6,700)
Self-Generated	\$34,374	Various fundraising (\$25,000), School Program Fees (\$7,374), Living Classroom Donations (\$2,000)
Levy-All		
Deferred		

NATURE INTERPRETIVE PROGRAMMING

Nature Interpretive Programming is programming developed for execution on LRCA-owned land. Programs and events with nature interpretive programming components within Conservation Areas vary year to year; however, the Dorion Bird Festival is held annually at Hurkett Cove Conservation Area. Nature interpretive programming also includes Watershed Explorer programs (typically funded by the TD Friends of the Environment Fund), guided hikes, workshops, and other non-school-based interpretive programming.

Expenditures	\$62,607	
Annual	\$62,607	Staff Wages Hazelwood Lake Family Fun Day Fall Water Viewing Day Silver Harbour Day TD Programming Dorion Bird Festival
One-Time		
Revenue	\$62,707	
Grants	\$57,000	TD Friends of the Environment, (\$20,000), OPG (\$1,000), TC Energy (\$13,000), Enbridge (\$5,000), Dorion Bird Festival Ticket Sales (\$18,000)
Self-Generated		
Levy-All		
Deferred	\$5,707	

3.4.2 STEWARDSHIP

Stewardship is the planning, promotion, and implementation of management practices that contribute to restoration and protection of our natural resources. LRCA's Stewardship Program aims to promote and encourage landowners to become stewards of their own land. Programs enable private landowners to restore riparian and shoreline area on their property; plant trees on private land; and facilitate stewardship projects on LRCA/municipally owned lands to restore and create wildlife habitat. Examples of on-the-ground projects include invasive species pulls, wetland creation, meadow habitat enhancement, and shoreline stabilization. Projects vary year to year depending on funding and need in the watershed. Stewardship projects are funded from various provincial and federal funding sources. No levy is used for the Stewardship Program.

SUPERIOR STEWARDS PROGRAM

In 2024, the Watershed Stewardship Technician will continue to implement the LRCA's Shoreline Protection Program (Superior Stewards), which focuses on rehabilitating shoreline and riparian zones on private property within the Thunder Bay Area of Concern. The Thunder Bay Area of Concern is a 100-metre buffer along the Lake Superior coast and up Thunder Bay's five main tributaries, defined by ECCC as having experienced significant environmental degradation. The program provides landowners with a shoreline assessment, educational materials, individualized planting plans, up to 100 native plants, and planting implementation support. Planting native vegetation enhances shoreline and

riparian zones, rehabilitates, and maintains healthy shoreline habitat, provides erosion protection, and improves water quality. The objective of the Superior Stewards program is to raise landowner awareness of riparian and shoreline stewardship principles and implement restoration and naturalization through on-the-ground projects. The restoration projects range from terrestrial/aquatic plantings, invasive plant species removal, green infrastructure techniques, species-at-risk habitat enhancement/protection, general habitat enhancement, and/or pollinator habitat creation.

Expenditures	\$40,000	
Annual	\$40,000	Staff Wages \$20,000 Materials \$20,000
One-Time		
Revenue	\$ 40,000	
Grants	\$40,000	MNRF Transfer Payment – Wetland and Shoreline Protection within the Thunder Bay AOC
Other		
Levy-All		
Deferred		

TREE SEEDLING PROGRAM

In partnership with Hill’s Greenhouse, the LRCA administers a Tree Seedling Program, which provides the opportunity for the public to purchase locally grown tree seedlings to plant in the watershed. As of 2022, over 158,000 trees have been accessed through the program. Wages for this program are funded by past generated revenue from harvesting on LRCA owned land. This program’s goal is to achieve a no net loss of trees in the overall watershed by providing trees to plant to the public to offset any harvesting on LRCA owned land.

Expenditures	\$9,974	
Annual	\$9,974	Staff wages Purchase Tree Seedlings (\$6,000)
Revenue	\$9,629	
Grants		
Self-Generated	\$6,000	Tree Seedling Sales
Levy-All		
Reserve	\$3,974	Forest Management Reserve

PRIVATE LAND STEWARDSHIP

To promote and practice stewardship on LRCA and municipally owned lands, staff apply for funding for a variety of projects annually. The following restoration projects are planned in 2024:

- In partnership with the City of Thunder Bay, the Waterfront Shoreline Restoration project involves the rehabilitation of Lake Superior shoreline at Fisherman’s Park West and McVicar Creek mouth. This is a continuation of coastal wetland restoration, riparian revegetation, and meadow habitat creation at the Fisherman’s West Climate Change Awareness Park, and an extension of the project south along Lake Superior shoreline on City of Thunder Bay-owned land. The goal of the project is to return these areas to productive wildlife habitat and liaise with neighbouring private landowners to generate awareness and promote shoreline stewardship.
- The Floodway Habitat Corridor will be continued in 2024, with the vision of restoring a five-kilometre stretch of riparian habitat on LRCA owned lands along the Neebing-McIntyre Floodway corridor. The project aims to enhance riparian habitat by planting native vegetation and managing invasive species through volunteer clean-up and planting events. Funding is provided by ECCC Great Lakes Protection Initiative for a site along the Diversion Channel in 2024.
- In partnership with the City of Thunder Bay, the Boulevard Lake Naturalization Project is a three-year project that involves introducing an expanded vegetated buffer zone along the Boulevard Lake shoreline at the new playground, as well as incorporating low impact development techniques. The project will include youth and community education opportunities related to the importance of fresh water.
- Partnered with the Invasive Species Centre and Nature Conservancy Canada, the Thunder Bay Regional Phragmites Collaboration is coordinated by LRCA and is composed of 35 stakeholders and groups with the shared vision of a “phrag-free” landscape by 2033. The intent of the Collaborative is to engage interested community groups in the status of Invasive Phragmites in the region, develop an integrated long-term plan for its management, and collaborate on its removal.

Expenditures	\$183,296	
Annual	\$183,296	Staff Wages \$54,428 Materials \$128,868
One-Time		

Revenue	\$183,296	
Grants	\$85,300	ECCC & MECP – Waterfront Shoreline Restoration
	\$54,000	ECC Funding – Floodway Corridor
	\$32,000	ECCC EcoAction Community Fund – Boulevard Lake Naturalization Project
	\$9,996	Thunder Bay Regional Phragmites Collaboration
Levy-All		
Deferred	\$2,000	

3.4.3 GREEN INFRASTRUCTURE RESEARCH PROJECT

As part of a multi-year research project, the LRCA is partnering with Lakehead University and the University of Minnesota to support Brant Muir, a prospective PhD student, with a paid internship partly funded through the Mitac’s Accelerate Program and funding from the RBC Foundation. His research proposal and PhD study focuses on green infrastructure facilities and practices (GI) that captures, filters, and reduces stormwater runoff within the McVicar Creek watershed. Brant will work terms in the summers of 2022 to 2025 and completed the initial research work of collecting water quality baseline data prior to the GI installations that are planned by the City of Thunder Bay (i.e., nine GI facilities are planned in 2022-23). Brant’s research internship project for his PhD will be expanded with an overarching goal to determine how green infrastructure reduces peak runoff and improves water quality by comparing pre and post GI construction facility water quality sampling results and water quantity data with stormwater management modeling simulated results (PC SWMM).

Expenditures	\$10,000	
Annual	\$10,000	Mitac contribution
One-Time		
Revenue	\$10,000	
Grants		
Other		
Levy-All		
Deferred	\$10,000	

4 RESERVE APPROPRIATIONS

The Authority’s Reserve Policy sets goals for the Board Designated Reserves and the terms and conditions for their use. As outlined in the Policy, planned appropriations to and from reserves will be outlined in the Budget Document annually, and will be approved through the budget approval process.

Unplanned appropriations to and from reserves throughout the year will require Board approval, unless they meet the terms outlined in the Reserve Policy.

Reserve shortfalls from the determined “Target Reserve Level” as outlined in the Policy will be outlined in the Budget Document, and if warranted, appropriations to a reserve will be proposed to achieve the Target Reserve Level.

4.1 PERCENTAGE OF TARGET RESERVE LIMIT REACHED

The Reserve Policy indicates that if any reserve category is less than 50% of the targeted reserve, the Board of Directors, in the absence of any extraordinary circumstances, should consider adopting an annual budget that includes a projected surplus sufficient to rebuild the reserve category over a defined period to its targeted reserve level.

Reserve	Reserve Level as of December 31, 2022	Reserve Limit	Target Reserve Level	% of Target Reserve Level
Operating Capital	\$1,213,249	\$1,100,000	\$1,100,000	110
Administrative Facility - Maintenance	\$608,333		Adequate funds available to complete annual regular maintenance, emergency repairs and major maintenance per the AMP	
Administrative Facility - New Facility	\$32,310		Adequate funds available to construct a new Administration Facility	
Vehicle and Equipment	\$56,661	\$125,000	Adequate funds available to purchase required vehicles and equipment	
Insurance Deductible	\$31,194		\$30,000	104
Legal Fees	\$120,402		\$100,000	120
Conservation Area Major Maintenance Capital	\$503,402		As forecasted in Asset Management Plan	
Hazelwood Lake Dam	\$40,000		\$250,000	16
Forest Management	\$128,037			
Land Acquisition	\$248,500			

4.2 2024 PLANNED APPROPRIATIONS TO AND FROM RESERVES

Reserve	Appropriations to Reserve	Appropriations from Reserves
Operating Capital		\$75,000
Administrative Facility - Maintenance	\$27,000	
Administrative Facility - New Facility		
Vehicle and Equipment	\$16,037	\$9,150
Insurance Deductible		
Legal Fees		
Conservation Area Major Maintenance Capital	\$37,750	20,000
Hazelwood Lake Dam	\$20,000	
Forest Management		\$3,974
Land Acquisition		

5 CONCLUSION

The 2024 Budget document details the LRCA's capital and operating plans for the upcoming year. It is the opinion of staff that the current budget is reflective of the Authority's short-term goals and the long-term requirements.

The Draft Budget document provides the details of the budget. The Budget Summary will be used in the consultation with Member Municipalities and will be posted on the LRCA website as required in O. Reg. 402/22. The Final Budget will be brought to the Board in November for final approval.

6 RECOMMENDATIONS

Suggested Resolution

“THAT: the Lakehead Region Conservation Authority approves the 2024 Draft Budget, Version 1.0, dated August 30, 2023, for consultation purposes. “

APPENDIX A:

2024 BUDGET SUMMARY

Figure 3: 2024 Budget Summary

Lakehead Region Conservation Authority 2024 Draft Budget Version 2.0										
Program	Annual Cost				Source of Funding					Total Cost 2023
	Levy-All	Sole-Benefiting Levy City of Thunder Bay	Provincial Funding	Federal Funding	Other		Self Generated	Surplus/ Deferred	Reserve *	
					Donations	Grants				
Category 1 Mandatory Programs and Services										
Corporate Services										
Administration	295,367	-	150,940	-	-	-	111,788	35,000	75,000	668,095
Community Relations	132,733	-	-	-	-	-	6,700	25,000	-	164,433
Vehicle and Equipment Program	-	-	-	-	-	-	47,537	-	(6,887)	40,650
IT	59,289	-	-	-	-	-	-	-	-	59,289
Corporate GIS	27,687	-	-	-	-	-	-	-	-	27,687
	515,076	-	150,940	-	-	-	166,025	60,000	68,113	960,154
Risk of Natural Hazards										
Flood Plain Mapping	-	41,408	-	-	-	-	-	-	-	41,408
Technical Studies	2,282	-	-	-	-	-	-	-	-	2,282
Communications and Outreach	11,170	-	-	-	-	-	-	-	-	11,170
Flood Forecasting and Warning	52,670	-	-	-	-	-	-	-	-	52,670
Drought and Low Water Response	4,023	-	-	-	-	-	-	-	-	4,023
Ice Management	4,197	-	-	-	-	-	-	-	-	4,197
Ice Management Plan	4,197	-	-	-	-	-	-	-	-	4,197
Infrastructure: Neebing-McIntye Floodway	-	658,746	-	-	-	500	-	-	-	659,246
Infrastructure: Victor Street Erosion	-	44,762	-	-	-	-	-	-	-	44,762
Review of Proposals under Act	2,981	-	-	-	-	-	-	-	-	2,981
Plan Review Comments	40,607	-	-	8,283	-	-	35,500	-	-	84,390
Administering and Enforcing the Act (Section 28)	110,668	-	-	5,283	-	-	25,000	-	-	140,951
Risk of Natural Hazards	232,795	744,916	-	13,567	-	500	60,500	-	-	1,052,277
Conservation and Management of Lands owned and controlled by the Authority										
Conservation Areas	150,947	-	-	-	-	-	87,840	79,093	-	317,880
Conservation Areas Capital	94,750	-	-	-	-	-	-	-	(37,750)	57,000
Administer Section 29 Regulations	12,065	-	-	-	-	-	-	-	-	12,065
Other Owned Land	84,759	-	-	-	-	1,000	5,000	-	(27,000)	63,759
	342,521	-	-	-	-	1,000	92,840	79,093	(64,750)	450,704
Source Water Protection										
Source Water Protection	-	-	60,950	-	-	-	-	-	-	60,950
	-	-	60,950	-	-	-	-	-	-	60,950
Other Programs and Services										
Watershed Resource Management Strategy	3,911	-	-	-	-	-	-	-	-	3,911
Provincial Groundwater Monitoring Network (PGMN)	7,247	-	-	-	-	-	-	-	-	7,247
Provincial Water Quality Monitoring Network (PWQMN)	8,225	-	-	-	-	-	-	-	-	8,225
	19,383	-	-	-	-	-	-	-	-	19,383
Total Category 1	1,109,775	744,916	211,890	13,567	-	1,500	319,365	139,093	3,363	2,543,468
Category 2 Non-Mandatory Programs and Services at the request of a Municipality										
Mapping Services	-	-	-	-	-	-	16,000	-	-	16,000
Total Category 2	-	-	-	-	-	-	16,000	-	-	16,000
Category 3 Non-Mandatory Programs and Services										
Education										
Environmental Education	-	-	-	-	25,000	6,700	-	9,374	-	41,074
Nature Interpretive Programming	-	-	-	-	-	57,000	-	5,707	-	62,707
	-	-	-	-	25,000	63,700	-	15,081	-	103,781
Stewardship										
Superior Stewards Program	-	-	40,000	-	-	-	-	-	-	40,000
Tree Seedling Program	-	-	-	-	-	-	6,000	-	3,974	9,974
Floodway Corridor Wildlife Habitat	-	-	54,000	-	-	-	-	-	-	54,000
Waterfront Shoreline Restoration (potential ECCC funding)	-	-	-	85,300	-	-	-	2,000	-	87,300
Invasive Phragmites Control	-	-	-	9,996	-	-	-	-	-	9,996
Boulevard Lake Naturalization	-	-	-	32,000	-	-	-	-	-	32,000
	-	-	94,000	127,296	-	-	6,000	2,000	3,974	233,270
Environmental Research										
Environmental Research	-	-	-	-	-	10,000	-	-	-	10,000
	-	-	-	-	-	10,000	-	-	-	10,000
Total Category 3	-	-	94,000	127,296	25,000	73,700	6,000	17,081	3,974	347,051
Total	1,109,775	744,916	305,890	140,863	25,000	75,200	341,365	156,174	7,337	2,906,519

* Negative Reserve amounts are appropriations to Reserves .

FIGURE 4: LEVY ALL COMPARISON FOR THE PERIOD OF 2019-2024

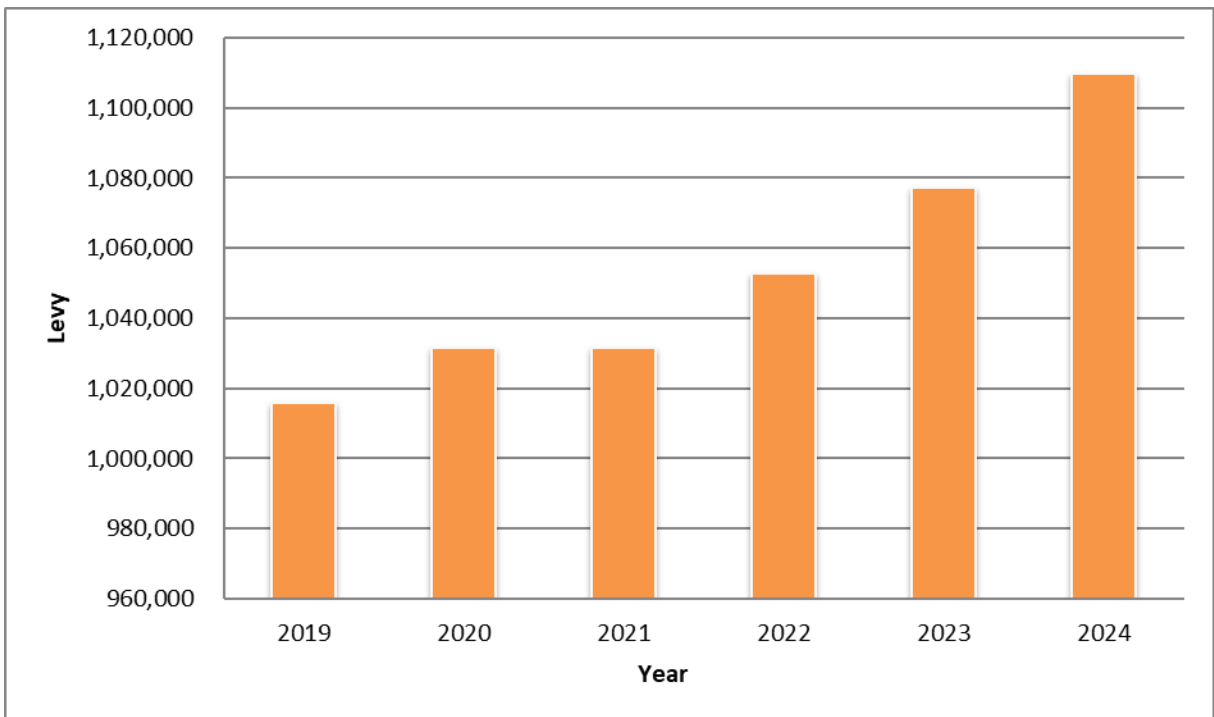


Figure 4 compares the levy-all fluctuations for the period of 2019-2024. In 2019, the long-standing Section 39 transfer payment was reduced from \$292,380 to \$150,940, which required a mid-year adjustment to the budget and also affected all future budgets. As a result of financial pressures on our Member Municipalities and the effects of COVID-19, 0% levy-all increases were implemented in 2020 and 2021.

Minimal to no increases are feasible in the short term but are not realistic for the long-term operation of the Authority. The 2024 budget requires a 3.01% increase in order to maintain its current level of service, which is consistent with cost-of-living increases.

APPENDIX B: LEVY COST COMPARISON

FIGURE 5: 2024 COMPARED TO 2023 BUDGET LEVY- ALL COMPARISON

2024 Total Levy Compared to 2023						
Municipality	2023 CVA %	2023 Levy \$	2024 CVA %	2024 Levy \$	\$ Change	% Change
Thunder Bay*	85.8818	925,234	85.8012	952,196	26,962	2.91
Conmee	0.4387	4,726	0.4440	4,927	201	4.25
Dorion	0.2855	3,076	0.2879	3,195	119	3.87
Gillies	0.2497	2,690	0.2470	2,741	51	1.90
Neebing	2.2578	24,324	2.2565	25,043	719	2.96
O'Connor	0.4714	5,079	0.4770	5,295	216	4.25
Oliver Paipoonge	5.4962	59,213	5.5386	61,467	2,255	3.81
Shuniah	4.9159	52,961	4.9477	54,910	1,949	3.68
	100	1,077,303	100	1,109,774	32,472	3.01

The City of Thunder Bay total levy payable will also include their sole-benefitting levy.

The following table summarizes the annual levy cost per household, per resident and cost per \$100,000 of assessed value of property. It is noted that the resident numbers represent permanent residents and does not factor in seasonal residents.

Municipality	2024	Number of Households (2016)	Cost Per Household	Number of Resident	Cost per Resident	Current Value Assessment \$ (2024)	Cost per \$100,000
***Thunder Bay	\$1,697,112	57,146	\$29.70	121,621	\$13.95	14,243,134,491	\$11.92
Conmee	\$4,927	327	\$15.07	816	\$6.04	73,701,680	\$6.69
Dorion	\$3,195	128	\$24.96	316	\$10.11	47,787,490	\$6.69
Gillies	\$2,741	201	\$13.64	474	\$5.78	41,006,235	\$6.68
Neebing	\$25,043	1,166	\$21.48	2,055	\$12.19	374,587,735	\$6.69
O'Connor	\$5,295	272	\$19.47	663	\$7.99	79,189,977	\$6.69
Oliver Paipoonge	\$61,467	2,289	\$26.85	5,922	\$10.38	919,418,021	\$6.69
Shuniah	\$54,910	2,130	\$25.78	2,798	\$19.62	821,327,825	\$6.69

***City of Thunder Bay Includes Sole Benefitting Levy

16,600,153,454

APPENDIX C: PASSED RESOLUTIONS



LAKEHEAD REGION

CONSERVATION AUTHORITY

Wednesday, August 30, 2023

Moved by *Sheelagh Headrick*

Seconded by *Greg Johnson*

THAT: *the Lakehead Region Conservation Authority approves the 2024 Draft Budget, Version 1.0, dated August 30, 2023, for consultation purposes.*

D. Bunt
Chair

Res # 83 /23