



City of
Peterborough

To: **Members of the Budget Committee**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **November 23, 2015**

Subject: **Report CPFS15-060**
Otonabee Region Conservation Authority

Purpose

A report to inform Council that the 2016 Budget submission of the Otonabee Region Conservation Authority will be reviewed on Tuesday, November 24, 2015.

Recommendations

That Council approve the recommendations outlined in Report CPFS15-060, dated November 23, 2015, of the Director of Corporate Services as follows:

- a) That the presentation and budget details presented to the November 24, 2015 Budget Committee by the Otonabee Region Conservation Authority, be received.
- b) That the \$714,746 provision for Otonabee Region Conservation Authority included in the 2016 Draft Operating Budget on page 175 of the 2016 Highlights Book be increased by \$7,198 to \$721,944 and that the additional \$7,198 be transferred from General Contingency on page 164 of the 2016 Highlights Book decreasing it from \$778,298 to \$771,100.

Budget and Financial Implications

There are no additional budget and financial implications of the recommendations.

Background

The Budget Committee is scheduled to review the 2016 Draft Budget during the week of November 23, 2015.

Tuesday, November 24, 2015 has been set aside to review budget requests from outside Boards and Agencies. If requested, representatives from Otonabee Region Conservation Authority are prepared to attend to make a short presentation and answer questions about the 2016 amounts that are included in the Draft 2016 Budget. The Budget Committee will resume its review of City departments either later that evening, or on Wednesday, November 25, 2015.

Included on page 175 of the 2016 Budget Highlights Book is a high-level summary of information presented by Otonabee Conservation.

As shown on the following chart, included in the budget request above the base levy of \$679,217, are two additional amounts; the City's portion of a special capital levy for the Millbrook Dam for \$7,529 and an amount of \$28,000 for Source Water Protection. ORCA has requested a base levy of \$686,415, which is an increase of \$7,198 over and above what is included in the 2016 draft Operating Budget. Until further details are forthcoming regarding the Source Water Protection, staff would suggest the provision of \$28,000 remain in place.

Service	2016 Draft Budget	2016 Presentation Request	% Difference	\$ Difference
Otonabee Region Conservation Authority	679,217	686,415	1.1%	7,198
- Millbrook Dam Capital Project Funding	7,529	7,529	0.0%	0
- Water Source Protection	28,000	28,000	0.0%	0
	<u>714,746</u>	<u>721,944</u>	1.0%	7,198

Additional budget details are appended to this report and further information will be provided by the agency representative on November 24, 2015.

Submitted by,

Sandra Clancy
Director of Corporate Services

Contact Person:

Richard Freymond

Manager of Financial Services

Phone: 705-742-7777 Ext 1862

Toll Free: 1-855-738-3755

Fax: 705-876-4607

E-mail: rfreymond@peterborough.ca

Attachment:

Appendix A: Draft 2016 Budget for the Otonabee Region Conservation Authority

Appendix A

**Draft 2016 Budget for the Otonabee Region Conservation
Authority**

Otonabee Region
Conservation Authority

**2016
OPERATING
and CAPITAL BUDGET
(PROPOSED)**



The Otonabee Region Conservation Authority delivers programs and services that protect and manage water and other natural resources. These efforts are done in partnership with municipal, provincial and federal governments, local landowners and various organizations - all at a shared cost. The Otonabee Region Conservation Authority takes an integrated watershed approach to delivering programs and services, one that balances human, environmental and economic needs.



OTONABEE
CONSERVATION

TABLE OF CONTENTS

Executive Summary	2
2016 Operating Budget at a Glance.....	3
2016 Capital Budget at a Glance	4
Plan Review and Permitting Services	5
Conservation Lands Program	8
Water Management Program.....	12
Corporate Services	18
Appendix A: 2016 Proposed Municipal Levy	21
Appendix B: 2016 Proposed Operating Budget.....	22
Appendix C: 2016 Proposed Capital	23

2016 PROPOSED OPERATING AND CAPITAL BUDGET ~ EXECUTIVE SUMMARY ~

The 2016 Operating Budget is organized by program and service area. Revenues and expenses for each area reflect the associated revenues and costs that are directly attributable to them. This approach provides greater transparency on what it costs the Authority to deliver its specific programs and services.

The 2016 Budgets include a proposed general municipal levy increase of 2.75% or \$30,000. The municipal levy is apportioned by using a modified current value of assessment calculation provided by the Ministry of Natural Resources and Forestry for the portion of each municipality in ORCA's jurisdiction. The ORCA watershed jurisdiction includes eight municipalities, in whole or in part.

In addition, the 2016 budget proposes to assess a special benefitting capital levy of \$166,550 dedicated for the reconstruction of the Millbrook Dam. This levy will be apportioned to member municipalities in accordance with the benefitting levy formula as defined in the Authority's Management of Water and Ice Control Structures Policy.

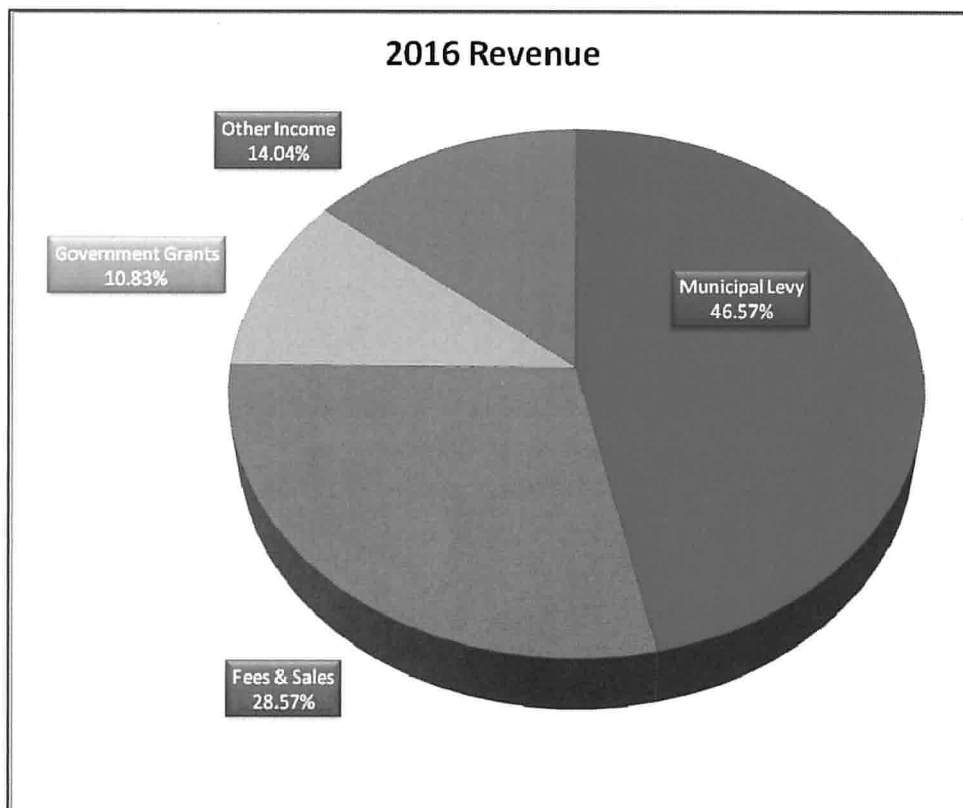
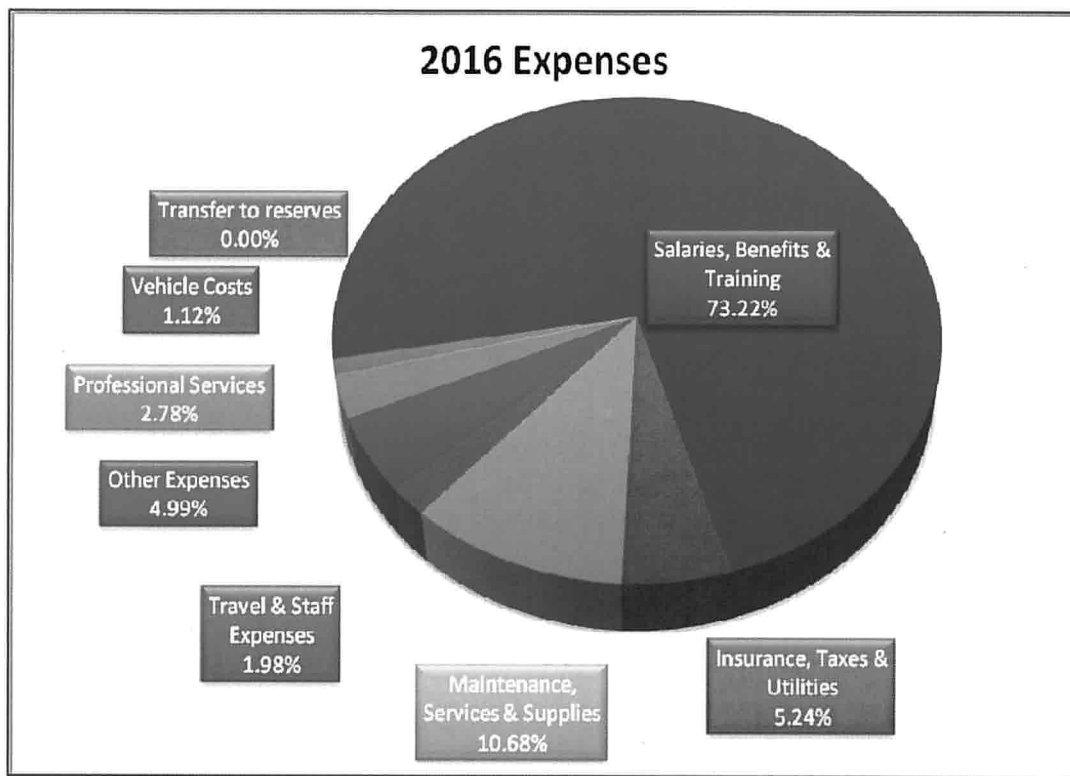
In 2016, operating expenses are projected to increase by \$197,000. The projected increase in expenditures is offset by additional revenues, fees and grants in the amount of \$167,000 and the proposed levy increase. Factors that contribute to the 2016 proposed levy increase include a provision for a 1.2% cost of living salary adjustment and an increase to information technology/Geographic Information Systems support costs.

In the 2015 approved budget, all project costs and revenues were allocated to a "Capital and Other Projects Budget". In 2016, all projects that are not capitalized have been moved to the Operating Budget. The effect of doing so increases the Conservation Lands and Watershed Management budgets over the 2015 budget. Additionally, both the revenue and costs associated with the operation of Beavermead Campground are projected to increase due to the addition of 25 serviced campsites and ORCA's profit sharing arrangement with the City of Peterborough.

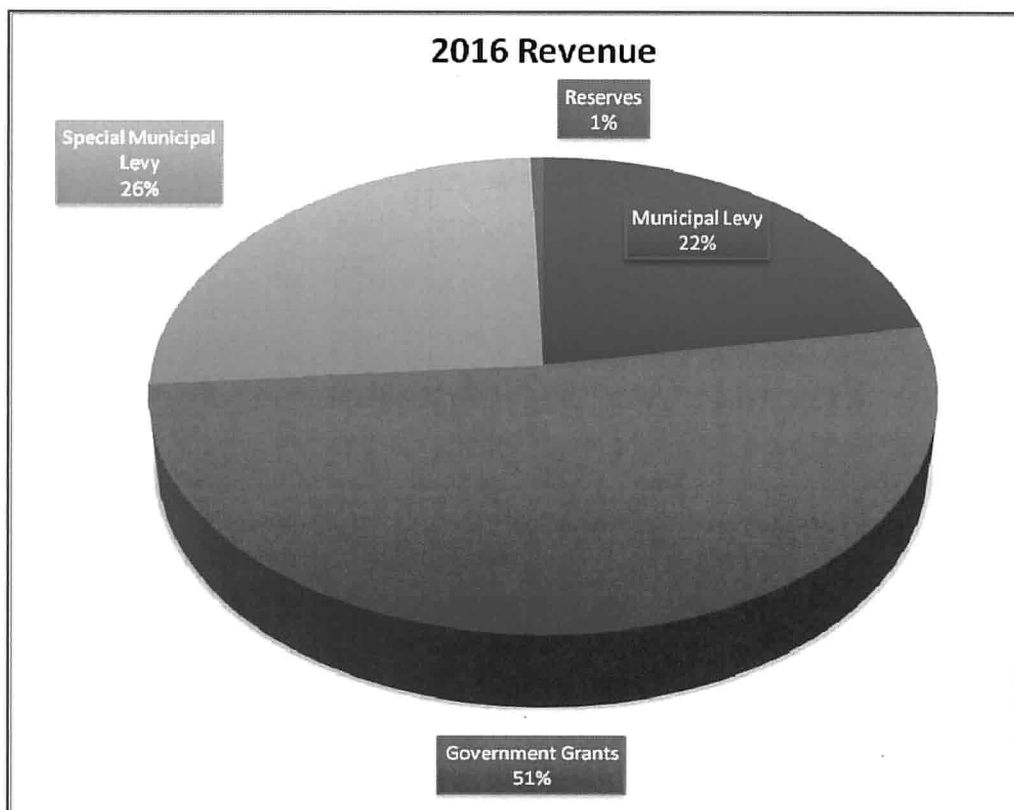
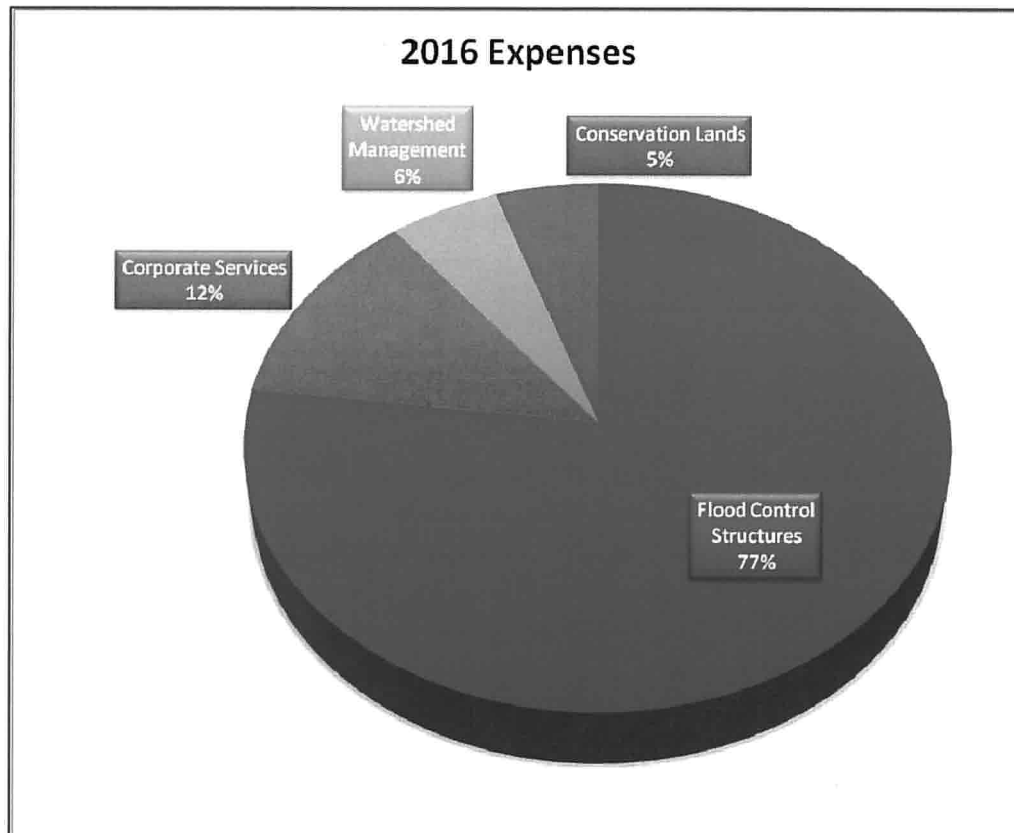
The 2016 Capital Projects are funded by a \$95,000 capital levy along with federal and provincial grants, capital levy carry over from prior years and reserves. The Millbrook Dam project is projected to cost \$349,650 in 2016. The Small Communities Fund is providing \$233,450 towards the cost of the project and the remaining \$116,550 will be paid for through a special benefitting capital levy.

The general municipal operations and capital levy have increased from \$10.55 per year per resident to \$10.81 in 2016. The general operating and capital levy represents 46.6% of the 2016 revenue, down from 49.6% in 2015.

2016 Operating Budget at a Glance:



2016 Capital Budget at a Glance:



PROGRAM: Plan Review & Permitting Services**PURPOSE:**

To ensure that people and property are protected from flooding and other natural hazards.

To ensure that land development activities are informed by environmentally sound principles that protect the natural heritage of the watershed.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Deliver the authority's permitting responsibilities ensuring adherence to Ontario Regulation 167/06 and related policies, timely customer service and appropriate enforcement action.
- Meet the Authority's delegated responsibility to represent the provincial interest in natural hazards through timely engagement with member municipalities in the review of applications under the Planning Act.
- Fulfill the Authority's obligations in its Memorandum of Agreements with member municipalities to provide technical review and expertise on natural heritage matters to assist the municipality in making environmentally sound decisions on *Planning Act* applications.

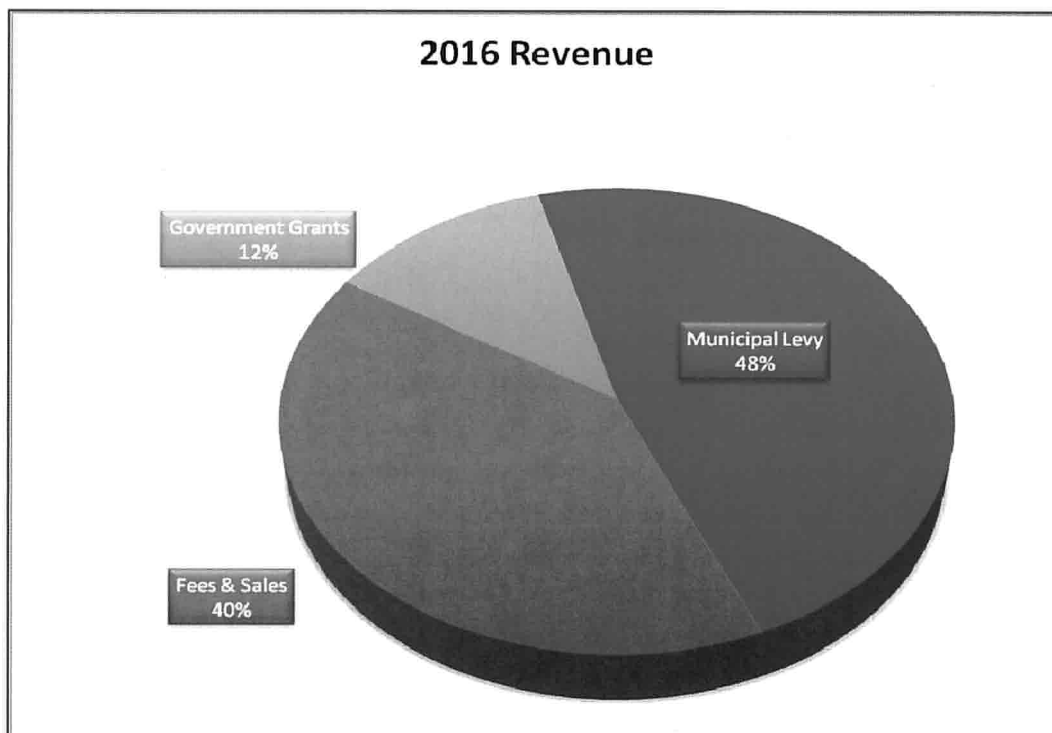
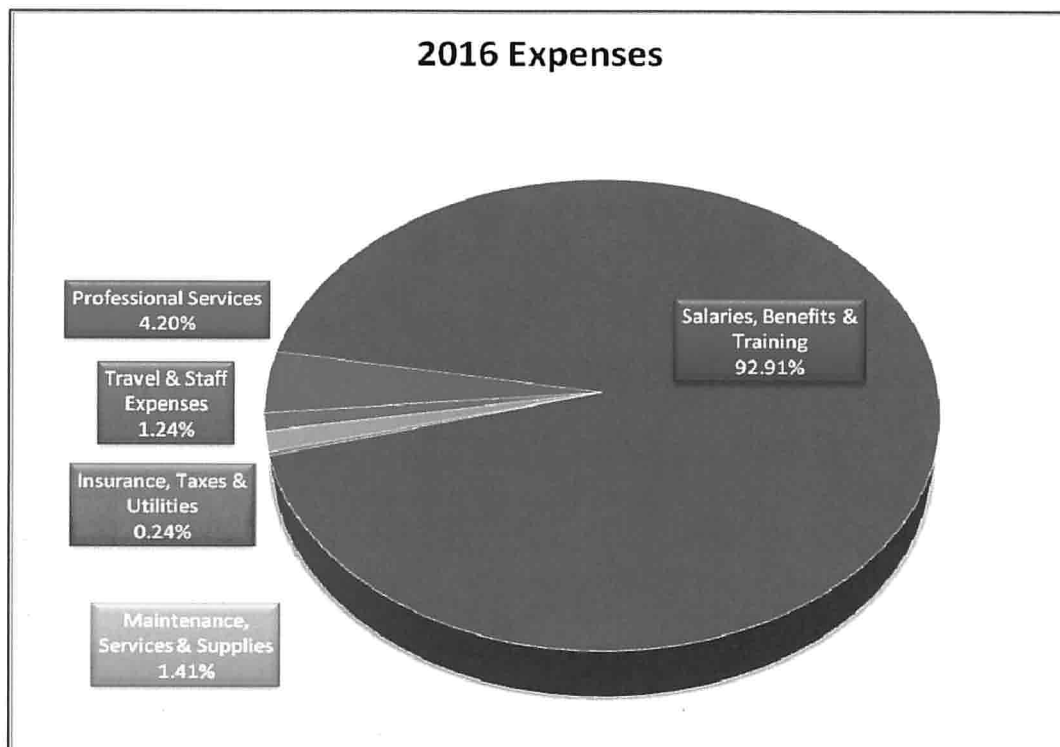
2016 Deliverables and Program Enhancement Initiatives:

- Develop operating procedures for guiding compliance and enforcement activities
- Receive, review and issue Ont. Reg. 167/06 permits
- Review and comment on natural hazard and natural heritage concerns on applications under the *Planning Act*
- Review and comment on Environmental Assessments

2016 Proposed Budget:

Plan Review & Permitting Services	
Expenses	
Salaries, Benefits & Training	\$464,012
Insurance, Taxes & Utilities	1,200
Maintenance, Services & Supplies	7,020
Travel & Staff Expenses	6,200
Professional Services	21,000
Total Expenses	\$499,432
Revenue	
Development and Planning Fees	\$201,400
Government Grants	59,700
Total Authority Generated Revenue	261,100
Proposed Levy Requirement	238,332
Total Revenue	\$499,432

Plan Review & Permitting Services:



PROGRAM: Conservation Lands

PURPOSE:

To ensure the protection and management of Authority owned lands to support a healthy watershed, and to provide outdoor recreation opportunities.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Actively operate Warsaw Caves Conservation Area, Selwyn Beach Conservation Area, the Harold Town Conservation Area and Beavermead Campground for camping and outdoor recreation activities
- Maintain several free-use conservation areas for public use, including 31 km of trails
- Administer a number of public and private partnership agreements for a range of uses and activities throughout the Authority's conservation areas
- Undertake resource management and activities on the 10,300 acres of Authority owned properties, including forestry and aggregate extraction



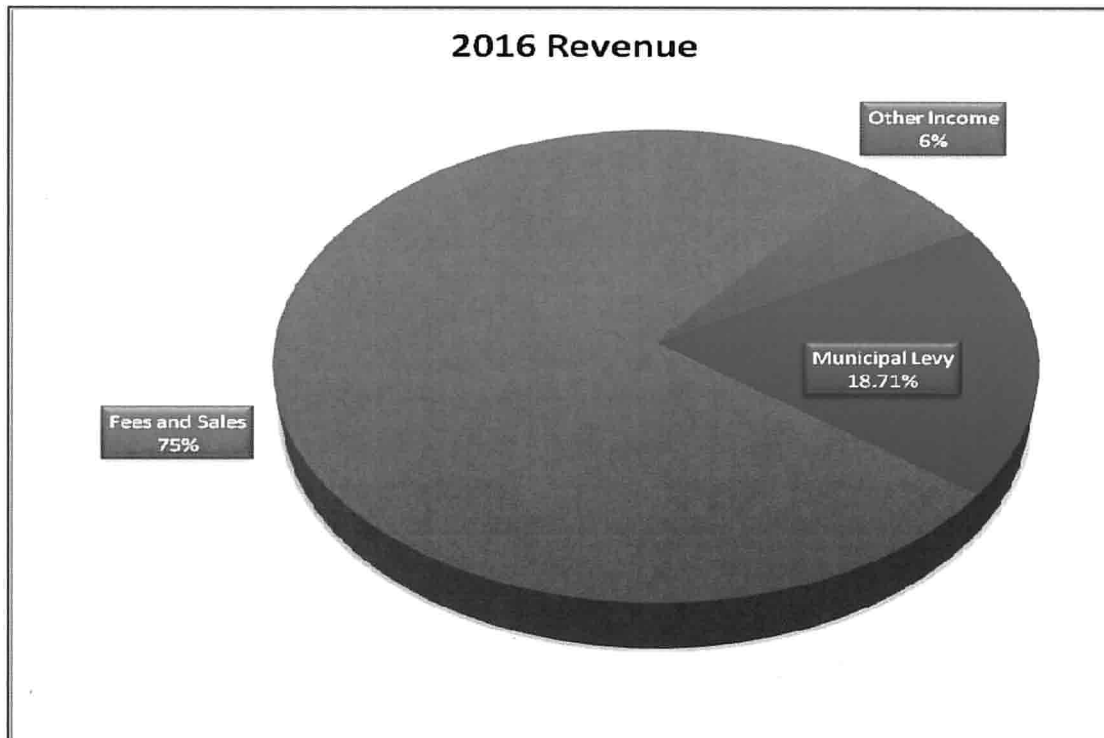
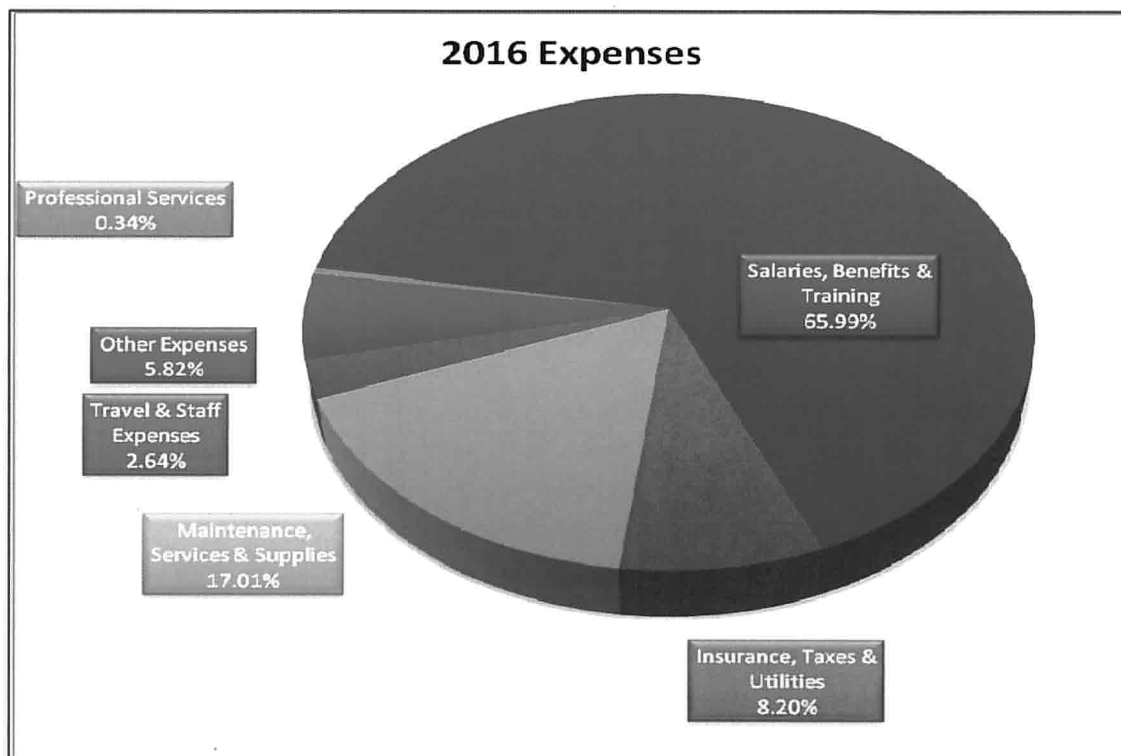
2016 Deliverables and Program Enhancement Initiatives:

- Prepare Management Statements for 3 Conservation Areas
- Initiate a 3-year project to replace washroom facilities at the Selwyn Beach Conservation Area and the Warsaw Caves Conservation Area and Campground
- In partnership with interested stakeholders, launch a fund raising campaign to expand the parking area and install washrooms and a picnic shelter at Harold Town Conservation Area by 2017
- Develop a design and cost estimate to replace the gatehouse at Warsaw Caves Conservation Area and Campground. The goal is for this project to be completed for the Authority's 60th Anniversary in 2019
- In partnership with others replace the unsafe bridge on the Jackson Creek Kiwanis Trail
- Make available at the Warsaw Caves Conservation Area day use facilities (picnic tables, beach, trails and washrooms) and 52 family campsites and 4 group campsites in the mid-May to Thanksgiving operating season
- Make available at the Beavermead Campground 98 campsites in the mid-May to Thanksgiving operating season
- Make available at the Selwyn Beach Conservation Area day-use facilities (picnic tables, beach, boat launch, washrooms) and group camping mid-June to Labour Day
- Provide 10 km of trails for non-motorized use at the Harold Town Conservation Area.

2016 Proposed Budget:

Conservation Lands Program	
Expenses	
Salaries, Benefits & Training	\$383,155
Insurance, Taxes & Utilities	47,600
Maintenance, Services & Supplies	98,750
Travel & Staff Expenses	15,300
Other Expenses	33,807
Professional Services	2,000
Total Expenses	\$580,612
Revenue	
Conservation Area Fees and Sales	\$436,175
Other Income	35,800
Total Authority Generated Revenue	\$471,975
Proposed Levy Requirement	108,637
Total Revenue	\$580,612

Conservation Lands:



PROGRAM: Watershed Management ~ Flood Monitoring, Warning and Operations

PURPOSE:

To provide a comprehensive Flood Forecasting and Warning System to alert residents in a timely manner on potential flooding events.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Operate a year round, 24 hour/day flood forecasting and warning system to ensure that residents and municipalities are aware of potential flood related events in a timely manner; during flood events, support municipally led emergency response.
- Monitor weather and watershed conditions to detect low water conditions and support the Low Water Response Team in responding to low water events.
- Operate and maintain water and ice control structures ensuring that they are in safe working order and that public safety measures are in place.

2016 Deliverables and Program Enhancement Initiatives:

- Upgrade the surface water monitoring equipment at Norwood
- Complete the public notification requirements for the Addendum to the Millbrook Dam EA Study
- Tender and award a contract to produce detailed design documents, obtain permits and approvals and administer contracts for the reconstruction of the Millbrook Dam. Timelines and milestones will be established as part of the tendering process
- Maintain and operate 9 automated river gauges, 7 automated precipitation gauges and 2 snow stations
- Conduct daily assessments of potential flooding risks and issue alerts
- Maintain a 24-hour Flood Watch Hotline telephone number and website access to current flood related messages
- Monitor water conditions at 45 locations for the presence of low water conditions
- Operate 6 water control structures and 2 ice control structures

PROGRAM: Watershed Management ~ Watershed Monitoring

PURPOSE:

To provide an integrated, science-based approach to understanding the ecological processes and state of natural resources in the watershed.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Implement water quality and quantity monitoring programs in partnership with various provincial agencies to support the preparation of watershed reports.
- Undertake special research and technical studies in partnership with member municipalities.

2016 Deliverables and Program Enhancement Initiatives:

- Enhance the Authority's capacity to manage geographic information and water quality and quantity information
- Participate in the Provincial Water Quality Monitoring Network through the collection of surface water samples at 16 collection sites across the watershed from April to October
- Participate in the Provincial Ground Water Monitoring Network through the collection of samples at ground water sampling stations
- Collect benthic samples at 20 sites as part of the Ontario Benthos Biomonitoring Network Biocriteria Research Project and Watershed Health Monitoring Program
- Incorporate the results of monitoring activities into the Watershed Report cards and other information products



PROGRAM: Watershed Management ~ Stewardship

PURPOSE:

To undertake stewardship activities that supports the maintenance of a healthy watershed.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Undertake stewardship projects in partnership with membership municipalities and where appropriate actively involve local youth and watershed residents.

2016 Deliverables and Program Enhancement Initiatives:

- Enhance the Authority's capacity to provide extension services and advice to landowners wishing to undertake land restoration and improvement projects.
- Complete the 2016 annual tree planting program with the Kawartha Waterways Scouts and private landowners.
- Complete stewardship projects including shoreline restoration, naturalization and habitat enhancement throughout the watershed on both public and private land with a variety of partners.



PROGRAM: Watershed Management ~ Education

PURPOSE:

To provide environmental education experiences that foster awareness and appreciation of natural resources and that motivate actions that enhance the health of the watershed

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Develop, market and deliver family-friendly events that foster environmental awareness of the watershed community and the diversity of wildlife and habitats characteristic of the region.
- Deliver water safety and other water related education programs to elementary and secondary school students.
- Sponsor co-operative learning placements for secondary and post-secondary students.

2016 Deliverables and Program Enhancement Initiatives:

- Support Forest Ontario in hosting the 2016 North American Envirothon Competition in the Peterborough area.
- Deliver the Spring Water Awareness Program to 1500+ elementary students
- In partnership with Camp Kawartha deliver the Be A Watershed Steward Education Program
- Participate in the delivery of the annual Peterborough Children's Water Festival.
- Participate in special events (i.e. National Tree Day, Earth Day, International Trails Day, World Water Day, etc.)



PROGRAM: Watershed Management ~ Source Water Protection

PURPOSE:

To support municipalities in the Otonabee- Peterborough Source Protection Area to implement the Trent Source Protection Plan and protect the sources of 12 municipal drinking water systems from existing and future threats.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Implement the agreements between ORCA and municipalities to enforce Part IV of the Clean Water Act through activities of the Risk Management Office and to ensure compliance with the Trent Source Protection Plan and *Clean Water Act*.
- Develop and deliver an Education and Outreach Program on behalf of participating municipalities as required by the Trent Source Protection Plan policies.
- Support local municipalities to implement the policies in the Trent Source Protection Plan.
- Support the Otonabee-Peterborough Source Protection Authority and ensure compliance with the Trent Source Protection Plan and *Clean Water Act*.

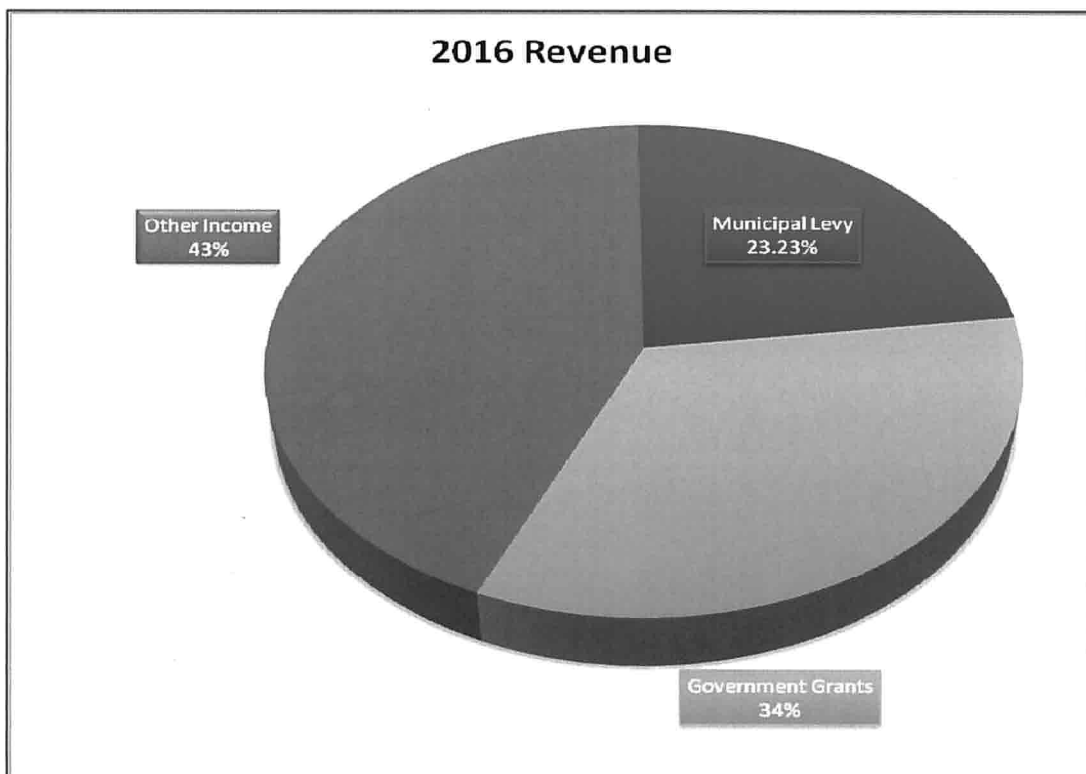
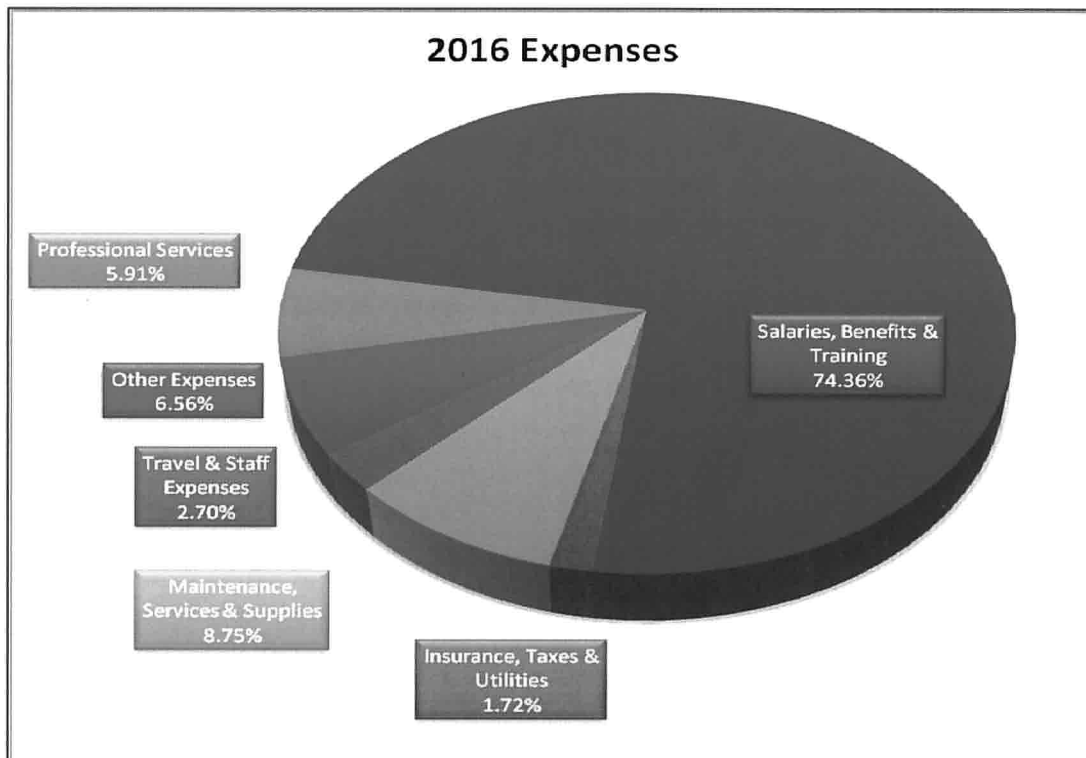
2016 Deliverables and Program Enhancement Initiatives:

- Negotiate an extension to agreements with member municipalities in the Otonabee-Peterborough Source Protection Area for the continued operation of the Risk Management Office as described in the existing Part IV Enforcement Agency Agreements
- Support municipalities in the Otonabee-Peterborough Source Protection Area to implement the Trent Source Protection Plan.
- Undertake administrative activities to ensure that the Otonabee-Peterborough Source Protection Authority operates effectively and completes all required activities including reporting, negotiation of agreements, securement of funding, etc.
- Provide Risk Management Office services to municipalities (i.e. Sec. 59 notices, preparation of risk management plans, pre-consultation, etc.).
- Develop and deliver an education & outreach program on behalf of participating municipalities as required by the Trent Source Protection Plan.

2016 Proposed Budget:

Watershed Management	
Expenses	
Salaries, Benefits & Training	\$402,407
Insurance, Taxes & Utilities	9,300
Maintenance, Services & Supplies	47,350
Travel & Staff Expenses	14,600
Other Expenses	35,500
Professional Services	32,000
Total Expenses	\$541,157
Revenue	
Government Grants	\$181,955
Other Income	233,500
Total Authority Generated Revenue	\$415,455
Proposed Levy Requirement	125,702
Total Revenue	\$541,157

Watershed Management:



PROGRAM: Corporate Services

PURPOSE:

To foster organizational excellence that ensures the effective and efficient delivery of ORCA's programs and services for the benefit of member municipalities and the residents of the Otonabee Region watershed.

Core Program Activities:

To achieve the purpose of this program the Authority carries out the following activities:

- Support the Board of Directors in meeting its legislated mandate and responsibilities
- Provide the necessary administrative services for the efficient and effective operation of the authority (i.e. payroll, purchasing, financial, human resources, communications, IT, vehicle, equipment and facility management)
- Provide support to the Otonabee Conservation Foundation
- Deliver audited financial statements and annual reports for 2015

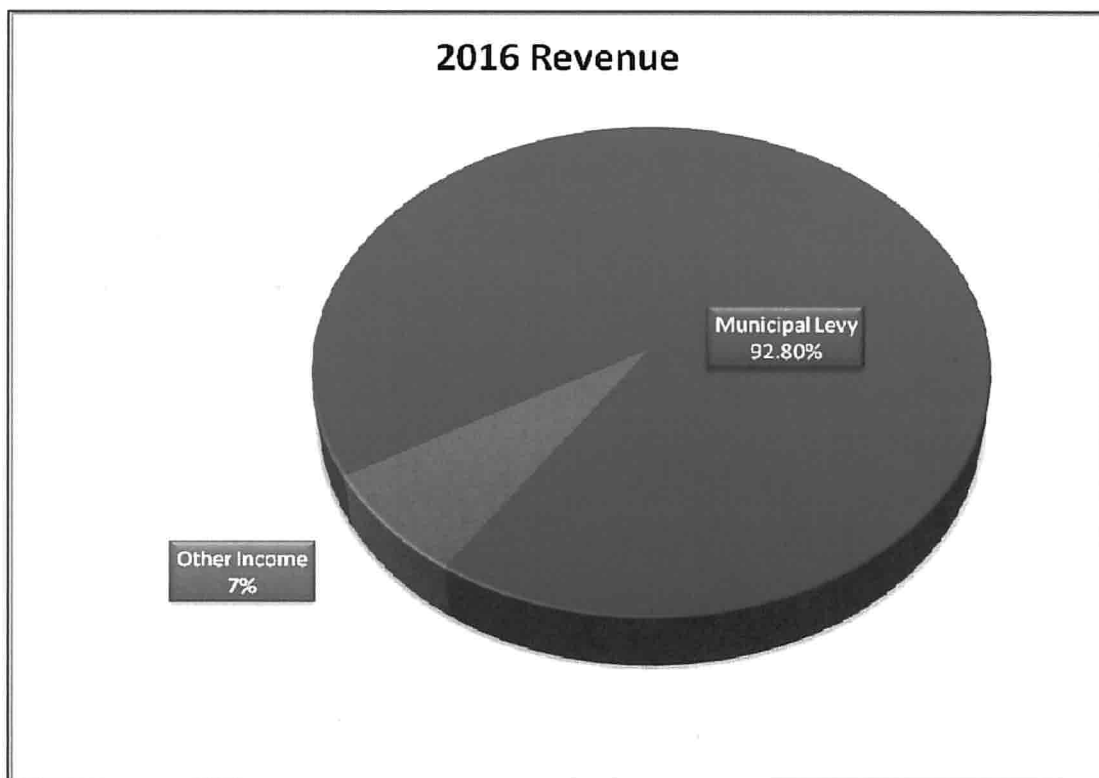
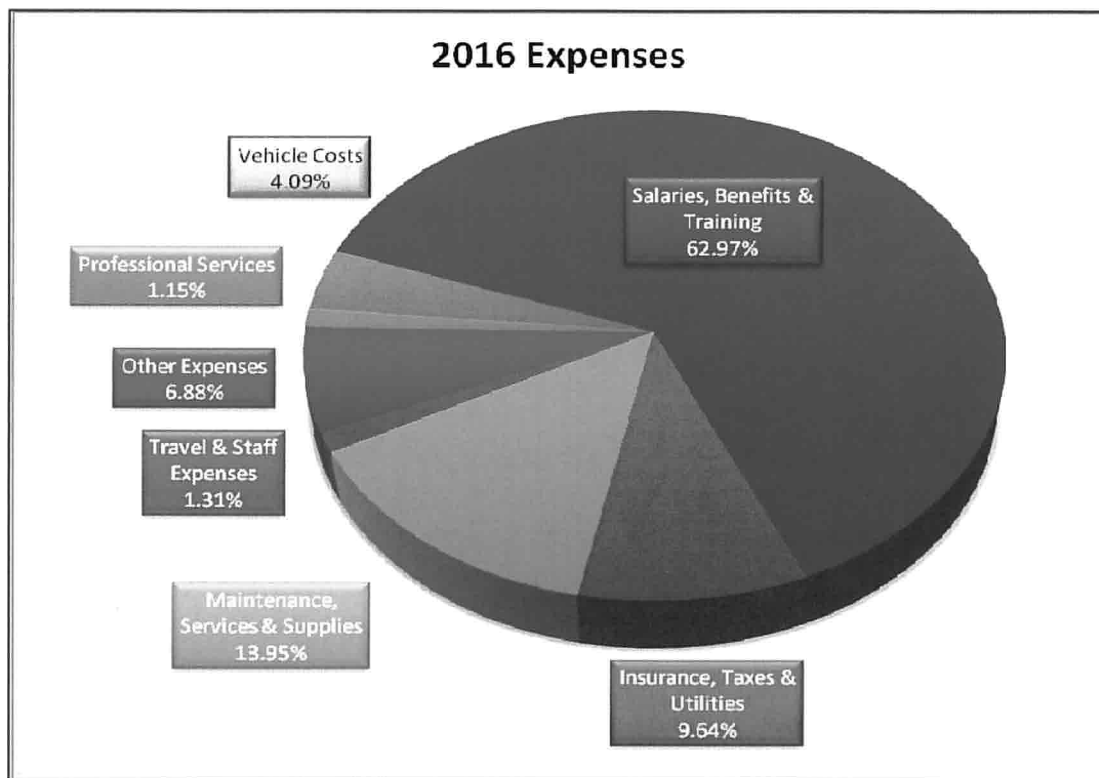
2016 Deliverables and Program Enhancement Initiatives:

- Begin implementing visual identity improvements:
 - ✓ New signs at Conservation Areas
 - ✓ New layouts for printed material
- Update the Authority's website with a new design and content, and investigate and implement other social media tools
- Upgrade IT services to resolve the increasing frequency of outages being experienced
- Replace 2 vehicles
- Undertake renovations to the Authority's administrative building
- Digitize Board minutes to improve public access
- Deliver audited financial statements and an annual report for 2015
- Arrange for the 2016 Annual General Meeting
- Bring forward for Board approval a budget and key performance objectives for 2017
- Provide in-year quarterly financial updates and progress reports on key performance objectives

2016 Proposed Budget:

Corporate Services	
Expenses	
Salaries, Benefits & Training	\$384,629
Insurance, Taxes & Utilities	58,900
Maintenance, Services & Supplies	85,200
Travel & Staff Expenses	8,000
Other Expenses	42,050
Professional Services	7,000
Vehicle Costs	25,000
Total Expenses	\$610,779
Revenue	
Other Income	\$44,000
Total Authority Generated Revenue	\$44,000
Proposed Levy Requirement	566,779
Total revenue	\$610,779

Corporate Services:





**Otonabee Region Conservation Authority
2016 Proposed Municipal Levy**

	Municipal Levy 2015				Municipal Levy 2016					
Municipality	Modified CVA Based Apportionment %	Approved Operating Levy Apportionment	Capital Levy Apportionment	Total Municipal Levy	Modified CVA Based Apportionment %	Proposed Operating Levy Apportionment	Proposed Capital Levy Apportionment	Total Proposed Operating & Capital Levy	Proposed Special Capital Levy	Total Municipal Levy
Asphodel-Norwood	2.38	\$ 24,014	\$ 2,261	\$ 26,274	2.3971	\$ 24,916	\$ 2,277	\$ 27,193	\$ 296	\$ 27,489
Cavan-Monaghan	6.22	\$ 62,768	\$ 5,909	\$ 68,677	6.2270	\$ 64,726	\$ 5,916	\$ 70,642	\$ 104,895	\$ 175,537
City of Kawartha Lakes	0.65	\$ 6,596	\$ 621	\$ 7,217	0.6533	\$ 6,791	\$ 621	\$ 7,412	\$ 81	\$ 7,493
City of Peterborough	60.58	\$ 611,371	\$ 57,546	\$ 668,917	60.5064	\$ 628,934	\$ 57,481	\$ 686,415	\$ 7,529	\$ 693,944
Douro-Dummer	7.43	\$ 74,982	\$ 7,059	\$ 82,041	7.4358	\$ 77,292	\$ 7,064	\$ 84,356	\$ 923	\$ 85,279
Otonabee-South Monaghan	5.01	\$ 50,559	\$ 4,760	\$ 55,319	5.0338	\$ 52,324	\$ 4,782	\$ 57,106	\$ 623	\$ 57,729
Selwyn	17.63	\$ 177,914	\$ 16,749	\$ 194,663	17.6579	\$ 183,545	\$ 16,775	\$ 200,320	\$ 2,191	\$ 202,511
Trent Hills	0.10	\$ 1,008	\$ 95	\$ 1,104	0.0887	\$ 922	\$ 84	\$ 1,006	\$ 12	\$ 1,018
TOTAL	100.00	\$ 1,009,212	\$ 95,000	\$ 1,104,212	100.00	\$ 1,039,450	\$ 95,000	\$ 1,134,450	\$ 116,550	\$ 1,251,000



**Otonabee Region Conservation Authority
2016 Proposed Operating Budget**

	Plan Review & Permitting Services		Conservation Lands Program		Watershed Management Program		Corporate Services		Total	
Expenses	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Salaries, Benefits & Training	\$ 436,045	\$ 464,012	\$ 356,645	\$ 383,155	\$ 358,533	\$ 402,407	\$ 379,769	\$ 384,629	\$ 1,530,993	\$ 1,634,203
Insurance, Taxes & Utilities	1,200	1,200	43,550	47,600	8,600	9,300	58,200	58,900	\$ 111,550	\$ 117,000
Maintenance, Services & Supplies	7,670	7,020	77,480	98,750	47,825	47,350	68,100	85,200	\$ 201,075	\$ 238,320
Travel & Staff Expenses	6,200	6,200	14,300	15,300	14,800	14,600	9,000	8,000	\$ 44,300	\$ 44,100
Other Expenses	-	-	16,900	33,807	3,500	35,500	38,500	42,050	\$ 58,900	\$ 111,357
Professional Services	20,000	21,000	2,000	2,000	27,000	32,000	7,000	7,000	\$ 56,000	\$ 62,000
Vehicle Costs	-	-	-	-	-	-	30,300	25,000	\$ 30,300	\$ 25,000
Transfer to reserves	1,500	-	-	-	-	-	-	-	\$ 1,500	\$ -
Total Expenses	\$ 472,615	\$ 499,432	\$ 510,875	\$ 580,612	\$ 460,258	\$ 541,157	\$ 590,869	\$ 610,779	\$ 2,034,618	\$ 2,231,980
Revenues										
Conservation Area Fees and Sales	\$ -	\$ -	\$ 374,350	\$ 436,175			\$ -	\$ -	\$ 374,350	\$ 436,175
Development and Planning Fees	175,000	201,400	-	-			-	-	\$ 175,000	\$ 201,400
Government Grants	59,700	59,700	-	-	199,955	181,955	-	-	\$ 259,655	\$ 241,655
OCF Project Support	-	-	4,000	-			-	-	\$ 4,000	\$ -
Other Income	-	-	10,500	35,800	162,900	233,500	39,000	44,000	\$ 212,400	\$ 313,300
Total Authority Generated Revenue	\$ 234,700	\$ 261,100	\$ 388,850	\$ 471,975	\$ 362,855	\$ 415,455	\$ 39,000	\$ 44,000	\$ 1,025,405	\$ 1,192,530
Proposed Levy Requirement	\$ 237,915	\$ 238,332	\$ 122,025	\$ 108,637	\$ 97,403	\$ 125,702	\$ 551,869	\$ 566,779	\$ 1,009,212	\$ 1,039,450
Total revenues	\$ 472,615	\$ 499,432	\$ 510,875	\$ 580,612	\$ 460,258	\$ 541,157	\$ 590,869	\$ 610,779	\$ 2,034,617	\$ 2,231,980

ee



**Otonabee Region Conservation Authority
2016 Proposed Capital Projects**

Expenses	2015 Budget	2016 Budget	Notes
CA Improvements	25,000		allocated to Operating Budget in 2016
Watershed Management Projects	81,600		allocated to Operating Budget in 2016
Engineering Services (Dam Safety Reviews)	40,000		
Millbrook Dam Design		349,650	
Millbrook Dam EA	100,000		
Information Technology Infrastructure		10,000	
Office Renovations	19,000	10,000	
Equipment Purchase (stream gauge)		25,000	
Vehicle Replacement	14,000	26,000	
WCA Work Centre Repairs		10,000	
WCA Gatehouse Replacement - Design		10,000	
WCA Comfort Station Loan Repayment	15,000	13,500	
Total Expenses	294,600	454,150	
Revenue			Notes
Capital Levy (from prior years)	18,000	6,400	
Special Benefiting Levy (Millbrook Dam)		116,550	
Government Grants (SCF)	75,000	233,450	
Other Income	106,600	2,750	allocated to Operating Budget in 2016
Subtotal	199,600	359,150	
Proposed Levy Requirement	95,000	95,000	
Total Revenue	294,600	454,150	