

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made as of the ___ day of _____, 2023 (the “**Effective Date**”).

BETWEEN:

CITY OF TORONTO
(hereinafter, “City”)

AND:

TORONTO AND REGION CONSERVATION AUTHORITY
(hereinafter, “TRCA”)

WHEREAS TRCA is a conservation authority established under the *Conservation Authorities Act* (“Act”) providing programs and services that further the conservation, restoration, development and management of natural resources in its watersheds;

AND WHEREAS the City is a single-tier municipality located wholly within the geographic area of the TRCA, and is designated as a participating municipality under the Act;

AND WHEREAS in carrying out its mandate under the Act, TRCA is required to provide mandatory programs and services (Category 1) including but not limited to programs and services related to understanding and addressing the risks of natural hazards, flood forecasting and warning, drought or low water response, ice management, water control and erosion control infrastructure, providing technical comments on applications under prescribed acts including the *Planning Act*, conservation and management of its lands, and fulfilling its duties, functions and responsibilities to administer and enforce the provisions of Parts VI and VII of the Act and any regulations made under those Parts;

AND WHEREAS in carrying out its mandate under the Act, TRCA provides non-mandatory programs and services (Category 2) to municipal partners within its jurisdiction including but not limited to erosion control and restoration planning and works, trail planning, design, construction and maintenance of infrastructure, forest management, project management, invasive species and wildlife management, in-water and near-water construction, watershed and subwatershed planning, biodiversity and ecosystem monitoring, Sustainable Neighbourhood Action Plan development and implementation, where applicable, climate science, environmental audits, impact studies, environmental assessments, community education and outreach, archaeological studies, research and interpretation, events and nature-based programs;

AND WHEREAS under the Act, Category 1 programs and services are to be funded through the annual budget and apportionment process in accordance with the applicable regulations;

AND WHEREAS under the applicable regulations, Category 1 operating expenses and capital costs may be included in the apportionment and provided without an agreement;

AND WHEREAS under the Act, Category 2 programs and services requested by the City may be provided under a memorandum of understanding (“MOU”) or such other agreement in respect of the programs and services;

AND WHEREAS under the applicable regulations, Category 2 operating expenses and capital costs may

be included in the apportionment and the operating expenses and capital costs shall be apportioned to the City subject to the approval of City Council through the City's annual Operating and Capital Budget;

AND WHEREAS the Act requires such MOUs or other agreements to be reviewed at regular intervals, and to be made available to the public, subject to certain exemptions including an exemption for procurement agreements;

AND WHEREAS this MOU sets out the terms and conditions governing the delivery of Category 2 programs and services, as well as projects, funded by the City through the budget and apportionment process;

AND WHEREAS pursuant to the adoption by City Council of Item ___ entitled "Memorandum of Understanding between the City of Toronto and the Toronto and Region Conservation Authority (TRCA)" at its meeting held on ____, City Council has authorized the execution of this MOU;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. The purpose of this MOU is to satisfy provincial requirements under the Act regarding the Category 2 programs, services and projects, delivered by TRCA and which are funded, in part or whole, by the City.
2. This MOU shall commence on the Effective Date and shall continue for a period of four (4) years (the "**Initial Term**"). Thereafter this MOU shall automatically renew and continue for additional periods of four (4) years each (each a "**Renewal Term**") on the same terms and conditions, unless either party provides written notice of termination to the other party at least sixty (60) days prior to the expiry of the Initial Term or Renewal Term, as the case may be.
3. This MOU shall be reviewed by the parties on an annual basis as part of TRCA's budget and apportionment process as set out in Schedule "A".
4. When preparing its annual budget, TRCA shall follow the prescribed budgetary process in accordance with the requirements of the Act and applicable regulations thereunder, including preparation of a draft budget, consultations with participating municipalities, rules for voting to approve the apportionment, and preparation of the final budget. TRCA shall also submit to the City a variance report by July 1st each year that includes a summary of deferred revenue for all City programs, services and projects included in the apportionment, and TRCA and the City will review unspent funding to determine opportunities to reallocate funding to other priority program, service and project areas on mutual agreement.
5. TRCA shall identify Category 1 programs and services in the annual budget. TRCA shall comply with the prescribed methods of apportionment for Category 1 services. TRCA and the City will identify and agree on requested Category 2 programs, services and projects in the annual budget. Where requested Category 2 services are included in the annual budget and apportionment, TRCA shall, in accordance with the applicable regulations, apportion the operating expenses and capital costs to the City. The method of apportionment for each program and service shall be identified in the annual budget. The account structure may be updated from time to time through the approval of the annual budget and apportionment, and the final approved budget and apportionment, as amended on an annual basis through TRCA's budget and apportionment process consistent with approval under the City's annual Operating and Capital Budget, are hereby incorporated by reference into this MOU. Schedule "A" to this MOU summarizes the current annual budget process

carried out by TRCA in consultation with the participating municipalities. Schedule “B” to this MOU depicts the current account structure used by TRCA as part of the annual budget and apportionment process.

6. Where Category 2 services are requested and procured by the City under individual procurement agreements outside of the budget and apportionment process, the following terms and conditions shall govern the delivery of Category 2 City programs, services and projects:
 - a. the City’s form of purchase order and procurement agreements will be used for the delivery of municipally requested City programs, services and projects and TRCA agrees to comply with all applicable City procurement policies.
 - b. TRCA will maintain such insurance policies as required by the City in respect of the delivery of City programs, services and projects pursuant to this MOU.
 - c. TRCA will retain all financial and project records in connection with the City programs, services and projects for audit purposes by the City for no less than seven years, or other period as specified in the procurement agreement, and shall provide such records to the City on request.
7. TRCA shall maintain a list of procurement agreements where fee-for-service funding is provided and provide the list promptly to the City on request.
8. Category 1 programs and services shall be provided in accordance with any standards and requirements that may be prescribed under subsection 21.1(3) of the Act. Category 2 programs and services shall be in accordance with any standards and requirements that may be prescribed under subsection 21.1.1(4) of the Act.
9. Where Category 2 City programs, services and projects funded by the City involve user fees, such user fees shall be imposed either in accordance with TRCA’s fee policy and fee schedules adopted in accordance with the provisions of the Act, or otherwise in accordance with provisions set out in an agreement between TRCA and the City.
10. This MOU shall be made available by the TRCA to the public in accordance with the Act, and any applicable legislation and regulations.
11. The parties shall treat as confidential information acquired or produced through the performance of this MOU, or any information provided in confidence to the other party, unless the parties agree that the information is public information or it is required to be made available to the public in accordance with the Act. The parties agree not to disclose any confidential information without first obtaining the written permission of the other party.
12. Notwithstanding any provision in the MOU, the parties acknowledge and agree that nothing in this MOU shall be construed as amending, modifying, superseding or otherwise affecting any existing agreements between the City and the TRCA entered into prior to the Effective Date of this MOU.

13. The City and TRCA will continue to work together to identify opportunities for further collaboration to the benefit of both parties and ensure efficiency, transparency and accountability in the use of public sector resources.
14. The parties shall work together to reach agreement on and resolve any issues that arise through the implementation of this MOU, and if required any issues shall be resolved by the parties' senior executive leadership.
15. This MOU may be executed in counterparts and when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts, when taken together, shall constitute one and the same agreement. The parties may sign this MOU by means of electronic signature and deliver this MOU by electronic transmission.

[signature page follows]

IN WITNESS WHEREOF, the parties have entered into this MOU as of the Effective Date.

**TORONTO AND REGION
CONSERVATION AUTHORITY**

Per: _____

Name: John MacKenzie

Title: Chief Executive Officer

Per: _____

Name: Paul Ainslie

Title: Chair

CITY OF TORONTO

Per: _____

Name: Paul Johnson

Title: City Manager

SCHEDULE “A”

TRCA CURRENT BUDGET PROCESS

PHASE ONE: BUDGET DRAFTING AND DETERMINING AMOUNTS OWED PHASE TWO: APPROVAL OF THE DRAFT BUDGET	
<p>Determination revenue, operating expenses, capital costs and reduced amounts to be apportioned</p> <p>Prepare draft budget</p> <p>Meeting on draft budget</p>	<p>April/May/June Staff level meetings/communications with each participating municipality, including advance notice of the TRCA Board meeting for approval of the draft budget</p> <p>June TRCA Board approves draft budget for consultation</p>
PHASE THREE: APPROVAL OF LEVY AMOUNTS PHASE FOUR: FINAL BUDGET	
<p>Consultations as are necessary to finalize budget</p> <p>Approval of apportionment and final budget</p> <p>Providing copies and posting of budget</p> <p>Notice</p>	<p>July Budget documents provided to participating municipalities, as well as a copy of the budget and of all financial information related to the apportionment of operating expenses and capital costs For the prior year budget, variance report is provided by July 1st each year that includes a summary of deferred revenue for all City programs, services and projects</p> <p>September/October Staff level meetings/communications with each participating municipality, including resubmission of binder if required, regarding any changes to apportionment and/or updated Current Value Assessment (CVA) shares as calculated/provided by the Province, as well as advance notice of October/November status update report to TRCA Board</p> <p>Variance report provided that includes a summary of deferred revenue for all City programs, services and projects included in schedule B for the <i>current year budget</i>.</p> <p>October/November TRCA Board status update report</p> <p>January/February/March Staff level meetings/communications with each participating municipality, including advance notice of the TRCA Board meeting for approval of final budget and apportionment amounts</p> <p>March/April/May TRCA Board approves apportionment amounts and final budget</p> <p>Copy of final budget provided to Minister, participating municipalities and posted on Governance section of website</p> <p>Formal notices of apportionment amount sent to participating municipalities</p>

Schedule “B”

TRCA Current Account Structure

		O. Reg 686/21 Section	Mandatory (Category 1)	Municipal Request (Category 2) (Non-Mandatory)	Funding Formula
1. Waterfront and Valley Erosion Control City of Toronto Totals					
139-01	Shoreline Maintenance and Monitoring	S. 1, S.5, S. 5(1)	X		Toronto Benefit
134-01	Erosion Infrastructure - Major Maintenance	S. 1, S.5, S. 5(1)	X		Toronto Benefit
2. Waterfront Development City of Toronto Totals					
207-01	Keating Channel Dredging	S. 1	X	X	Toronto Benefit
210-04	Tommy Thompson Park - Cell Capping			X	Toronto Benefit
210-19	Tommy Thompson Park Management Program			X	Toronto Benefit
		S. 1, S.5, S. 5(1)			Toronto Benefit
241-01	Waterfront Major Maintenance		X		
240-01	Waterfront Environmental Monitoring Program	S. 1, S.5, S. 5(1)	X		Toronto Benefit
204-20	Toronto Waterfront Consultation and Relations			X	Toronto Benefit
211-16	Ashbridge's Bay - Coatsworth Cut Dredging			X	Toronto Benefit
3. Living City Action Plan - Regeneration City of Toronto Totals					
114-39	Etobicoke-Mimico Habitat Implementation Plan	9(1)2(iv)	X	X	Toronto Benefit
113-51	Toronto Waterfront Terrestrial & Aquatic Restoration Program			X	Toronto Benefit
113-48	Waterfront and Moraine Migratory Bird Corridor Program			X	Toronto Benefit
114-52	Indigenous Plant Propagation	9(1)2(iv)	X	X	Watershed
114-32	Canada Goose Management Program			X	Toronto Benefit
114-35	Habitat for Wildlife Program			X	Toronto Benefit
114-43	Humber River Watershed Habitat Implementation Plan	9(1)2(iv)	X	X	Toronto Benefit
114-40	Don River Habitat Implementation Program	9(1)2(iv)	X	X	Toronto Benefit
113-37	Rouge Watershed Habitat Implementation Plan	9(1)2(iv)	X	X	Toronto Benefit
4. Living City Action Plan - Stewardship, Education, Sustainable Communities & Technology City of Toronto Totals					
126-55	Multicultural Environmental Stewardship Program			X	Toronto Benefit
126-56	Toronto Stewardship Projects			X	Toronto Benefit
126-50	Community Engagement - Etobicoke-Mimico			X	Toronto Benefit
204-19	Toronto West Watersheds Consultation and Relations			X	Toronto Benefit
126-20	Toronto Outreach Education Services			X	Toronto Benefit
414-60	Community Transformation Partnership Program			X	
415-91	Sustainable House Demonstration Project			X	Toronto Benefit
416-96	Sustainable Technologies Evaluation Program (STEP) - Water, Air, Energy			X	Toronto Benefit

		O. Reg 686/21 Section	Mandatory (Category 1)	Municipal Request (Category 2) (Non-Mandatory)	Funding Formula
413-01	Pearson Eco-Business Zone			X	Toronto Benefit

5. Living City Action Plan - Regional Watershed Monitoring Program City of Toronto Totals

124-01	Regional Watershed Monitoring Program - Water Risk	S.1, S.3(2), S.12(2)	X		Watershed
124-02	Regional Watershed Monitoring Program - Biodiversity	S.1, S.12	X	X	Watershed
104-23	Terrestrial Natural Heritage Strategy Implementation	S.1, S.12	X	X	Watershed
104-22	Terrestrial Natural Heritage Field Inventory Program	S.1, S.12	X	X	Watershed

6. Living City Action Plan - Regional Watershed Management City of Toronto Totals

120-12	Planning and Regulation Policy Updates Program	S.1 (2) (3) S.6, S.7, S.8	X		MCVA
120-19	Growth Management and Specialized Planning Studies Program Bundle Total	S. 1(1) (2), S. 7(1), S.7(2) S.8	X		MCVA
107-01	Flood Forecasting and Flood Warning and Hydrometrics	S.2(2)	X		Watershed
107-02	Flood Protection and Remedial Capital Works Small Dams and Flood Control Facilities, Capital Works Program	S. 5, S.5(1)	X		Toronto Benefit
107-03		S. 5, S.5(1)	X		Watershed
204-18	Toronto East Watersheds Consultation and Relations			X	Toronto Benefit
120-02	Watershed Planning and Reporting Program	S. 12(1)3, S. 12(4)	X		Watershed
113-95	Sustainable Neighbourhood Retrofit Action Plan			X	Toronto Benefit
120-62	Aquatic Systems Priority Planning Program	S.1, S.12	X	X	Watershed
120-90	Climate Change - Research and Adaptation	S.1(3), S. 1(4), S. 3(2)3	X		Watershed
127-90	Flood Line Mapping Program	S.1, S.2(2)	X		Watershed
104-90	York/Peel/Durham/Toronto Groundwater Studies	S. 12(1)1, 12(2)	X		Equal

7a. Infrastructure City of Toronto Totals

503-01	Black Creek Pioneer Village Retrofit Program	S.5, S.9	X		Toronto Benefit
006-01	Administrative Infrastructure Project	S.5, S.9	X		MCVA
006-50	Long Term Accommodation - 5 Shoreham (+ Interest)	S.5, S.9	X		MCVA
006-50	Long Term Accommodation - 5 Shoreham Interest				

		O. Reg 686/21 Section	Mandatory (Category 1)	Municipal Request (Category 2) (Non-Mandatory)	Funding Formula
014-01	Information Technology	S. 11 (Reg 402/22)	X		MCVA
7b. Greenspace Land Acquisition City of Toronto Totals					
004-11	Greenspace Land Acquisition Program	S.9, S.10, S.11	X		MCVA
8. Critical Erosion Control and Floodworks City of Toronto Totals					
107-24	Flood Control Channel Maintenance	S. 1, S. 5, S.5(1)	X		Toronto Benefit
133-01	Valley Erosion Hazards			X	Toronto Benefit
241-01	Waterfront Major Maintenance & Remedial Works	S. 1, S. 5, S.5(1)	X		Toronto Benefit
9. Menno-Reesor Restoration City of Toronto Totals					
113-40	Menno-Reesor Restoration			X	Toronto Benefit
10. TRCA - Asset & Infrastructure Management Plan City of Toronto Totals					
204-17	Scarborough Waterfront - Brimley Road Construction			X	Toronto Benefit
242-01	Scarborough Bluffs West Project Environmental Assessment			X	Toronto Benefit