



## Toronto & Region Conservation Authority (TRCA)

### 2014 OPERATING BUDGET OVERVIEW

#### What We Do

TRCA protects, restores and celebrates the natural environment in Toronto and Toronto region through the development and application of watershed plans, innovative environmental science and education programs.

#### 2014 Budget Highlights

The total cost to deliver this Program to Toronto residents in 2014 is \$3.372 million net as shown below.

(In \$000s)	2013 Budget	2014 Budget	Change	
			\$	%
Gross Expenditures	38,356.0	38,906.0	550.0	1.4%
Gross Revenue	30,689.5	31,048.0	358.5	1.2%
Net Expenditures	7,666.5	7,858.0	191.5	2.5%
Less: Toronto Water Contribution	4,377.0	4,486.0	109.0	2.5%
<b>Tax-Supported</b>	<b>3,289.5</b>	<b>3,372.0</b>	<b>82.5</b>	<b>2.5%</b>

Moving into this year's budget, TRCA was facing a pressure of \$0.550 million due to the salary and benefits increases. These pressures were partially offset by additional revenue of \$0.359 million due to funding provided by other municipality partners and user fee revenue increases. Further, since the rate-supported contribution from Toronto Water will increase by \$0.109 million in 2014, the increase to the tax-supported portion will be limited to \$0.083 million.

#### Contents

I: Overview	1
II: Council Approved Budget	4
III: 2014 Service Overview and Plan	5
IV: 2014 Operating Budget	8
V: Issues for Discussion	11
Appendices:	
1) 2013 Service Performance	14
2) Budget by Expense Category	15
3) Summary of 2014 Service Changes	N/A
4) Summary of 2014 New & Enhanced Service Changes	N/A
5) Inflows/Outflows to / from Reserves & Reserve Funds	N/A
6) 2014 User Fee Rate Changes	N/A

## Fast Facts

- TRCA was formed in 1957 under the *Conservation Authorities Act*.
- Today, TRCA owns more than 44,000 acres of land in the Toronto region, employs more than 400 full time employees and coordinates more than 3,000 volunteers each year.
- Apart from Toronto, TRCA receives funding from Regions of York, Peel and Durham, Town of Mono and the Township of Adjala-Tosorontio)

## Trends

- In 2013, TRCA received 1,000 permit applications, issued 1,000 development permits and 100 violations.
- The cost of TRCA operating funding per Toronto resident has been moderately increasing from \$2.86 per resident in 2011 to \$3 per resident in 2013.

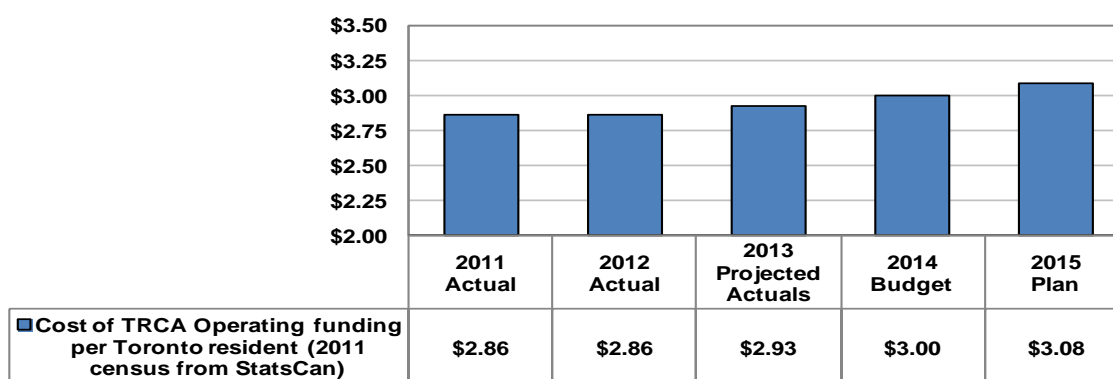
## Our Service Deliverables for 2014

TRCA will continue to maintain and improve the region's lands and waters, contribute to public safety from flooding and erosion, provide for the acquisition and management of conservation and hazard lands, and enhance the quality and variety of life in the community by providing lands for inter-regional outdoor recreation, heritage preservation and conservation education.

The 2014 Operating Budget will ensure the continuation of the service levels provided by TRCA, including:

- Continue to deliver and manage public use programs and facilities at 9 Conservation Areas used by over 510,000 visitors and at Black Creek Pioneer Village used by over 150,000 visitors. These programs and facilities promote healthy and active living.
- Continue to protect, manage and restore water in 9 watersheds and land resources on 44,000 acres (of which 12,000 acres are in Toronto) and encourage environmentally friendly practices and development progress on the Waterfront projects.
- Continue to deliver Conservation Education programs at Kortright and 3 Field Centres with the aim to influence the public's stewardship of water and land resources.
- Continue to deliver administrative services and support, strategic leadership, executive direction and decision making to meet regulatory compliance and organizational and governance requirements of the TRCA funding partners.

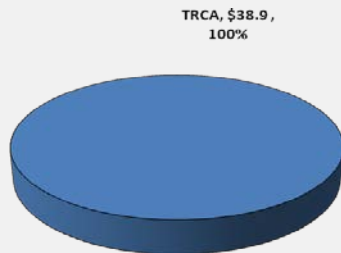
Cost of TRCA Operating Funding per Toronto Resident



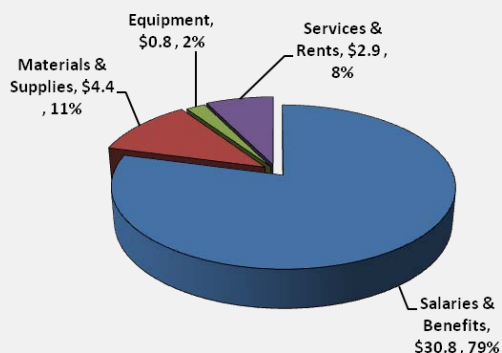
## 2014 Budget Expenditures &amp; Funding

## Where the money goes:

**2014 Operating Budget by Service**  
\$38.906 Million

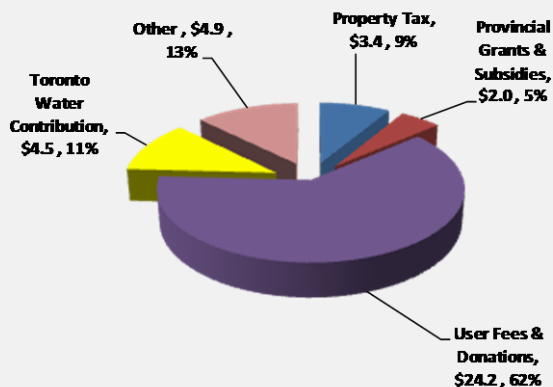


## 2014 Operating Budget by Expenditure Category



## Where the money comes from:

**2014 Operating Budget Funding Source**  
\$38.906 Million



## Key Challenges &amp; Priority Actions

- The Federal government announced that Rouge Park is to become Canada's first national urban park. Most of the lands within Toronto that will become part of the proposed park are owned by TRCA.
- TRCA is working on the final draft of the "Land Exchange Agreement in Principle" between the municipal partners, TRCA and Parks Canada and will be reporting back on status and identifying any impacts resulting from the transfer of land for the proposed Rouge Park prior to 2015 Budget process.
- TRCA's total budget is also approved by other municipalities; therefore the City of Toronto's share must maintain the ratio between these funding municipalities according to their share of overall TRCA property tax assessment base.
- As a result of the funding ratio, any major reductions to the City's support to TRCA's budget will require proportional reductions in funding from other municipalities. Therefore, further reductions in services are not approved.
- TRCA is also pursuing continuous improvement in the development and delivery of all TRCA programs through creative partnerships and diverse funding sources.

## II: COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

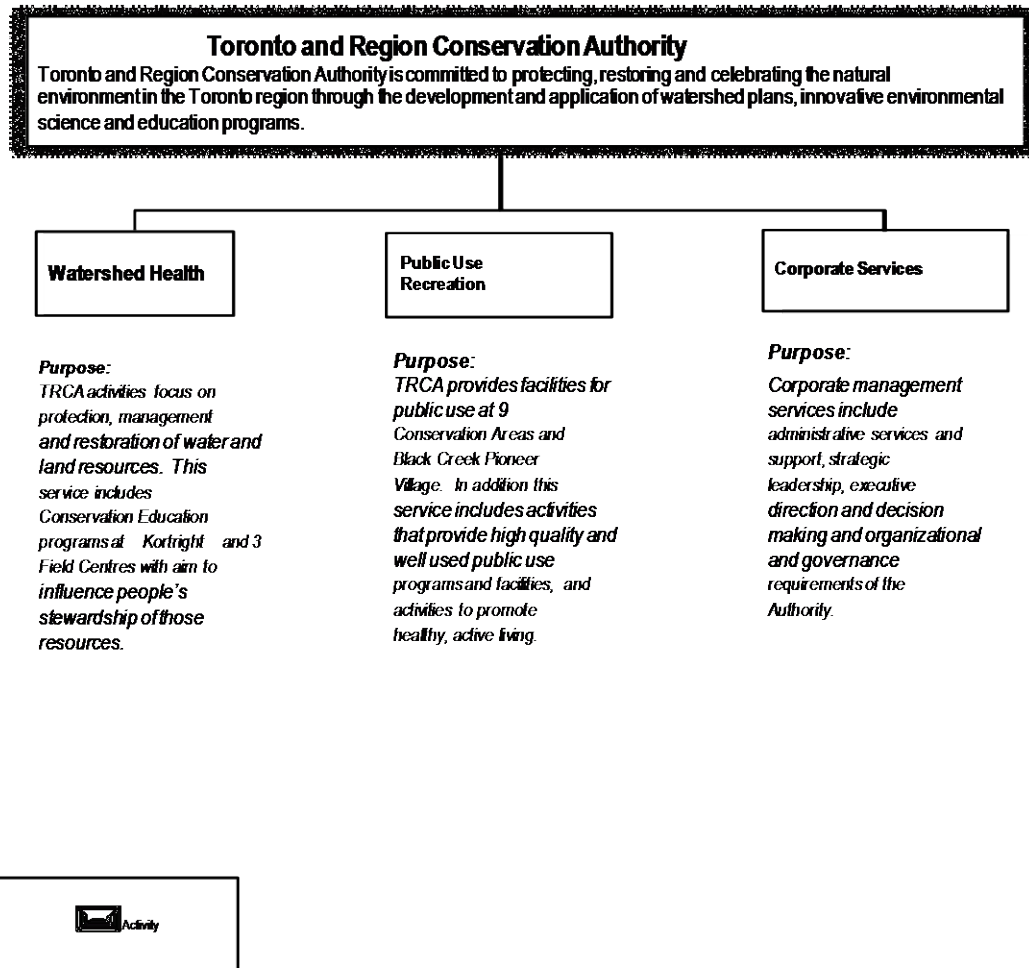
1. City Council approve the 2014 Operating Budget for Toronto and Region Conservation Authority of \$38.906 million gross and \$3.372 million net:

	Gross	Net
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>
TRCA	38,906.0	7,858.0
Total Program Budget	38,906.0	7,858.0
Less: Toronto Water Contribution		4,486.0
Tax-Supported		3,372.0

2. TRCA report back on status and identify any impacts resulting from the transfer of land for the proposed Rouge Park prior to 2015 Budget process.

### III: 2014 SERVICE OVERVIEW AND PLAN

#### Program Map



#### 2014 Service Deliverables

The 2014 Operating Budget of \$38.906 million gross and \$3.372 million net will provide funding to ensure the continuation of the service levels provided by TRCA:

- Continue to deliver and manage public use programs and facilities at 9 Conservation Areas used by over 510,000 visitors and at Black Creek Pioneer Village used by over 150,000 visitors.
- Continue to protect, manage and restore water in 9 watersheds and land resources on 44,000 acres (of which 12,000 acres are in Toronto) and encourage environmentally friendly practices and development progress on the Waterfront projects.

- Continue to deliver administrative services to meet regulatory compliance and organizational and governance requirements of the TRCA funding partners.

## What we do

### ***Watershed Health***

TRCA activities focus on protection, management and restoration of water and land resources. This also includes Conservation Education programs at Kortright and 3 Field Centers with aim to influence people's stewardship of those resources.

This Service is comprised of the following key activities:

- Watershed Strategies
- Ecology
  - Forecasting
  - Flood Management
  - Warning
- Restoration Services including:
  - Management
  - Restoration of lands/ecosystems
  - Protection
- Planning and Development including:
  - Plan Review related to Flooding and Erosion (turnaround within 30-60 days)
- Environmental Education at the Kortright Centre to over 150,000 users annually
- Conservation Field Centers

### ***Public Use Recreation***

TRCA provides facilities for public use at 9 Conservation Areas and Black Creek Pioneer Village. In addition this service includes activities that provide high quality and well used public use programs and facilities, and activities to promote healthy, active living.

The service is comprised of the following key activities:

- Black Creek Pioneer Village (used by approximately 150,000 visitors from May to December) provides:
  - Conservation of heritage site
  - Educational Services
- Bathurst Glen Golf Course
- Conservation Areas (used by over 500,000 visitors)

### Corporate Management

TRCA provides corporate management services which include administrative services and support, strategic leadership, executive direction and decision making and organizational and governance requirements of the Authority.

This Service is comprised of the following key activities:

- Corporate Management
- Corporate Secretariat
- Human Resources
- Communications
- Finance and Business

### Service Performance Measures

- TRCA is a separate agency and does not follow City's standards for performance measures.
- TRCA's performance measures are based on volume, customer service quality and community input.
- Overall, TRCA met its performance measure targets for 2013.
- The following should be noted while considering TRCA's performance measures:
  - Number of development violations can vary year to year depending on the volume of development occurring across TRCA's area of jurisdiction and how successful TRCA enforcement officers are in finding violations.
  - In 2011, the number of trees planted was higher as a result of special funding from community groups and charities.
  - Attendance at Conservation Areas is usually affected by weather and tourism levels.

Major Activity	Performance Measure Description	2011 Actuals	2012 Actuals	2013 Projected Actual	2014 Target	2015 Target
Promote healthy rivers, valleys, shorelines	Number of permit applications received	1,020	1,032	1,000	1,000	1,000
	Number of development permits issued	966	944	1,000	1,000	1,000
	Number of violations issued	112	93	100	100	100
Greenspace and Regional Biodiversity	Number of native trees / shrubs planted	396,853	313,289	273,933	350,000	350,000
	Number of native trees / shrubs produced	267,463	305,181	230,000	230,000	230,000
	Acres of land on ownership	44,021	44,136	44,336	44,536	44,736
	% of Land Master Plan achieved	57.0%	57.2%	57.4%	57.7%	58.0%
Education for Sustainable Living	Attendance numbers for Kortright Centre for Conservation	170,000	173,949	163,910	180,000	180,000
	Number of program days at Conservation Field Centres utilized by GTA	26,274	26,028	26,000	26,000	26,000
	Visitor satisfaction survey results (out of possible 5)	4.6	4.6	4.8	4.8	4.8
High quality, well used public use programs	Attendance numbers at Conservation Areas	491,000	516,000	510,000	510,000	510,000
	Attendance numbers at Black Creek Pioneer Village	134,700	131,600	140,000	140,000	141,000
Corporate Services	Cost of TRCA Operating funding per Toronto resident (2011 census from Stats	\$2.86	\$2.86	\$2.93	\$3.00	\$3.08
	Volume: number of payroll, invoices, purchase card transactions	45,618	47,000	47,000	47,000	47,000

## IV: 2014 Total Operating Budget

### 2014 Operating Budget (In \$000s)

(In \$000s)	2013		2014 Operating Budget			2014 vs. 2013		Incremental Change 2015 and 2016 Plan			
	Approved Budget	Projected Actual	2014 Base	2014 New/Enhanced	2014 Budget	Budget Approved Changes		2015		2016	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
TRCA											
Gross Expenditures	38,356.0	38,356.0	38,906.0		38,906.0	550.0	1.4%	615.7	1.6%	628.0	1.6%
Revenue	30,689.5	30,689.5	31,048.0		31,048.0	358.5	1.2%	418.3	1.3%	427.4	1.4%
Total Net Expenditures	7,666.5	7,666.5	7,858.0		7,858.0	191.5	2.5%	197.4	2.5%	200.6	2.5%
Less Toronto Water Contribution	4,377.0	4,377.0	4,486.0		4,486.0	109.0	2.5%	112.2	2.5%	114.9	2.5%
Tax-Supported	3,289.5	3,289.5	3,372.0		3,372.0	82.5	2.5%	85.2	2.5%	85.7	2.5%
Approved Positions	410.3	410.3	410.3		410.3	-	0.0%	-	0.0%	-	0.0%

Note: 2013 Projected Actual Expenditures as of September 30, 2013

The 2014 Operating Budget for TRCA of \$38.906 million gross and \$7.858 million net is \$0.192 million or 2.5% over the 2013 Approved Budget of \$7.667 million net.

- The 2014 Budget of \$7.858 million net has two funding sources: \$4.486 million which is funded by a contribution from Toronto Water's rate-supported Operating Budget and the balance of \$3.372 million which is funded from property taxes.
- The 2014 Operating Budget for TRCA does not include any service level changes or New and Enhanced initiatives.
- TRCA's total 2014 staff complement will be 410.3 positions as highlighted in the table below:

### 2014 Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
Opening Complement	399.9	410.3	410.3
In-year Adjustments	10.4		
Adjusted Staff Complement	410.3	410.3	410.3
Change in Staff Complement			
- Temporary Complement - capital project delivery			
- Operating impacts of completed capital projects			
- Service Change Adjustments			
- New / Enhanced			
Total	410.3	410.3	410.3
% Change over prior year			

- The 2014 staffing complement reflects an in-year adjustment to TRCA's staff complement of 10.4 positions. This in-year adjustment is required to align TRCA's budget as approved by City Council with TRCA's final budget that was approved by the TRCA Board in April 2013, after all partner municipalities have approved their budgets.



**2014 Base Budget  
(In \$000s)**

(In \$000s)	2013 Budget	2014 Base	Change 2014 Base vs. 2013 Approved Budget		Incremental Change			
					2015 Plan		2016 Plan	
By Service	\$	\$	\$	%	\$	%	\$	%
<b>TRCA</b>								
Gross Expenditures	38,356.0	38,906.0	550.0	1.4%	615.7	1.6%	628.0	1.6%
Revenue	30,689.5	31,048.0	358.5	1.2%	418.3	1.3%	427.4	1.4%
<b>Net Expenditures</b>	<b>7,666.5</b>	<b>7,858.0</b>	<b>191.5</b>	<b>2.5%</b>	<b>197.4</b>	<b>2.5%</b>	<b>200.6</b>	<b>2.5%</b>
Less Toronto Water Contribution	4,377.0	4,486.0	109.0	2.5%	112.2	2.5%	114.9	2.5%
<b>Tax-Supported</b>	<b>3,289.5</b>	<b>3,372.0</b>	<b>82.5</b>	<b>2.5%</b>	<b>85.2</b>	<b>2.5%</b>	<b>85.7</b>	<b>2.5%</b>
<b>Approved Positions</b>	<b>410.3</b>	<b>410.3</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>

The 2014 Base Budget of \$38.906 gross and \$3.372 million net is \$0.083 million or 2.5% over the 2013 Approved Budget of \$3.890 million net.

- The 2014 Operating Budget accommodates pressures of \$0.550 million which include annualized impacts of 2013 cost of living adjustments, 2014 cost of living adjustments and step increases. These pressures are partially offset by an increase in revenue of \$0.359 million due to additional funding provided by other municipality partners and as a result of user fee revenue increases.
  - TRCA's operating budgets are also approved by other municipalities (Regions of York, Peel and Durham, Town of Mono and the Township of Adjala-Tosorontio) and the share of funding for each municipality is based on the modified current value assessment (CVA). Subject to the 2014 CVA changes, TRCA expects to receive \$0.084 million in additional revenue from its partner municipalities to maintain the funding ratio between the City of Toronto and other municipalities.
  - TRCA expects that planning and permitting fees will generate additional revenue of \$0.275 million in 2014.

**Key Cost Drivers  
(In \$000s)**

(In \$000s)	2014 Base Budget
<b>Gross Expenditure Changes</b>	
<b>Prior Year Impacts</b>	
Annualized impacts of 2013 COLA	125.0
<b>COLA and Progression Pay</b>	
2014 COLA	350.0
Step Increases	75.0
<b>Total Changes</b>	<b>550.0</b>
<b>Revenue Changes</b>	
Funding from Other Municipalities	83.5
User fees and Donations	275.0
<b>Total Changes</b>	<b>358.5</b>
<b>Net Expenditures</b>	<b>191.5</b>
Less Toronto Water Increase	109.0
<b>Tax-supported</b>	<b>82.5</b>

- In 2014, the rate-supported contribution from Toronto Water has increased by \$0.109 million or 2.5% compared to the funding approved in 2013. Consequently, the tax-supported funding is \$0.083 million or 2.5% over the budget target of 0% increase and tax-supported funding approved in 2013.
- Any actions to bring the 2014 Operating Budget for TRCA to the budget target of a 0% increase will significantly impact current service levels and therefore were not approved.

### 2015 and 2016 Plan (In \$000s)

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
<b>Known Impacts:</b>										
COLA and Fringe Benefits	615.7		615.7	1.6%		628.0		628.0	1.6%	
<b>Sub-Total</b>	615.7	-	615.7	1.6%	-	628.0	-	628.0		-
<b>Anticipated Impacts:</b>										
Funding from Other Municipalities		122.9	(122.9)	-2.5%			125.9	(125.9)	-2.5%	
User Fees and Donations		295.5	(295.5)	-1.2%			301.5	(301.5)	-1.2%	
Increased Toronto Water Contribution		112.2	(112.2)	-2.5%			114.9	(114.9)	-2.5%	
<b>Sub-Total</b>	-	530.6	(530.5)	-1.5%	-	-	542.3	(542.3)	-1.5%	-
<b>Total Incremental Impact</b>	615.7	530.6	85.2	2.5%	-	628.0	542.3	85.7	2.5%	-

The 2014 Base Budget for TRCA includes a 2015 incremental cost increase of \$0.085 million and a 2016 incremental cost increase of \$0.086 million to maintain 2014 service levels.

Future year incremental costs are primarily attributable to the following:

- Additional funding of \$0.616 million in 2015 and \$0.628 million in 2016 will be required for annual increases for salaries and benefits.
- These costs will be partially offset by anticipated additional funding of \$0.123 million in 2015 and \$0.126 million in 2016 received from other partner municipalities, as well as additional revenue of \$0.296 million in 2015 and \$0.302 million in 2016 generated from user fees for the Black Creek Pioneer Village, conservation areas and development permits.
- It is also anticipated that the rate-supported contribution from Toronto Water will increase by \$0.112 million or 2.5% in 2015 and \$0.115 million or 2.5% in 2016.

## V: ISSUES FOR DISCUSSION

### Key Program Issues

#### *0% Increase Target*

- Conservation Authorities (CAs) were established by the Province of Ontario in the late 1940s. Every conservation authority is "a body corporate" (section 4 of the CA Act). As such, TRCA, established in 1957 under the Conservation Authorities Act, is a legal entity separate from the City of Toronto which operates as a non-profit organization with its own "board of directors", the Authority to which the City appoints 14 members representing 50% of the membership. The remaining 14 members are appointed by the Regions of Peel, York and Durham, the Town of Mono and Township of Adjala-Tosorontio.
- TRCA's total budget is also approved by other municipalities (Regions of York, Peel and Durham, Town of Mono and the Township of Adjala-Tosorontio); therefore the City of Toronto's share must maintain the ratio between these funding municipalities according to their share of overall TRCA property tax assessment base.
  - The method for apportioning the TRCA levy among its municipal funding partners is based on the modified current value assessment (CVA) for each municipality. The CVA formula uses property assessments to calculate the distribution of the levy. Property assessment is a factor all municipalities have in common and it changes in proportion to the value of real estate in each jurisdiction. This means that the municipality within TRCA's jurisdiction which has the highest proportion of overall assessment should pay proportionately the highest share of TRCA's generally benefiting (operating) costs.
- The TRCA's 2014 Operating Budget of \$7.858 million net, will be funded by a rate-supported contribution from Toronto Water of \$4.486 million and tax-supported funding of \$3.372 million, and does not include any service changes.
  - Since the TRCA's total budget is approved by other municipalities after it is approved by the City of Toronto, the 2014 Operating Budget includes projected revenue increases from other partner municipalities of \$0.084 million and user fee revenue increases of \$0.275 million for a total of \$0.359 million. This additional revenue is allocated to annual compensation increments and step increases to offset budget pressures.
- For 2014, the Toronto Water contribution has been increased by \$0.109 million or 2.5% to account for inflation resulting in the tax-supported funding increase of \$0.083 million or 2.5% to meet TRCA's service costs in 2014. Consequently, the 2014 Operating Budget is over the 0% budget target by the increased tax funding of \$0.083 million or 2.5%.
- Any major reductions to the City's support to TRCA's budget will require proportional reductions in funding from other municipalities and thus, further reductions in services are not approved.
- TRCA's Board approves its Operating Budget once the budgets for all municipalities have been confirmed and approved by their respective Councils.

*Rouge Park*

- The Federal government announced during the May 4, 2011 Throne Speech that Rouge Park is to become Canada's first national urban park.
- On May 25, 2012, the Honourable Peter Kent, Canada's Environment Minister and Minister responsible for Parks Canada, and the Honourable Jim Flaherty, Minister of Finance and Minister responsible for the Greater Toronto Area (GTA), announced funding from Canada's Economic Action Plan 2012 towards the establishment of Rouge National Urban Park and presented the proposed Study Area for the park, during a meeting with Aboriginal and community partners, and a broad range of stakeholders.
- The Federal Government will be providing \$143.7 million over the next 10 years and over \$7.5 million ongoing to bring to fruition the "people's park" in the GTA.
- The study area under consideration by Parks Canada spans 5,600 hectares including 2,040 hectares in the City of Toronto. In order to establish the park, publicly owned lands within the study area will need to be transferred to Parks Canada.
- Most of the lands within the City of Toronto that will become part of the proposed park are owned by TRCA, however a few small parcels of land are owned by the City. The Province of Ontario will be approving the lands to be transferred to Parks Canada.
- TRCA is working on the final draft of the "Land Exchange Agreement in Principle" between the municipal partners, TRCA and Parks Canada. It is anticipated that the agreement will be before the TRCA Board in January 2014 for approval. Also, by the end of March 2014, the agreement will have been presented to all the affected municipal councils for endorsement.
- At this time, Parks Canada and the Province of Ontario have a separate Land Exchange Agreement in place, which will be going before the Legislature in early 2014 for endorsement. Parks Canada is hoping all Land Exchange Agreement endorsements will be obtained by late Spring 2014. The agreement with the Province as well as new legislation to create the Rouge National Urban Park (RNUP) will then go before the Parliament of Canada for approval. Parks Canada is anticipating that the Park will be established before the end of 2014 and work will begin on the transfer of land titles after that.
- TRCA does not anticipate any major financial implications in 2014. The substantial costs associated with the land transfer will be paid for by Parks Canada.
- Through its Board, TRCA will be providing regular updates on the progress of negotiations and transfer of lands, as well as outlining any resulting financial implications.
- Council also approved that TRCA report back on status and identify any impacts resulting from the transfer of land for the proposed Rouge Park prior to 2015 Budget process.

*Ratio of Toronto Water Contribution*

- In September 2006, City Council adopted a report "Toronto and Region Conservation Authority Capital and Operating Budgets Funding from Water Reserves" (Report 7, Clause 65) from Toronto Water and the Financial Planning Division in consultation with TRCA. The

report established a policy that 55% of the funding allocated to TRCA will be funded from water reserves.

- As a result, the 2014 Operating Budget for TRCA will be partially funded by a contribution of \$4.486 million from Toronto Water. This equates to an increase of \$0.109 million or 2.5% over the 2013 contribution of \$4.377 million to account for inflationary impacts.
- The proportion of funding from Toronto Water to TRCA will change from 57.09% in 2013 to 57.01% in 2014. As this change in proportion is minimal it remains consistent with the designated proportion of City funding sources and maintains the ratio of approximately 55%.

# Appendix 1

## 2013 Service Accomplishments

### 2013 Key Accomplishments

In 2013, TRCA achieved the following results:

- ✓ Introduced Tree Top Trekking and Zip Line attractions at Heart Lake.
- ✓ Harbourfront Centre opened a public picture exhibit "Nine Rivers City" featuring TRCA properties.
- ✓ The W. Garfield Weston Foundation continued its support for TRCA's *Environmental Leaders of Tomorrow* program.
- ✓ Supported the City's urban farm initiative on lands adjacent to Black Creek Pioneer Village and through Black Creek Pioneer Village's relationship with local schools in the Jane/Finch area.
- ✓ Continued to be a leader in volunteer development, mentorship and training programs aimed at new Canadians.
- ✓ Continued with the implementation of AGRESSO financial system which will provide greater efficiency, accuracy and timely financial reporting.

### 2013 Financial Performance

#### 2013 Budget Variance Analysis (In \$000s)

	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Projected Actuals*	2013 Approved Budget vs. Projected Actual Variance	
(\$000s)	\$	\$	\$	\$	\$	%
Gross Expenditures	35,788.0	37,203.0	38,356.0	38,356.0	-	-
Revenues	32,581.6	33,996.6	35,066.5	35,066.5	-	-
Net Expenditures	3,206.4	3,206.4	3,289.5	3,289.5	-	-
Approved Positions	393.4	399.9	410.3	410.3	-	-

\* Based on the 3rd Quarter Operating Budget Variance Report

### 2013 Experience

- TRCA's third quarter projection for year-end indicates that TRCA is tracking to be on budget on both gross and net expenditure basis. The TRCA's year-end projection of \$3.290 million net matches its 2013 Council Approved Tax-Supported Operating Budget.

### Impact of 2013 Operating Variance on the 2014 Operating Budget

- There are no impacts from the 2013 Operating Variance on the 2014 Operating Budget.

## Appendix 2

### 2014 Total Operating Budget by Expenditure Category

#### Program Summary by Expenditure Category (In \$000s)

Category of Expense	2011 Actual	2012 Actual	2013 Budget	2013 Projected Actual	2014 Rec'd Budget	2014 Change from 2013 Budget		2015 Plan	2016 Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	26,968.3	28,879.5	30,235.4	30,235.4	30,785.4	550.0	1.8%	31,401.1	32,029.1
Materials and Supplies	4,000.0	4,263.2	4,421.7	4,421.7	4,421.7	-	0.0%	4,421.7	4,421.7
Equipment	635.4	723.7	820.6	820.6	820.6	-	0.0%	820.6	820.6
Services & Rents	3,411.0	3,336.6	2,878.3	2,878.3	2,878.3	-	0.0%	2,878.3	2,878.3
Contributions to Capital									
Contributions to Reserve/Res Funds									
Other Expenditures									
Interdivisional Charges									
<b>Total Gross Expenditures</b>	<b>35,014.7</b>	<b>37,203.0</b>	<b>38,356.0</b>	<b>38,356.0</b>	<b>38,906.0</b>	<b>550.0</b>	<b>1.4%</b>	<b>39,521.7</b>	<b>40,149.7</b>
Interdivisional Recoveries									
Provincial Subsidies	1,740.0	1,989.0	1,961.0	1,961.0	1,961.0	-	0.0%	1,961.0	1,961.0
Federal Subsidies									
Other Subsidies									
User Fees & Donations	21,412.8	23,132.1	23,899.0	23,899.0	24,174.0	275.0	1.2%	24,469.5	24,771.0
Transfers from Capital Fund									
Contribution from Reserve Funds	4,270.1	4,270.1	4,377.0	4,377.0	4,486.0	109.0	2.5%	4,598.2	4,713.1
Contribution from Reserve									
Sundry Revenues	4,385.4	4,605.4	4,829.5	4,829.5	4,913.0	83.5	1.7%	5,035.9	5,161.8
Required Adjustments									
<b>Total Revenues</b>	<b>31,808.3</b>	<b>33,996.6</b>	<b>35,066.5</b>	<b>35,066.5</b>	<b>35,534.0</b>	<b>467.5</b>	<b>1.3%</b>	<b>36,064.6</b>	<b>36,606.9</b>
<b>Total Net Expenditures</b>	<b>3,206.4</b>	<b>3,206.4</b>	<b>3,289.5</b>	<b>3,289.5</b>	<b>3,372.0</b>	<b>82.5</b>	<b>2.5%</b>	<b>3,457.1</b>	<b>3,542.8</b>
<b>Approved Positions</b>	<b>939.4</b>	<b>399.9</b>	<b>410.3</b>	<b>410.3</b>	<b>410.3</b>		<b>0.0%</b>	<b>-</b>	<b>-</b>

### 2014 Key Cost Drivers

Salaries and Benefits are the largest expenditure category and account for 79.1% of total expenditures, followed by Materials and Supplies at 11.4%, Services and Rents at 7.4% and Equipment at 2.1%.

#### Salaries and Benefits

- The 2014 expenses for salaries and benefits are increasing by \$0.550 million mainly as a result of:
  - Annualized impacts of 2013 cost of living adjustments requiring additional funding of \$0.125 million;
  - 2014 cost of living adjustments requiring \$0.350 million; and
  - Step increases, which account for a pressure of \$0.075 million.

**Other Expense Categories**

- Such expenditure categories as Materials and Supplies, Equipment and Services and Rents have not increased in 2014.

User Fees and Donations are the largest revenue category and account for 68.1% of the total revenues, followed by Sundry Revenues at 13.8%, Contributions from Reserve Funds at 12.6%, and Provincial Subsidies at 5.5%.

**User Fees and Donations**

- The 2014 budgeted revenue for user fees and donations reflects an anticipated increase in user fees revenue in the amount of \$0.275 million for the Black Creek Pioneer Village, conservation areas and development permits.

**Sundry Revenues**

- Sundry revenues represent the operating levy from TRCA's other partner municipalities: Regions of York, Peel and Durham, Town of Mono and the Township of Adjala-Tosorontio.
- Subject to the 2014 CVA changes, the 2014 budget for sundry revenues reflects an increase of \$0.084 million from these municipalities to maintain the established funding ratio between the City of Toronto and other municipalities.

**Contributions from Reserve Funds**

- To maintain the funding contribution from Toronto Water at approximately 55%, the contribution (appears as "Contribution from Reserve Funds" in the table) was flatlined at \$4.270 million in 2011 and 2012, included a 2.5% increase in 2013, and includes an increase of \$0.109 million or 2.5% in 2014.



## Appendix 2 – Continued

### 2014 Organization Chart

