

MEMORANDUM

DATE: November 27, 2020

TO: All Employees

FROM: Michael Tolensky

RE: Budget and Performance Measurement Framework

TRCA's budget reflects the operationalization of the organization's strategic priorities, linking goals into actions. In order to realize both the short and long term intended strategic outcomes of the organization, TRCA develops annual, 4-year and 10-year budgets which inform the allocation of resources in order to progress towards achieving deliverables. By taking a future forward perspective, budgets plan the anticipated revenues and expenditures required in a given period. This plan creates the foundation for managing TRCA's financial resources and ensuring accountability across the organization.

In order to enhance the ability to track progress against intended outcomes, TRCA has incorporated performance measurement into key areas including output reporting at an account level and performance reporting at the strategic plan level. This system of performance measurement will help TRCA report, both internally and externally, on the value of services as measured by both outputs and impacts. This information is used to drive alignment internally, ensuring the right amount and types of resources are available to realize the desired outcomes, and also to inform our partner municipalities on the achievements accomplished over a given period of time. The image below provides an outline of how each process is used and shared.



Through the Employee Engagement process, 10 actionable initiatives were identified through the insight gathering exercises. Embedded in these initiatives is the desire to create a more open and transparent budget process whereby staff better understand the budget process, the purpose of each exercise within it, and their role throughout. With this in mind, the Strategic Business Planning and Performance (SBPP) team have prepared a training presentation that covers many direct and indirect processes associated with the budget process. Over the course of the next month, SBPP will be sharing this presentation with each division as part of a roadshow that helps to ensure all staff involved in budgeting have access to the appropriate resources, thereby ensuring success.

If there are any questions, please don't hesitate to reach out to your senior budget coordinator.

Budget and Performance Measurement Framework

Strategic Business Planning and Performance

2020

TRCA Overview

TRCA's Jurisdiction

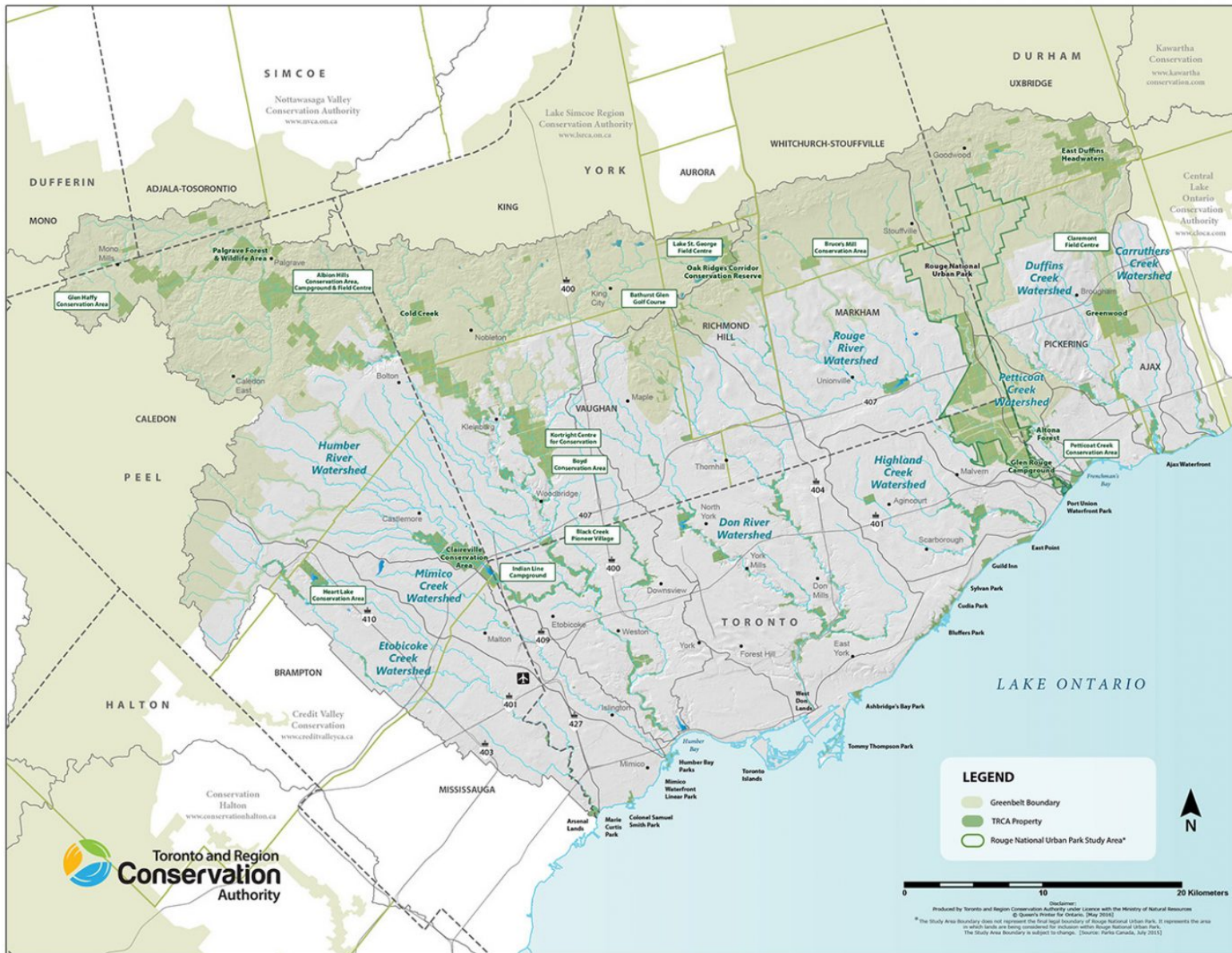
TRCA Service Areas, Program Areas and Product Activities

TRCA Overview

As the largest of the 36 Provincial Conservation Authorities, TRCA's jurisdiction spans nine watersheds:

- Carruthers Creek
- Don River
- Duffins Creek
- Etobicoke Creek
- Highland Creek
- Humber River
- Mimico Creek
- Petticoat Creek
- Rouge River

In addition to their collective Lake Ontario Shoreline.



TRCA Overview

- TRCA's jurisdiction span six upper-tier and 15 lower-tier municipalities.
- Some of Canada's largest and fastest growing municipalities, including Toronto, Markham and Vaughan, are located entirely within TRCA's jurisdiction.
- The context for TRCA's work is continuously evolving, making it important to adapt the organization's strategic direction so that it remains relevant and linked to those of our partners.

Upper-Tier Municipality	Lower-Tier Municipality	% of Population Within TRCA Jurisdiction
Dufferin County	Mono (Town)	5
Durham Region	Ajax (Town)	86
Durham Region	Pickering (City)	95
Durham Region	Uxbridge (Township)	19
Peel Region	Brampton (City)	63
Peel Region	Caledon (Town)	55
Peel Region	Mississauga (City)	33
Simcoe County	Adjala-Tosorontio (Township)	4
Toronto	Toronto (City)	100
York Region	Aurora (Town)	4
York Region	King (Township)	45
York Region	Markham (City)	100
York Region	Richmond Hill (Town)	99
York Region	Vaughan (City)	100
York Region	Whitchurch-Stouffville (Town)	43

Divisions versus Service Areas

- TRCA has eight divisions, each with tailored [priorities](#) to focus efforts in support of TRCA's [Strategic Plan](#).
- Externally, for consistency purposes, Ontario's Conservation Authorities are seen to be comprised of similar Service Areas, rather than divisions. To ensure that TRCA's finances remain comparable and consistent over time, TRCA's budget is organized according to these nine Service Areas:



**Watershed
Studies and
Strategies**



**Water Risk
Management**



**Regional
Biodiversity**



**Greenspace
Securement
and
Management**



**Tourism and
Recreation**



**Planning and
Development
Review**



**Education and
Outreach**



**Sustainable
Communities**



**Corporate
Services**

- The following slide provides a greater understanding of how TRCA's divisions fall within these Service Areas, based on the current allocation of projects and programs.

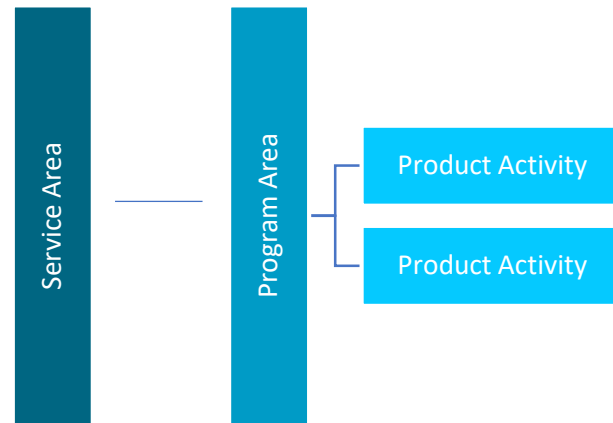
TRCA's Organization Chart

Including Service Area Categorization



Further Information on Service Areas

- Service Areas are further broken down into Program Areas and Product Activities.
- Individual sub-projects ('accounts') are mapped to a Product Activity, which is tied to a Program Area that falls within one of the nine Service Areas.
- The Product Activity is what drives where an account appears in TRCA's budget document.
 - The Product Activity you choose should capture at least 85% of the activities in an account. If less than 85% of the activities can be captured, you likely need more than one account.
 - For example, if you are constructing a trail (90% of activities) that will be inventoried for hazards (10% of activities) this can be recorded in one account. If the trail will be inventoried on an ongoing basis going forward, you should have a separate account created to track that activity.

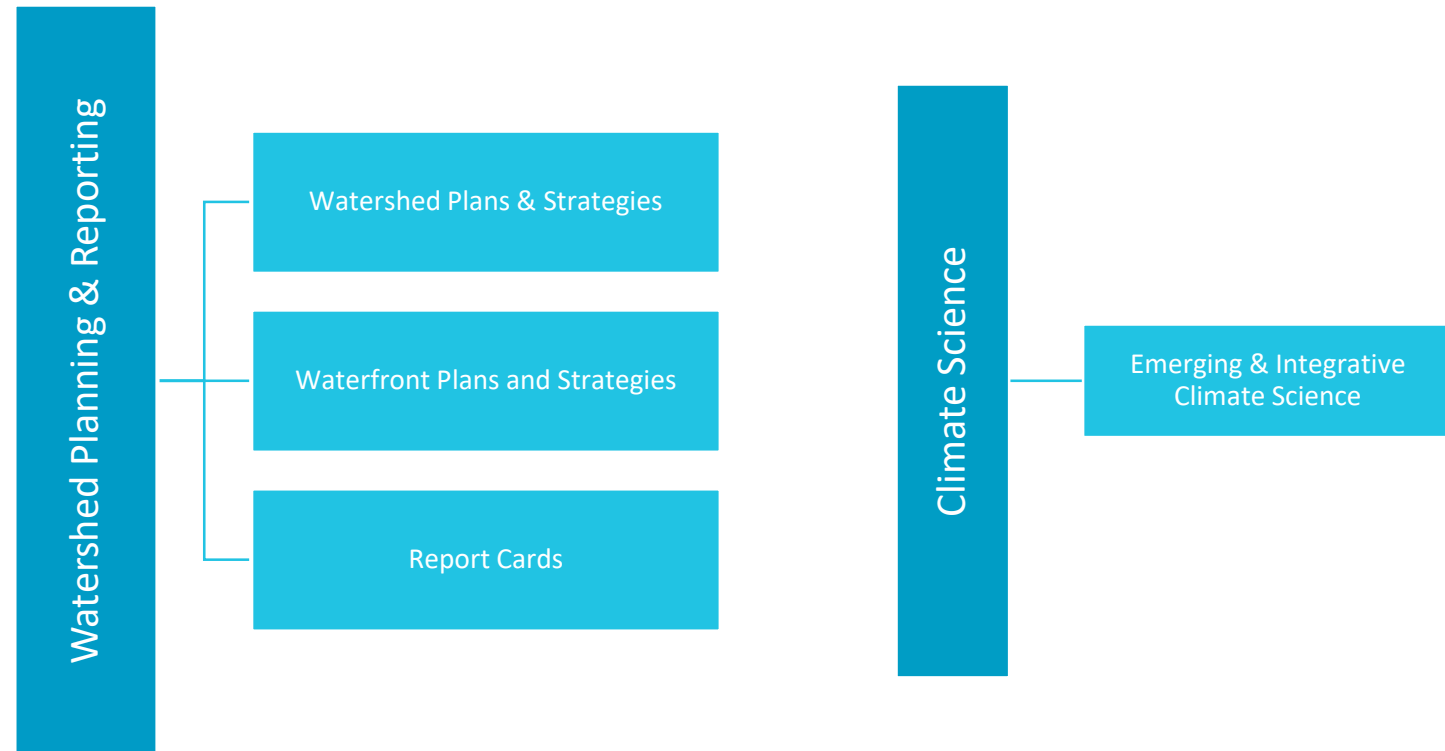


For a single page list of TRCA Service Areas, Program Areas and Product Activities, refer to the [Product Map](#)

Service Area 1

Watershed Studies and Strategies

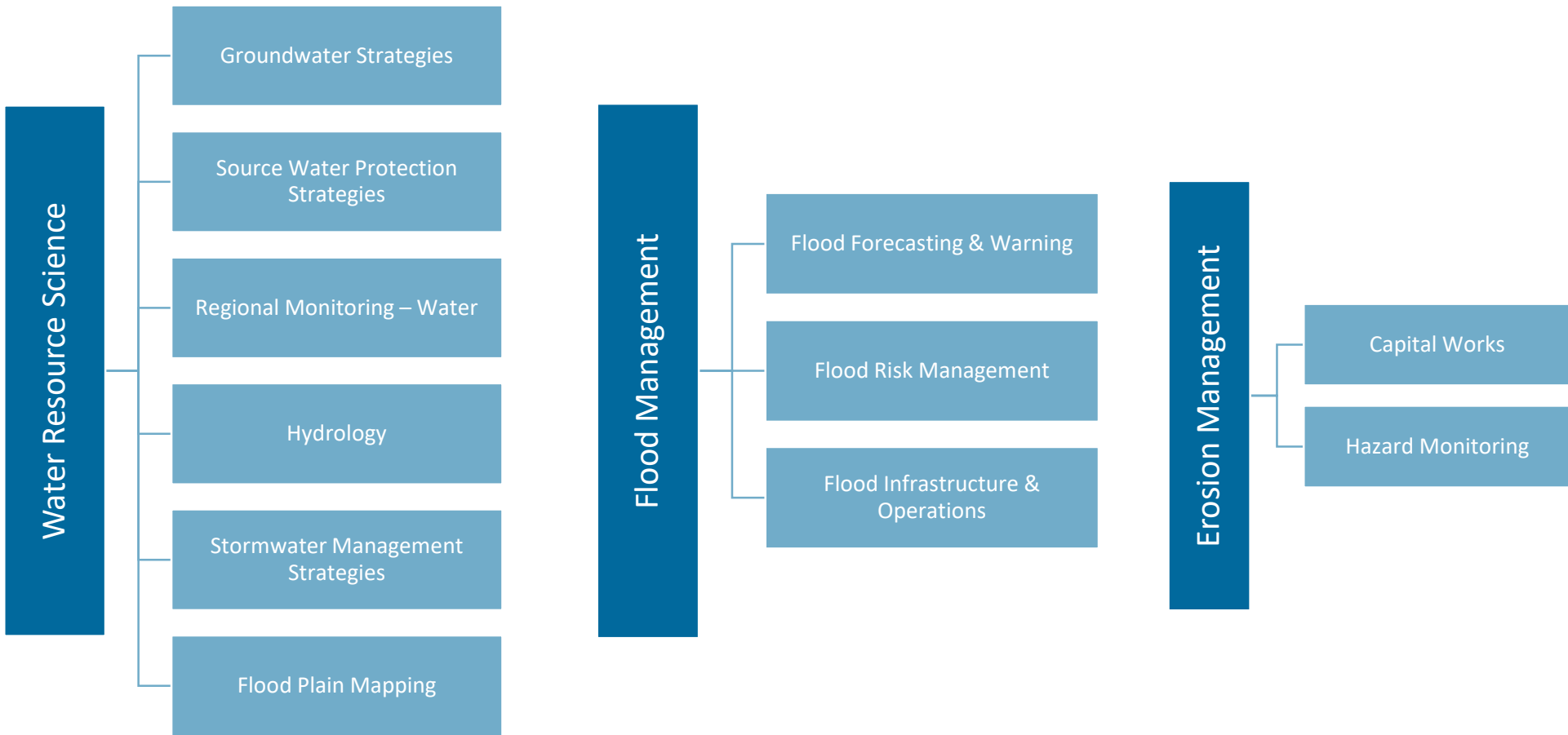
Main program areas include reporting on the health of TRCA watersheds and Lake Ontario waterfront, analysis of the impacts of urban growth and climate change effects, and the development of strategies to maintain and improve watershed and waterfront health.



Service Area 2

Water Risk Management

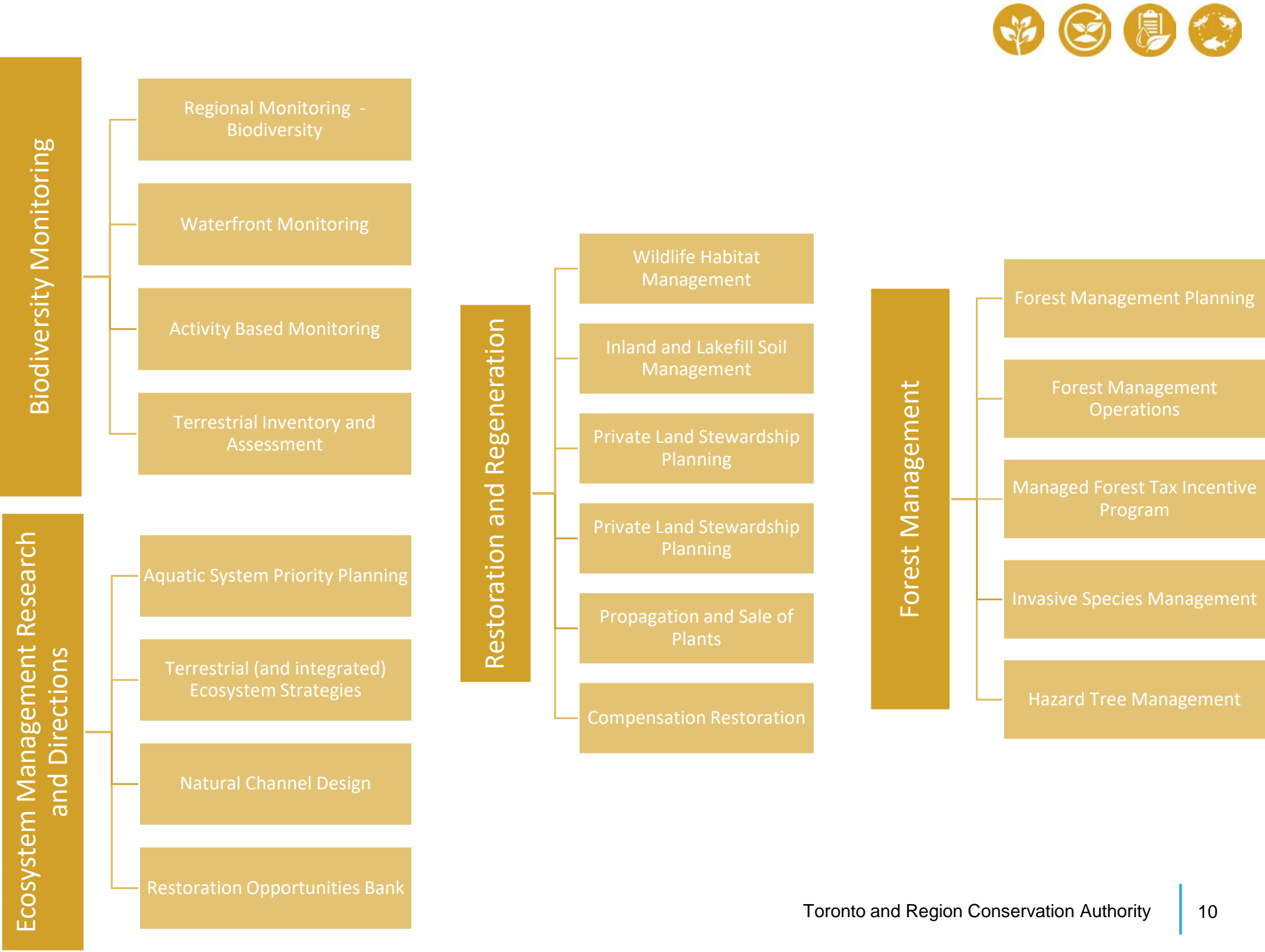
The strategic management of water resources, based on physical sciences and applied engineering (hydrology, hydraulics, fluvial geomorphology, hydrogeology and environmental science) through an understanding of water's natural processes, features and functions within the urban landscape. Core activities include environmental and hydrometric monitoring and research; developing state of the science technologies for modeling and flood forecasting; hazard management of erosion sites, unstable slopes and flood vulnerable areas. These activities are critical to reducing risk to life and property. The entire hydrologic cycle is included in this service area, from rainfall to runoff to its outlet at Lake Ontario and all of the processes in between.



Service Area 3

Regional Biodiversity

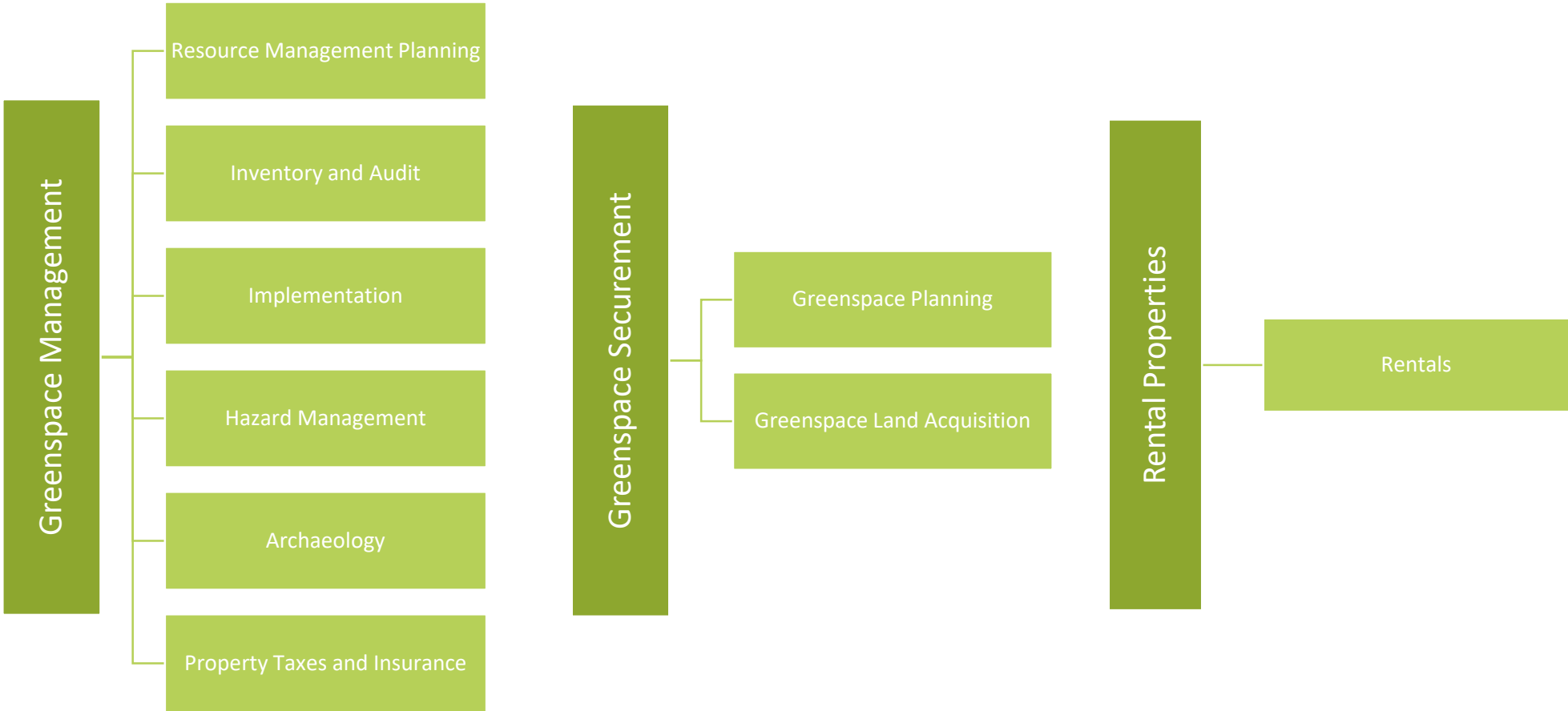
Includes programs, projects and activities that together create a comprehensive and integrated approach to regional biodiversity and ecosystem management. Main activities include monitoring of ecological conditions and ecosystem trends, ecosystem planning and research, habitat restoration and regeneration, and management of existing regional biodiversity. The result of this work demonstrates the benefit biodiversity provides to community and human well-being.



Service Area 4

Greenspace Securement and Management

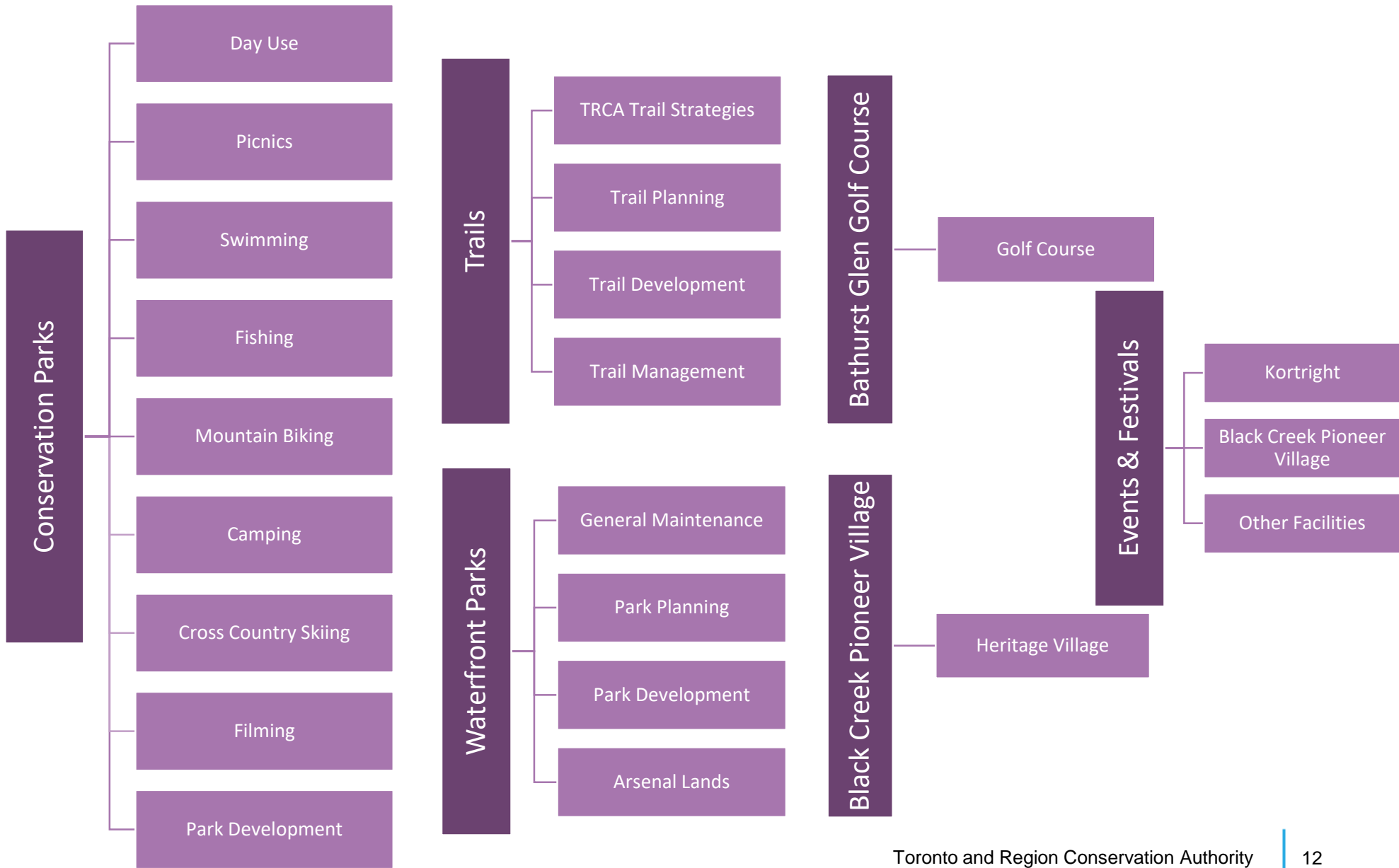
Includes the acquisition of a public interest in and management of environmentally significant lands in order to protect their natural functions and services and to conserve the land for the benefit of current and future generations. Key program areas include greenlands acquisition, inventory and audit, master planning, land hazard management, and the protection of archeologically significant resources.



Service Area 5

Tourism and Recreation

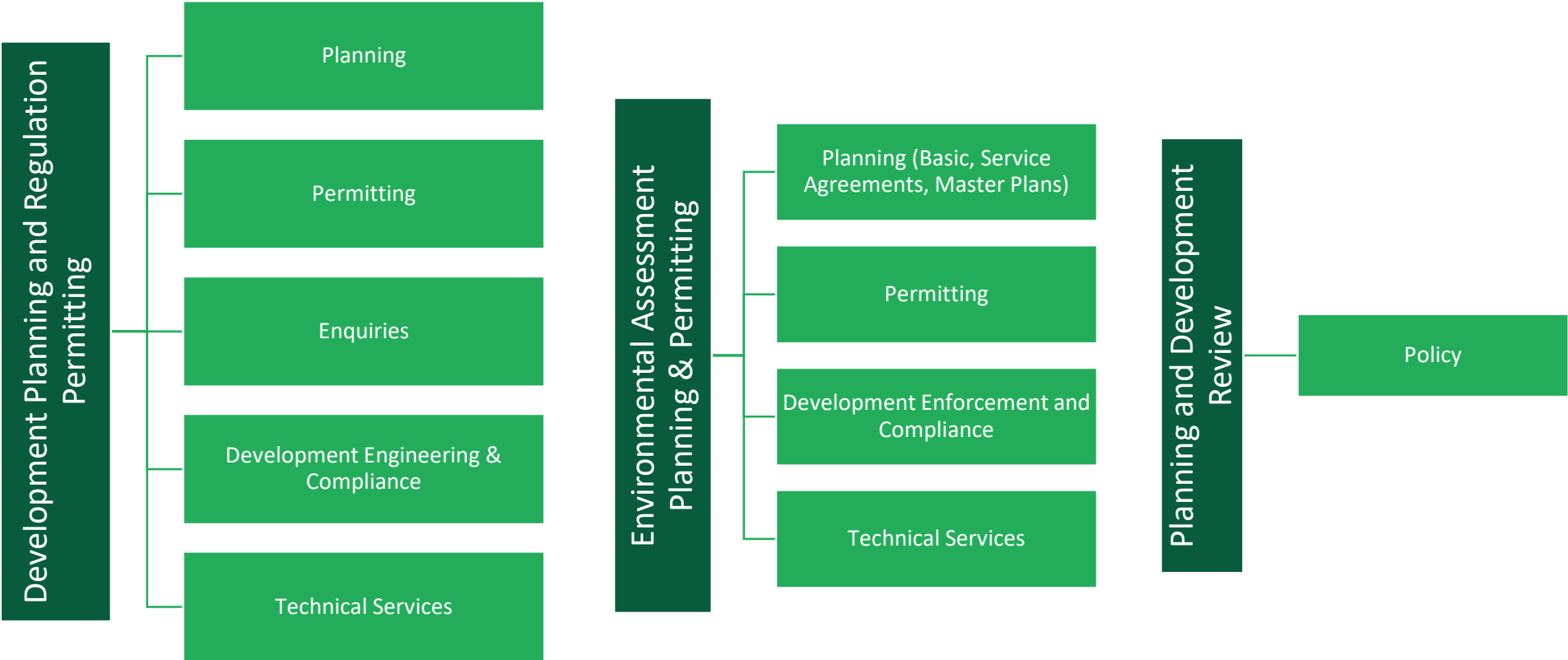
Provides memorable experiences for guests in nature-based settings, which make positive contributions to community health and well-being, while advancing the economic development goals of partner municipalities. Programs include management, maintenance and enhancement of conservation parks and recreation facilities. TRCA delivers these services through leveraging public and private partnerships that focus on community development, tourism and recreational offerings.





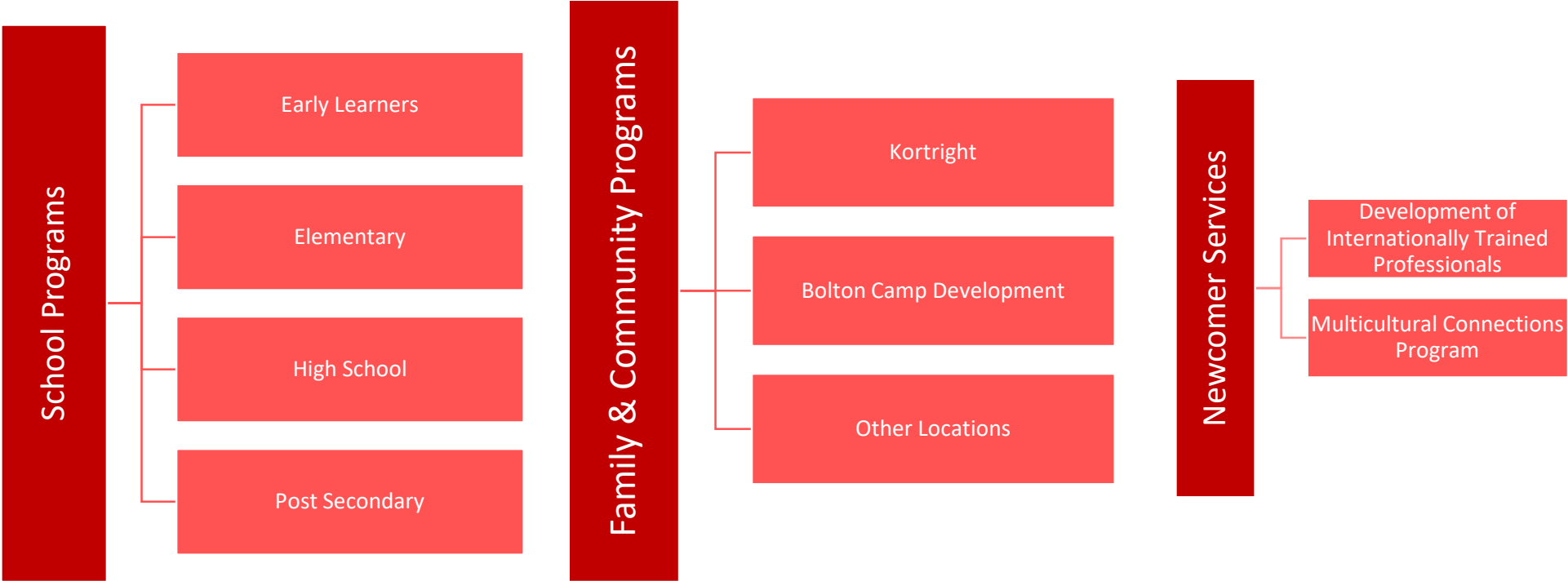
Planning and Development Review

TRCA’s role in this process as a public commenting body, provincially- delegated reviewer for natural hazards, service provider, regulatory authority, resource management agency and landowner is guided by board-approved policies to further the conservation, restoration, development and management of natural resources. These policies are consistent with the requirements of federal, provincial and municipal legislation and incorporate the latest science revealed through TRCA’s integrated watershed research to inform municipalities and other approval authorities. TRCA’s input in municipal decision-making guides growth, redevelopment, revitalization and intensification throughout TRCA’s jurisdiction.



Education and Outreach

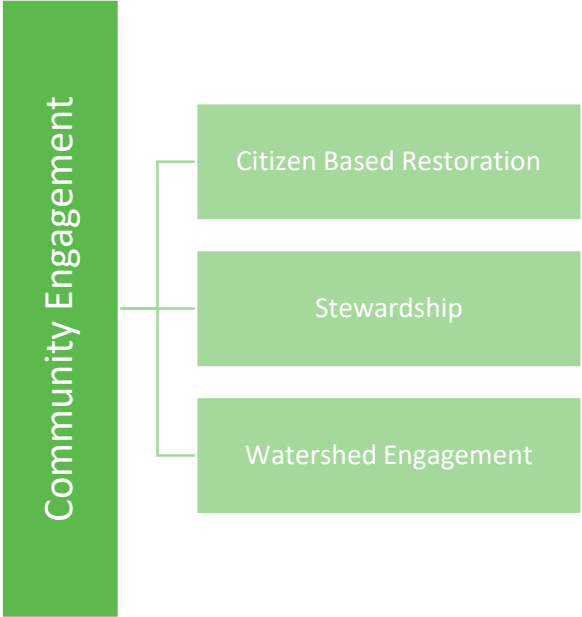
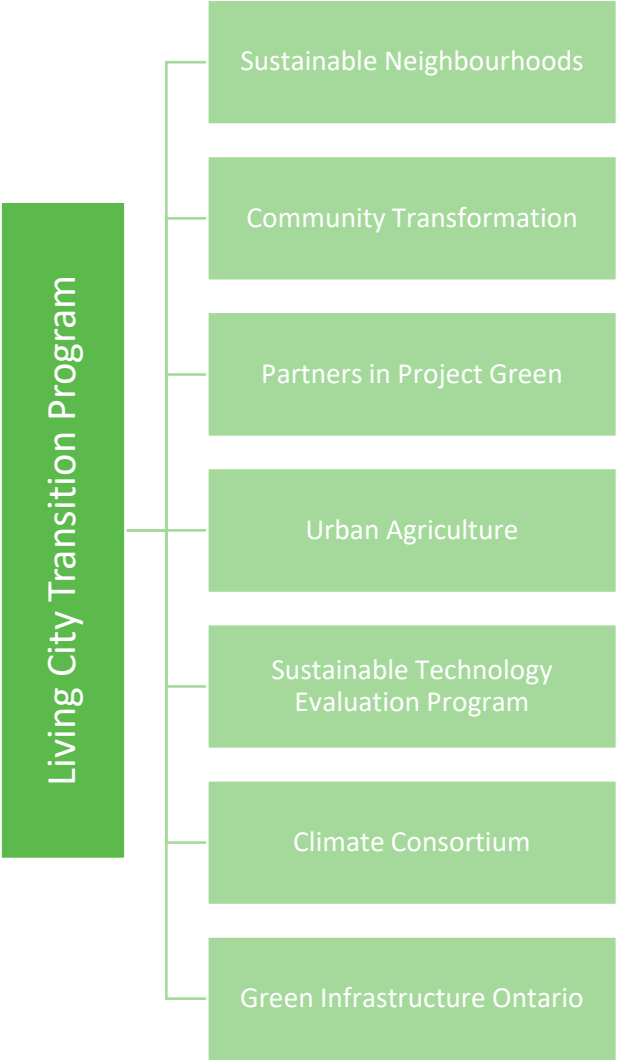
Education and Outreach programs support municipal and provincial objectives for environmental education in schools, build professional capacity and competitiveness in the region's sustainable economic sectors, and engage the broader population to become active in developing healthy, sustainable communities. Formal and non-formal education and training is delivered to develop a culture of life-long learning for residents of all ages at TRCA education centres, academic institutions and in the community.



Service Area 8

Sustainable Communities

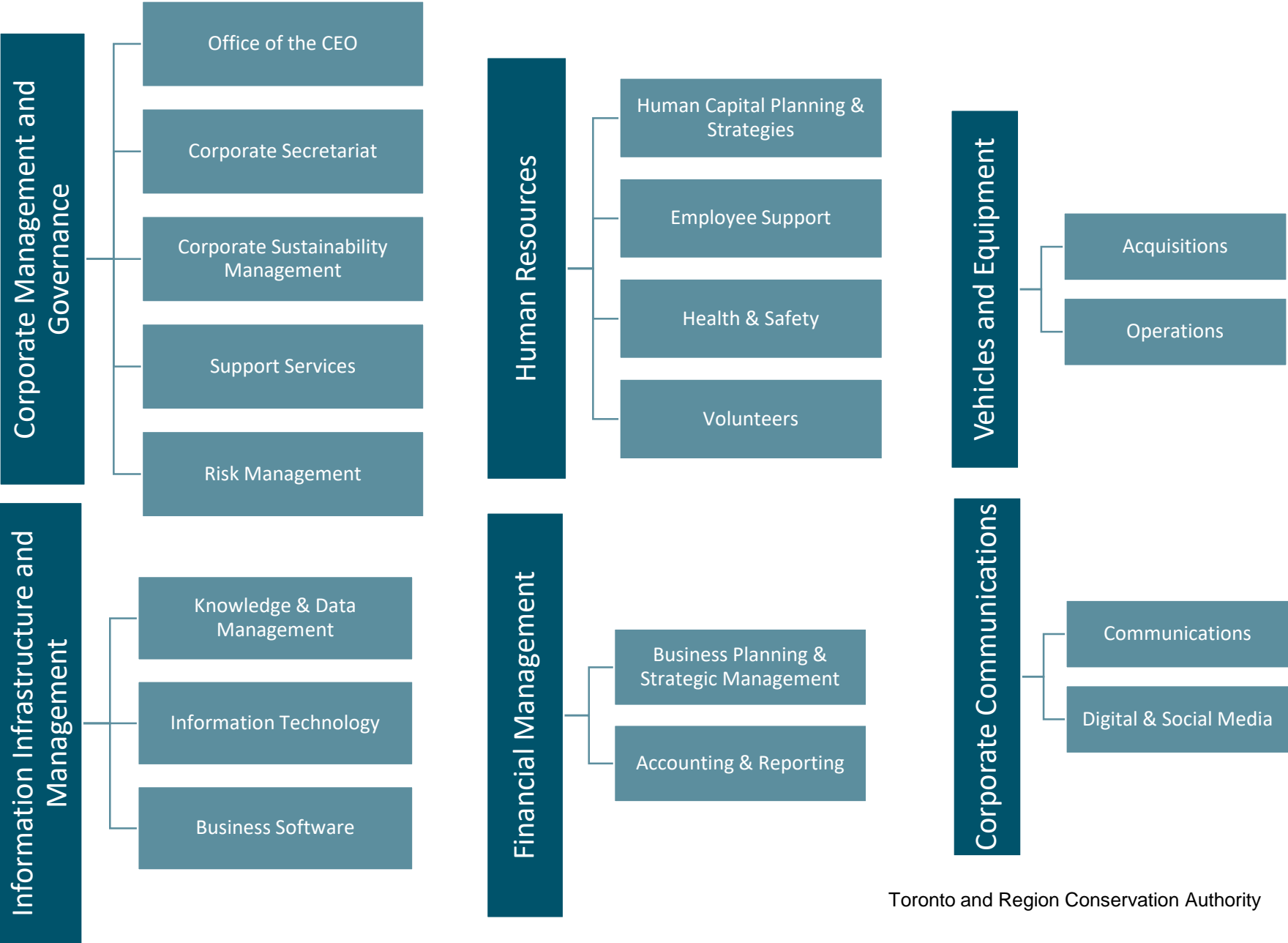
Supports municipal efforts to create sustainable communities. Projects and programs are developed to address gaps and to coordinate efforts across the region to increase efficiency, effectiveness and impact of programs. The scope of the service area is broad, encompassing programs that address neighbourhood and sector specific eco- efficiencies (water, energy, waste and GHG emissions), awareness of and need for adaptation to climate change, catalyzing the green economy with sustainable technologies, addressing food security through near urban agriculture, and engaging residents in awareness and sustainability action to foster a caring and involved citizenry.



Service Area 9

Corporate Services

Includes financial, administrative and technical services that enable TRCA staff to develop new capacity to efficiently and effectively deliver service area objectives.



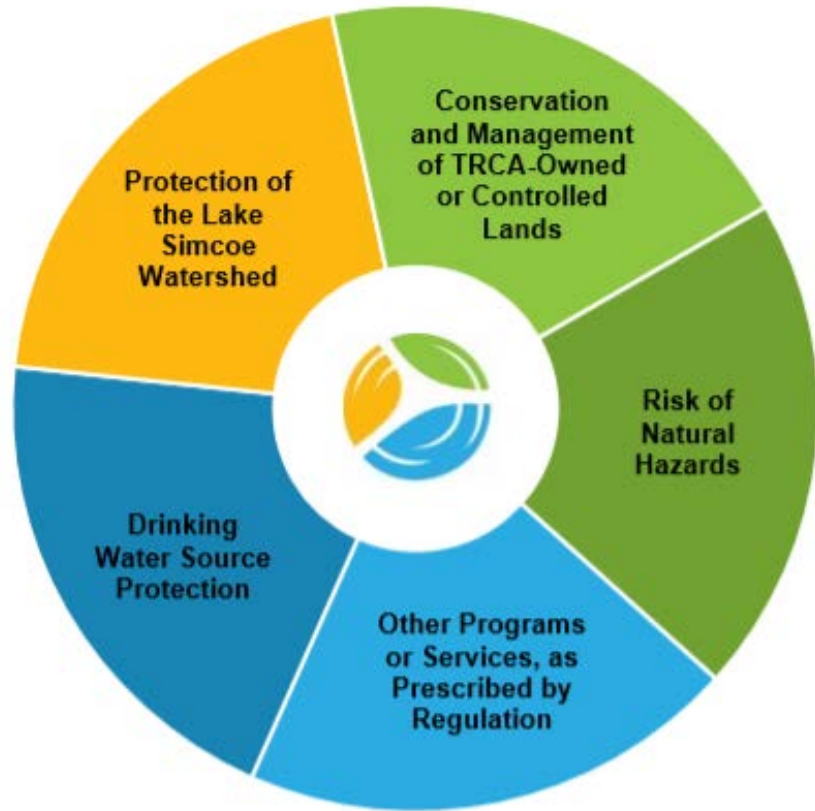
Conservation Authorities Act

Core Mandate

Use of Funds and Implications

Classification by TRCA Service Area

Conservation Authorities Core Mandate



Visual representation of the core mandate of Conservation Authorities as defined in Section 21.1 (1) of the Act

Following release of the revised Conservation Authorities Act (CA Act), which aimed to define Conservation Authority core mandate, TRCA's projects and programs are divided into the four Provincial categories:

- 1) Mandatory programs and services that are required by regulation. These are also referred to as “Core” programs, listed in the left graphic.
Example: Flood Forecasting and Warning, Erosion Risk Management
- 2) a) Watershed formula programs which support “Core” programs.
Example: Watershed Planning & Reporting, Regional Watershed Monitoring Program
b) Municipal programs and services that the authority agrees to provide on behalf of municipalities situated in whole or in part within its area of jurisdiction under a memorandum of understanding.
Example: Restoration and Regeneration Projects
- 3) Such other programs and services as the authority may determine are advisable to further its objects.
Example: Sustainable Neighbourhood Action Plan (SNAP)
- 4) Fiduciary responsibilities which are required in order for the organization to function effectively such as human resources, corporate administration.
Example: Human Resources, Corporate Services

Conservation Authorities Act – Operating Levy

Operating Levy

Subsection 27 – Maintenance and Administrative Costs

Every year an authority shall determine its operating expenses for the subsequent year and apportion those expenses to the participating municipalities in accordance with the regulations

- An authority shall not include in the apportionment any operating expenses related to a program or service authorized to be provided under subsection 21.1.2 (1) [other programs and services, following slide].
- An authority shall include in the apportionment of operating expenses to a participating municipality any operating expenses related to a program or service that has been identified in an agreement between the municipality and the authority as described in subsection 21.1.2 (2) .

“Operating expenses” includes:

- salaries, per diems and travel expenses of employees and members of an authority,
- rent and other office costs,
- program expenses, costs that are related to the operation or maintenance of a project, but not including the project’s capital costs, and
- such other costs as may be prescribed by regulation.

Operating levy may fund projects and programs that benefit all partner municipalities. (TRCA categories 1 and 4).

Implications

- Operating levy currently funds all four categories of TRCA projects and programs.
- The process of reprioritizing funds was initiated for the 2021 budget and operating levy has been directed towards TRCA categories 1, 2a and 4.

Normalized Revenue

- By 2022, operating levy will be redirected to fund categories 1 and 4 only.
- Requests to change operating levy are to be discussed with SBPP and ultimately approved by SLT and Board of Directors.

Conservation Authorities Act – Capital Levy

Capital Levy

Subsection 25 – Apportionment of Benefit

- An authority may, from time to time, determine the amount of capital costs to be incurred in connection with a project and apportion the capital costs to the participating municipalities in accordance with the regulations.
- An authority shall not include any capital costs in connection with a project related to a program or service authorized to be provided under subsection 21.1.2 (1).
- An authority shall include any capital costs in connection with a project related to a program or service that has been identified in an agreement between the municipality and the authority as described in subsection 21.1.2 (2).

Capital levy may fund CA Act core mandate in addition to projects and programs that are supportive of core mandate. (TRCA categories 1, 2a and 2b).

Implications

- Capital levy currently funds all four categories of TRCA projects and programs.
- The process of reprioritizing funds was initiated for the 2021 budget and capital levy has been directed towards TRCA categories 1, 2a, 2b and 3.

Normalized Revenue

- By 2022, capital levy will be redirected to fund categories 2a and 2b only.
- Requests to change capital levy are to be facilitated with each partner municipality via SBPP.

Subsection 21.1.2 – Other Programs and Services

- (1) Subject to the regulations, in addition to *mandatory programs and services* and *municipal programs and services* an authority may provide, within its area of jurisdiction, any other programs and services that it determines are advisable to further the purposes of the CA Act.
- (2) If operating or capital levies from a participating municipality are required to provide the program or service, the authority must not deliver the program or service unless an agreement has been entered into between the authority and the participating municipality:
 1. The agreement must provide for the participating municipality to pay to the authority,
 - i. an apportioned amount under section 25 [capital levy] in connection with a project related to the program or service, or
 - ii. an apportioned amount under section 27 [operating levy] in respect of the program or service.
 2. The agreement must include provisions setting out the day 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.

Conservation Authorities Act – MOU/SLA

MOU/SLA

Subsection 21.1.1 – Municipal Programs and Services

- Subject to the regulations, an authority may provide, within its area of jurisdiction, municipal programs and services that it agrees to provide on behalf of a municipality situated in whole or in part within its area of jurisdiction under a memorandum of understanding (MOU), or such other agreement as may be entered into with the municipality, in respect of the programs and services.
- An authority shall make an MOU or other agreement available to the public in such manner as may be determined in the memorandum or agreement.
- An authority and a municipality who have entered into an MOU or other agreement shall review the memorandum or agreement at such regular intervals as may be determined in the memorandum or agreement.
- Programs and services that an authority agrees to provide on behalf of a municipality shall be provided in accordance with,
 - (a) the terms and conditions set out in the MOU or agreement; and
 - (b) such standards and requirements as may be prescribed.
- If there is a conflict between the terms and conditions set out in the MOU or agreement and the prescribed standard and requirements, the prescribed standards and requirements prevail.

MOU and SLA may fund partner municipality projects and programs of interest that fall outside of CA Act core mandate. (TRCA category 3).

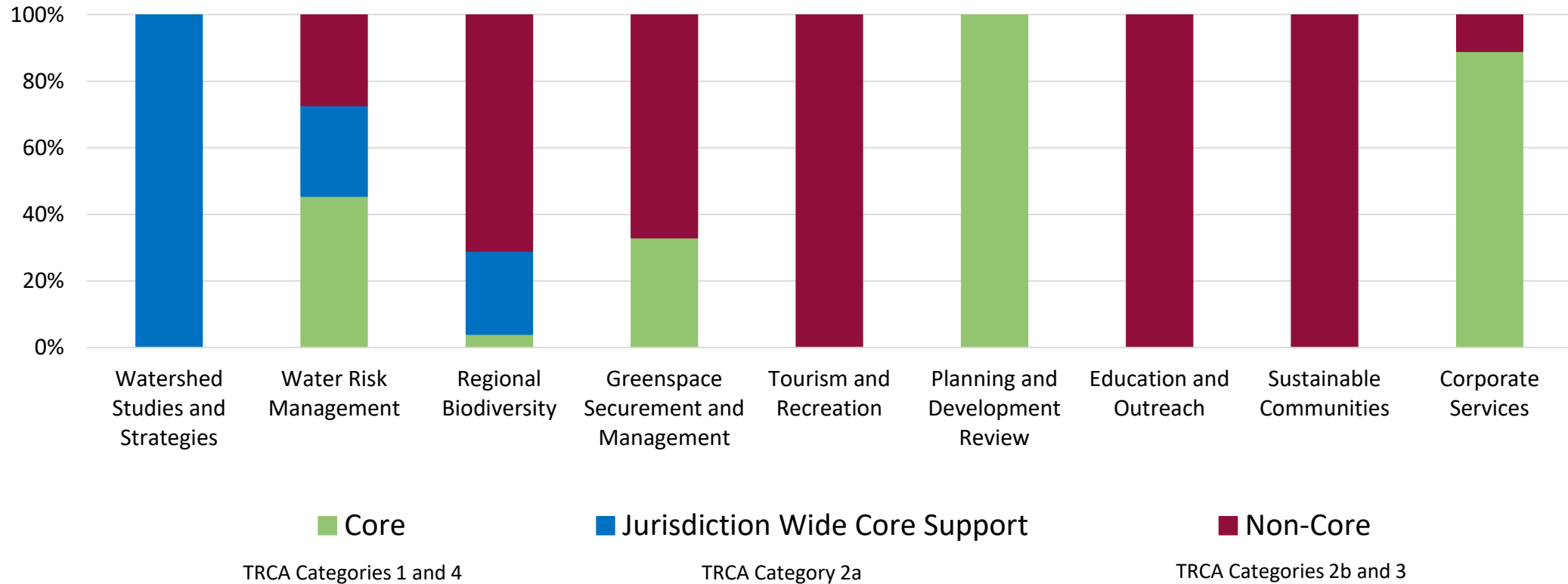
Implications

- MOU and SLA agreements currently fund all four categories of TRCA projects and programs.
- Throughout 2021, Government and Community Relations (G&CR) will continue working with SBPP and Account Leads to implement MOU and SLA with partner municipalities.

Normalized Revenue

- By 2022, MOU and SLA agreements will fund all TRCA category 3 activities in addition to other work, as required.
- Requests for creating or modifying an MOU or SLA are to be facilitated through G&CR.

Conservation Authorities Act Classification by TRCA Service Area



In anticipation of the upcoming CA Act and associated regulations, TRCA has initiated the process of identifying programs and services as mandatory (core) and non-mandatory (municipal or other programs and services) for budget planning purposes.

Financial Planning

TRCA Revenue Types

Use of Funds

TRCA Expenditure Types

Financial Planning

TRCA's Annual Budget


- TRCA's annual budget is our financial plan that describes how much money the organization requires; the budget document is an aggregation of 1,000+ individual project and program budgets.
- The approval of TRCA's annual budget is dependent on each partner municipalities council approval of their contribution to TRCA.
- Partner municipality contributions to TRCA's budget can be thought of as an investment in the organization.
- This investment requires reporting to confirm the delivery of approved deliverables for the funding.
- TRCA is continually working with partner municipalities to find long-term strategic plan alignments.



Financial Planning

4-Year Budget

- TRCA’s 4-year budget is included in each annual budget submissions to partner municipalities. The 4-year plan is a financial framework, and outer year funding is not approved or tied to specific account level deliverables.
- Requests for any modifications required to the 4-year plan can be facilitated by SBPP.



TORONTO AND REGION CONSERVATION AUTHORITY
2021 - 2024 FORECAST

Page 1

PROGRAM/PROJECT NAME: Regional Watershed Monitoring Program

SERVICE AREA: Water Risk Management

PROGRAM AREA: Water Resource Science

STAFF LEAD: Jarvie, Scott

REF. NUMBER: 124-01

MUNICIPAL STRATEGIC PLAN ALIGNMENT												
Goal #	Goal Description											
3	Build Sustainable Communities and Protect the Environment											
DESCRIPTION & RATIONALE												
The Regional Watershed Monitoring Program (RWMP) is an ongoing program developed by TRCA and its partners to provide a comprehensive, integrated and coordinated approach to environmental monitoring within TRCA's watersheds. This monitoring builds on the existing local and project-specific monitoring efforts of TRCA and their partners and is one of the key programs to assess, catalogue and report on the state, condition and trends in terrestrial and aquatic biodiversity throughout TRCA's jurisdiction. The RWMP activities included in TRCA's Water Risk Management Service Area include the operation and data collection at sites and stations required to assess hydrology, river hydraulics, water quality, fluvial geomorphology, and hydrogeology across the jurisdiction. TRCA's comprehensive data collection and analysis capabilities increase standardization, reduce risk, and ensure predictable and cost-effective operation.												
PROPOSED FUNDING												
Municipality	Approved 2020	2021	2022	2023	2024	4-Year Forecast						
Durham	94,000	94,000	94,000	102,000	102,000	392,000						
Peel	168,000	168,000	168,000	180,000	180,000	696,000						
Toronto	168,000	168,000	168,000	181,000	181,000	698,000						
York	220,000	220,000	220,000	237,000	237,000	914,000						
Total:	\$650,000	\$650,000	\$650,000	\$700,000	\$700,000	\$2,700,000						

10-Year Budget

- Similar to the 4-year budget, TRCA's 10-year budget offers a long-term framework, and outer year funding is not approved or tied to account level deliverables. The 10-year plan is a forecast that aligns financial resources with TRCA’s strategic plan priorities.
- TRCA’s 10-year plan varies with each partner municipality:

City of Toronto TRCA submits a full 10-year funding envelope each year with the preliminary budget submissions that is detailed to the account level.

Region of York TRCA submits a 10-year funding envelope each year that is detailed to the Service Area level.

Region of Durham and Region of Peel TRCA does not submit a 10-year envelope each year but maintains a 10-year forecast based on annual inflationary increases that are permitted by each Region.

TRCA Revenue Types

- TRCA revenue is categorized into one of three account groups: government funding, authority generated, or investment income.

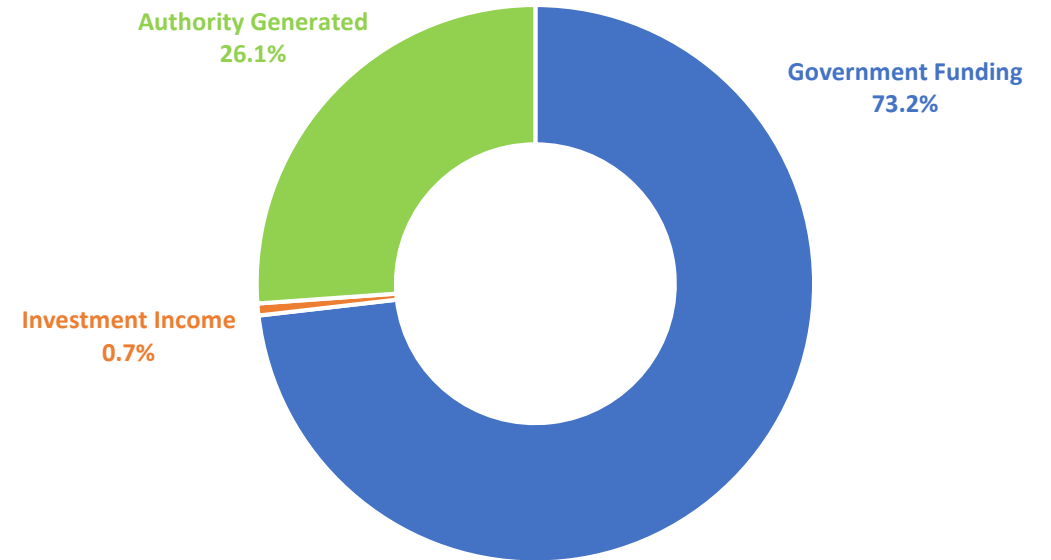
Investment Income accounts for less than 1% of TRCA's budget and includes interest and dividends.

Government Funding includes capital and operating levies, federal, provincial and municipal grants, contract services revenue.

Authority Generated Revenue is TRCA's second largest revenue source. 58% of TRCA generated revenue comes from user fees collected through our planning and permit applications, entrance fees and other means.

TRCA revenue types are explained in detail in the slides that follow.

2019 Actual Revenue by Account Group
\$138.0 million



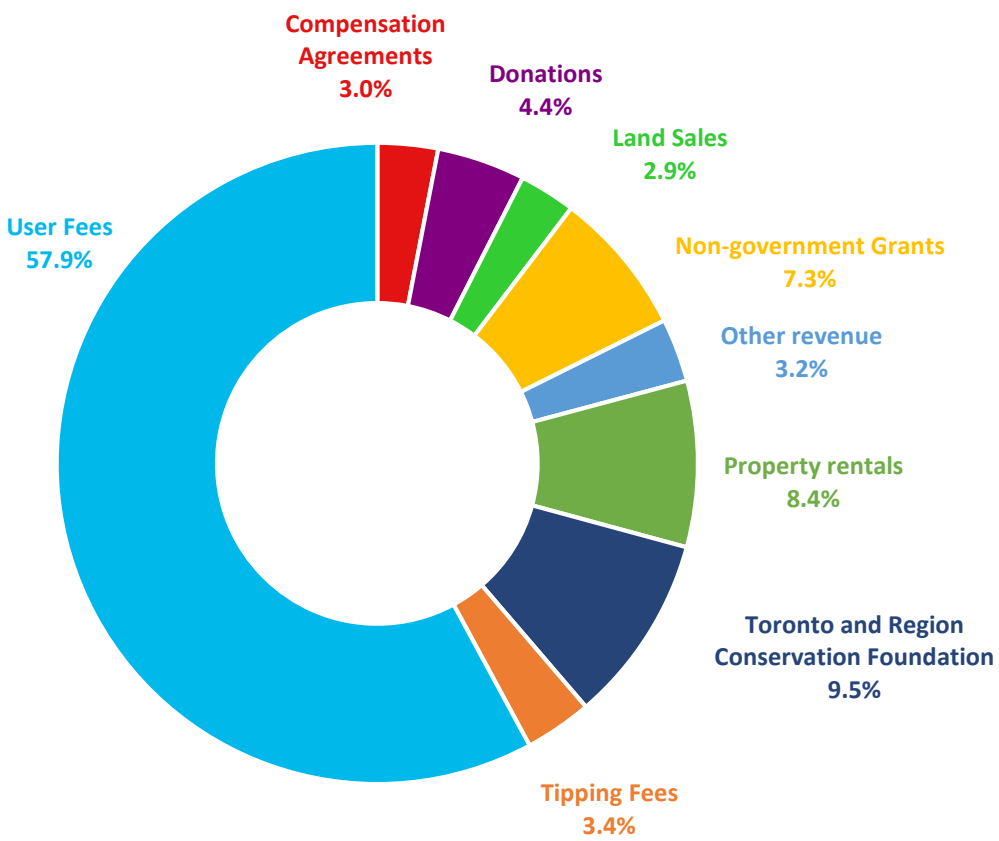
	Actual (\$)	Budget (\$)
Government Funding	100,991,000	161,479,000
Investment Income	956,000	716,000
TRCA Generated	36,063,000	41,955,000
Total	138,010,000	204,150,000

Authority Generated Revenue

- TRCA earned \$36.1 million of authority generated revenues in 2019. The below types of authority generated revenue are explained in detail in the slides that follow:

	Actual (\$)	Budget (\$)
Compensation Agreements	1,099,000	2,685,000
Donations	1,603,000	1,259,000
Land Sales	1,026,000	1,100,000
Non-government Grants	2,634,000	7,426,000
Other revenue	1,153,000	7,000
Property rentals	3,020,000	2,989,000
Toronto and Region Conservation Foundation	3,430,000	1,477,000
Tipping Fees	1,225,000	1,442,000
User Fees	20,873,000	23,569,000
Total	36,063,000	41,954,000

2019 Actual Authority Generated Revenue
\$36.1 million



Authority Generated Revenue - User Fees

- TRCA receives a wide range of revenue from user fees, sales and admissions annually some examples by division include:

Development and Engineering Services: Planning Fees, Permit Fees

Parks and Culture: Golfing, Conservation Parks and Black Creek Pioneer Village Admissions, Camping, Weddings, Parking, Retail, Programs and Events, Ski and Boat Rentals, Commercial Filming

Education and Training: Programs and Events, Summer Camp, Membership Fees



Planning and Permit Fees



Visits to Black Creek Pioneer Village



Community Engagement Programs

Adapting to changes in revenue

For staff who receive revenue through user fees, it is common that throughout the year that the revenues you receive do not match your budget. You could receive more or less revenue than expected. This can happen for many reasons. For example, Conservation Parks admissions may increase as a result of good weather or planning fees may increase or decrease due to economic or regulatory changes.

If there is a change in your expected revenue, it is important to indicate this by providing an updated revenue forecast in your variance sheets as soon as possible and let your SBPP lead know right away. It is important to understand that if you are receiving less revenue than expected, then the expectation is that you will also reduce your expenditures to balance.

Authority Generated Revenue



- Toronto and Region Conservation Foundation (TRCF) is a registered charity with its own Board of Directors.
- TRCF receives money from a variety of sources including individual donations and foundations.
- Funds are provided under one of four focus areas: land, water, community, and engagement, or towards a particular project or program of the donors' request.

Accounting Tips

- Revenue from the foundation can only be transferred into your accounts once expenses have occurred. Therefore, you cannot carryforward TRCF revenues.
- Once you have incurred expenses, you can request revenue from TRCF for approved projects at any time of year. It is best practice to request revenues to be added to your account on a quarterly basis.

Donations

- TRCA also receives donations and sponsorships from individuals, groups and institutions.
- Donations includes donation of funds to support TRCA's projects and programs in addition to land donated through Environment and Climate Change Canada's Ecological Gifts Program.



Paddle the Don

- TRCA receives sponsorships to support a variety of events and programs including Ontario Climate Consortium, Partners in Project Green and TRCA's annual Paddle the Don event and TRIECA conference.

Authority Generated Revenue

Compensation Agreements

- Ecosystem compensation has been used for several years as a tool to help reduce impacts to natural features due to land use change.
- When compensation funds are received by TRCA (cash-in-lieu for compensation) they are deposited into a holding account until the restoration project site or conservation land acquisition parcel is selected.
- Compensation agreement revenue must always remain within TRCA's compensation program.

Tipping Fees

- In early 2011, TRCA acquired the former Brock North and South Landfill sites from the City of Toronto.
- The current phase of site restoration involves importing 1 million cubic metres of clean soil over several years.
- Revenue generated offsets all development & operating expenditures. Remaining revenue will be used for the restoration of Brock North and Greenwood CA lands.

Land Sales

- TRCA acquires property interests, whether by fee simple, leasehold, easement, covenant, or stewardship agreements, in hazard, conservation and environmentally significant land in order to protect against unwise land-use which would affect natural functions.
- The land sales account group includes proceeds earned from under easement agreements.

Rental Income

- TRCA manages approximately 150 leases that include single family dwellings, agricultural lands and commercial leases.

Examples:

- Lease agreements for Wild Water Kingdom, cell towers, outdoor education centres.
- Rental income from residential properties, Treetop Trekking.

Government Funding - Operating Levy

- Each of Ontario's 36 Conservation Authorities receives an annual grant from the MNRF (via Section 39 of the CA Act) for eligible items intended to prevent loss of life or minimize property damage from natural hazards. This funding is matched by partner municipalities and forms the operating budget base.
- The remaining funds that TRCA requires annually for maintenance and administration are divided between partner municipalities according to the **Current Value Assessment (CVA)** formula.
- CVA figures are provided by the Province of Ontario annually and are based on the most recent available property assessments for each partner municipality.
- Operating Levy is sometimes referred to as the General Levy.

Partner Municipality	2020 CVA Apportionment %
York Region	21.90
Region of Peel	11.04
Durham Region	2.82
City of Toronto	64.22
Town of Mono	0.01
Adjala-Tosorontio	0.01
TOTAL	100.00

2020 CVA Apportionment

Budget Tip

The allocation of the annual operating levy is approved by SLT and is organized by Service Area.

Government Funding - Capital Levy

Capital Levy for TRCA projects and programs is allocated according to one of three methods:

- **Current Value Assessment (CVA)** is based on the most recent available property assessments for each participating municipality.
Example: Greenland Acquisition
- **Watershed Formula** is based on TRCA's jurisdictional boundaries for each participating municipality.
Example: Regional Watershed Monitoring Program
- **Special Benefitting** based on individual municipal needs and requests made to TRCA.

Example: Environmental Leaders of Tomorrow – Region of Peel

2019 Capital Levy by Service Area
\$43.9 million



Budget Tip

It is important to know what type of capital levy you have received.

If you received Capital Levy that is through *Special Benefitting*, then 100% of the funding must be spent on the agreed upon regional projects in the region that provided the funds.

Government Funding - Contract Services

- Contract Services revenue is often also referred to as “fee-for-service” work (Service Level Agreement or Memorandum of Understanding).
- Invoices sent to external should use full costing rates
- Examples include:
 - Erosion Risk Management projects undertaken on behalf of Parks, Forestry & Recreation or Transportation Services at the City of Toronto
 - Applied Research Projects
 - Stormwater Pond Maintenance and Monitoring.

Budget Tips

- In most cases, invoices should be generated for contract services work once the work is complete. There, typically, there should not be carryforward of contact services revenue.
- Remember to budget anticipated revenues and expenditures for the upcoming fiscal year only, and not for the life of the project.



[Ashbridges Bay](#) (top, City of Toronto) and the [Lakeview Waterfront Connection Project](#) (bottom, Region of Peel) are major, multi-year projects funded by contract services.



Government Funding - Grants

- TRCA staff may apply for and received revenue through government and non-government grants. All grant revenue must support programs and projects which align with the core mandate of Conservations Authorities or TRCA's Strategic Plan. All grants are coordinated through TRCA's [Funding and Grants Centre](#).
- Grants funded by municipalities, the province or the federal government are classified as government funded revenue, grants funded by non-government organizations are classified as authority generated revenue.

Preparing a budget for your grant application

If you are working on a budget for a grant application, the Funding and Grants Centre has a template [here](#). Staffing costs, including salaries and benefits, should be based on **external rates** provided by your SBPP lead, also called Full Cost rates.

TRCA's Budget Process Tip

Only grants which have been **confirmed** should be included in the annual TRCA budget. Talk to your SBPP lead if you would like include revenue that is unconfirmed in your budget sheets.

TRCA grants:



[Monarch Nation](#) program supported by Environment and Climate Change Canada.



[Toronto Region Ravine Erosion Management and Hazard Mitigation Project](#) funded by Infrastructure Canada via the Disaster Mitigation and Adaptation Fund (DMAF)



[Professional Access Into Employment](#) funded by Ontario Ministry of Citizenship and Immigration

Capital Levies and the Capital Budget

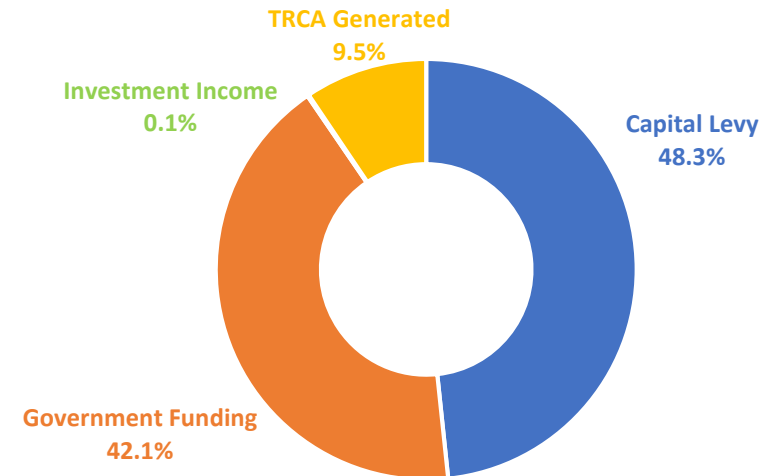
- TRCA’s capital budget is a multi-year plan for investing in infrastructure and facilities (tangible capital assets).
- Capital levies and grants provided by federal, provincial and/or municipal governments comprise over 90% of the revenue in TRCA’s capital budget.

Capital Levy as per the CA Act

Subsection 25 – Apportionment of Benefit

- An authority may determine the amount of capital costs to be incurred in connection with a project and apportion the capital costs to the participating municipalities in accordance with the regulations.
- An authority shall not include in the apportionment any capital costs in connection with a project related to a program or service that the authority determines is advisable to further its objects unless this program or service been identified in an agreement between the municipality and the authority as described in subsection 21.1.2.

2019 Actual Capital Revenue \$90.6 million



	Actual (\$)	Budget (\$)
Capital Levy	43,766,000	59,033,000
Government Funding	38,143,000	83,077,000
Investment Income	104,000	5,000
TRCA Generated	8,543,000	13,864,000
Total	90,556,000	155,979,000

Capital Levies and Use of Funds

- Currently, TRCA's capital budget is used to facilitate the delivery of projects and programs that fall into all four provincial categories.
- The process of reprioritizing funds was initiated for the 2021 budget and capital levy has been directed towards TRCA categories 1, 2a, 2b and 3.
- By 2022, it is anticipated that capital levy will be redirected to fund categories 2a and 2b only.
- Requests to change capital levy are to be facilitated with each partner municipality via SBPP.

Category 1	Mandatory programs and services that are required by regulation.
Category 2a	Watershed formula programs which support Category 1 programs.
Category 2b	Municipal programs and services that the authority agrees to provide on behalf of municipalities situated in whole or in part within its area of jurisdiction under a memorandum of understanding.
Category 3	Such other programs and services as the authority may determine are advisable to further its objects.
Category 4	Fiduciary responsibilities which are required in order for the organization to function effectively such as human resources, corporate administration.

Operating Levies and the Operating Budget

- TRCA’s operating budget covers expenses required to deliver core projects and programs required by legislation, in addition to the staff required to deliver these core services.
- The ongoing day to day expenditures of TRCA such as rent, utilities and office supplies are also covered by the operating budget.
- Operating levies and self-generated revenue comprise over 89% of TRCA’s operating budget.

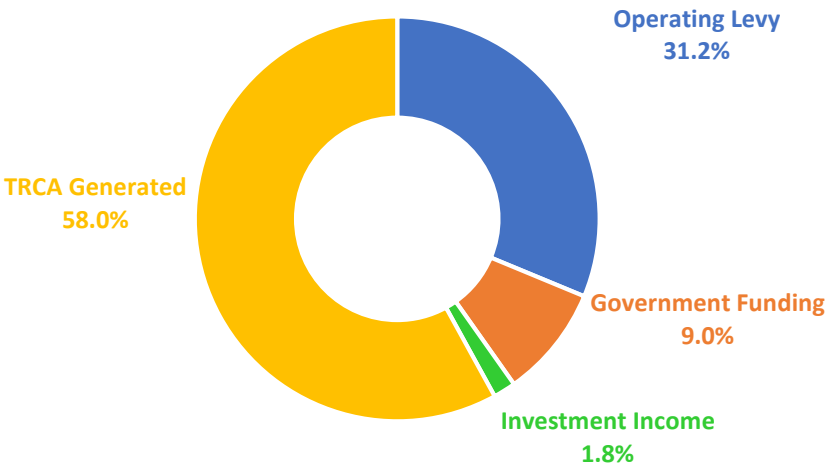
Operating Levy as per the CA Act

Subsection 27 – Maintenance and Administrative Costs

“Operating expenses” includes:

- salaries, per diems and travel expenses of employees and members of an authority,
- rent and other office costs,
- program expenses, costs that are related to the operation or maintenance of a project, but not including the project’s capital costs, and
- such other costs as may be prescribed by regulation.

2019 Actual Operating Revenue
\$47.5 million



	Actual (\$)	Budget (\$)
Operating Levy	14,829,000	14,828,000
Government Funding	4,254,000	4,541,000
Investment Income	851,000	711,000
TRCA Generated	27,520,000	28,090,000
Total	47,454,000	48,170,000

Operating Budget and Use of Funds

- TRCA's operating levy is used to facilitate the delivery of projects and programs that fall into all four provincial categories.
- The process of reprioritizing funds was initiated for the 2021 budget and operating levy has been directed primarily towards TRCA categories 1, 2a and 4.
- By 2022, it is anticipated that operating levy will be redirected to fund categories 1 and 4 only.
- Requests to change operating levy are to be discussed with SBPP and ultimately approved by SLT.

Category 1	Mandatory programs and services that are required by regulation.
Category 2a	Watershed formula programs which support Category 1 programs.
Category 2b	Municipal programs and services that the authority agrees to provide on behalf of municipalities situated in whole or in part within its area of jurisdiction under a memorandum of understanding.
Category 3	Such other programs and services as the authority may determine are advisable to further its objects.
Category 4	Fiduciary responsibilities which are required in order for the organization to function effectively such as human resources, corporate administration.

- The remaining Category 3 projects and programs will transition to cost recoverable models or be facilitated by MOU and SLA with partner municipalities.

MOU and SLA

- Memorandum of Understanding (MOU) and Service Level Agreements (SLA) currently fund all four categories of TRCA projects and programs.
- Throughout 2021, Government and Community Relations (G&CR) will continue working with SBPP and Account Leads to implement MOU and SLA with partner municipalities.
- By 2022, it is anticipated that MOU and SLA agreements will fund all TRCA category 3 activities in addition to other work, as required.
- Requests for creating or modifying an MOU or SLA are to be facilitated through G&CR.
- Refer to the [September 25 Board of Directors Meeting Agenda](#) to see the most recent update on TRCA's development of MOU and SLA with partner municipalities.

Category 1	Mandatory programs and services that are required by regulation.
Category 2a	Watershed formula programs which support Category 1 programs.
Category 2b	Municipal programs and services that the authority agrees to provide on behalf of municipalities situated in whole or in part within its area of jurisdiction under a memorandum of understanding.
Category 3	Such other programs and services as the authority may determine are advisable to further its objects.
Category 4	Fiduciary responsibilities which are required in order for the organization to function effectively such as human resources, corporate administration.

MOU and SLA as per the CA Act

Subsection 21.1.1 – Municipal Programs and Services

- An authority may enter into a memorandum of understanding with a municipality situated in whole or in part within its area of jurisdiction in respect of programs and services that the authority will provide on behalf of the municipality.

Revenue Types by Division

Division	Corporate Services							Human Resources		
Business Unit	Clerks Office	Communications Marketing & Events	Finance	Strategic Business Planning & Performance	Property & Risk Management	Information Technology & Records Management	Project Management Office	Employee Relations	Learning & Development	Health & Safety
Revenue Type										
Government Funding										
Operating Levy										
Capital Levy										
Contract Services (MOU/SLA)										
Government Grants										
Authority Generated										
Compensation Agreements										
User, Planning & Permit Fees										
Tipping Fees										
Property Rentals										
Non-Government Grants, Donations & TRCF										
Fee for Service (MOU/SLA)										
Other Revenue*										

Anticipated Normalized Revenue Type by Business Unit
 *Other revenue includes investment income and tax rebates

Revenue Types by Division

Division	Restoration & Infrastructure				Development & Engineering Services				Parks & Culture	
Business Unit	Restoration & Resource Management	Construction Services	Professional Services	Engineering Projects	Engineering Services	Development Planning & Permits	Infrastructure Planning & Permits	Watershed Planning & Ecosystem Science	Conservation Parks	Black Creek Pioneer Village
Revenue Type										
Government Funding										
Operating Levy	○				○	○		○	○	
Capital Levy	○			○	○			○	○	
Contract Services (MOU/SLA)	○	○	○	○			○	○		
Government Grants	○		○	○	○			○	○	○
Authority Generated										
Compensation Agreements	○				○					
User, Planning & Permit Fees	○		○			○	○	○	○	○
Tipping Fees										
Property Rentals									○	
Non-Government Grants, Donations & TRCF	○		○	○	○			○		○
Fee for Service (MOU/SLA)	○	○		○	○	○	○	○	○	○

Anticipated Normalized Revenue Type by Business Unit

Revenue Types by Division

Division	Education & Training					Policy Planning			CEO's Office	
Business Unit	Education & Training	Corporate Sustainability & Community Transformation	Sustainable Neighbourhoods	Partners in Project Green	Sustainable Technologies Evaluation Program	Policy Planning	Source Water Protection	Enforcement & Compliance	CEO's Office	Government & Community Relations
Revenue Type										
Government Funding										
Operating Levy	○					○		○	○	○
Capital Levy		○	○	○	○	○				○
Contract Services (MOU/SLA)			○		○					
Government Grants	○		○	○	○		○			○
Authority Generated										
Compensation Agreements										
User, Planning & Permit Fees	○			○	○	○				
Tipping Fees										
Property Rentals										
Non-Government Grants, Donations & TRCF	○	○		○	○	○				
Fee for Service (MOU/SLA)	○	○	○	○	○					○

Anticipated Normalized Revenue Type by Business Unit

TRCA Expenditure Types

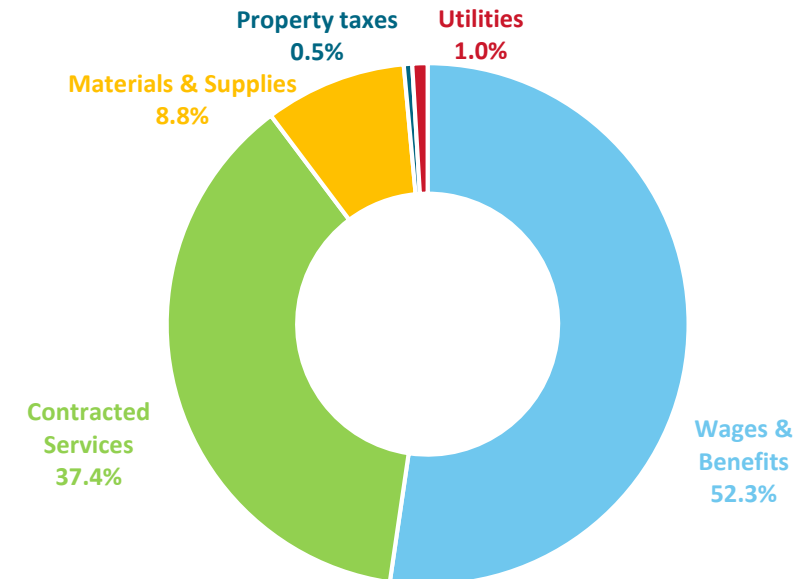
- **Wages and Benefits** staff salary and benefit costs
- **Contracted Services** including rent & lease of vehicles or equipment, permits & licenses, insurance, construction
- **Materials & Supplies** including construction materials, office supplies, land, asset expenses, financial fees, cost of retail products & services
- **Utilities** fuel, hydro, natural gas, water
- **Property Taxes** municipal property taxes for TRCA owned properties
- **Corporate Surcharge** corporate surcharge (5% of account expenditures) is expensed on a quarterly basis

Internal Charges and Recoveries

- **Internal Charges** internal allocation of expenditures between business units (debit)
- **Internal Recoveries** internal recovery of expenditures between business units (credit)

Example: Engineering Services may receive an internal charge from GIS to account for the time and resources completed by GIS staff on a project. Engineering services will receive an internal charge (expense). GIS will receive an internal recovery.

2019 Actual Capital and Operating Expenditures by Type \$131.8 M



	Actual (\$)	Budget (\$)
Wages & Benefits	68,974,000	75,944,000
Contracted Services	49,336,000	110,785,000
Materials & Supplies	11,590,000	25,369,000
Property taxes	686,000	800,000
Utilities	1,246,000	1,078,000
Total	131,833,000	213,975,000

Wages and Benefits

- The wages and benefits account group includes salary and benefit costs for full time and supplementary staff.
- Staff wages and benefits, otherwise known as staff costs are the foundation of project and program budgets. The allocation of staff costs to project and program budgets is the first step in preparing TRCA's detailed annual budget.
- Benefit costs are determined by staff salaries. For estimation purposes, 28% of salary for full-time positions and 13% of salary for non-full-time positions can be used.
- TRCA's salary grid includes a 2% annual inflationary increase to salary and benefit costs. This Cost of Living Adjustment (COLA) has been approved by TRCA's Board of Directors to April 1, 2022.
- Additionally, known changes to minimum wage are taken into consideration as part of the budgeting process and if they occur in year, reflect a variance which a Division must fund.
- Staff wage and benefit information is available on the [Staff Hub](#).

2020 - 2021 Grid - Includes 2% Cost of Living Adjustment (COLA)

35 Hours per week - Annual Salary

Band	Step 2	Step 3	Step 4	Step 5	Step 6
22	\$ 250,179	\$ 255,285	\$ 260,495	\$ 265,811	\$ 271,236
21	\$ 219,586	\$ 224,067	\$ 228,640	\$ 233,306	\$ 238,067
20	\$ 188,992	\$ 192,849	\$ 196,785	\$ 200,801	\$ 204,899
19	\$ 159,845	\$ 163,107	\$ 166,436	\$ 169,833	\$ 173,299
18	\$ 150,211	\$ 153,276	\$ 156,404	\$ 159,596	\$ 162,853
17	\$ 140,576	\$ 143,445	\$ 146,372	\$ 149,360	\$ 152,408
16	\$ 132,060	\$ 134,755	\$ 137,505	\$ 140,311	\$ 143,174
15	\$ 123,543	\$ 126,064	\$ 128,637	\$ 131,262	\$ 133,941
14	\$ 115,752	\$ 118,115	\$ 120,525	\$ 122,985	\$ 125,495
13	\$ 102,327	\$ 104,416	\$ 106,547	\$ 108,721	\$ 110,940
12	\$ 95,850	\$ 97,806	\$ 99,802	\$ 101,839	\$ 103,917
11	\$ 86,885	\$ 88,658	\$ 90,467	\$ 92,314	\$ 94,198
10	\$ 80,337	\$ 81,976	\$ 83,649	\$ 85,356	\$ 87,098
9	\$ 74,377	\$ 75,895	\$ 77,444	\$ 79,025	\$ 80,637
8	\$ 69,599	\$ 71,019	\$ 72,468	\$ 73,947	\$ 75,456
7	\$ 64,887	\$ 66,211	\$ 67,563	\$ 68,942	\$ 70,348
6	\$ 60,531	\$ 61,766	\$ 63,027	\$ 64,313	\$ 65,626
5	\$ 55,615	\$ 56,750	\$ 57,908	\$ 59,090	\$ 60,296
4	\$ 50,701	\$ 51,736	\$ 52,792	\$ 53,869	\$ 54,969
3	\$ 46,556	\$ 47,507	\$ 48,476	\$ 49,465	\$ 50,475
2	\$ 39,043	\$ 39,840	\$ 40,653	\$ 41,482	\$ 42,329
1	\$ 35,792	\$ 36,522	\$ 37,268	\$ 38,028	\$ 38,804

40 Hours per week - Annual Salary

Band	Step 2	Step 3	Step 4	Step 5	Step 6
7	\$ 74,157	\$ 75,670	\$ 77,215	\$ 78,790	\$ 80,398
6	\$ 69,178	\$ 70,591	\$ 72,041	\$ 73,501	\$ 75,001
5	\$ 63,560	\$ 64,856	\$ 66,180	\$ 67,531	\$ 68,909
4	\$ 57,944	\$ 59,128	\$ 60,333	\$ 61,565	\$ 62,822
3	\$ 53,214	\$ 54,296	\$ 55,399	\$ 56,525	\$ 57,693
2	\$ 44,620	\$ 45,531	\$ 46,460	\$ 47,407	\$ 48,377
1	\$ 40,905	\$ 41,740	\$ 42,592	\$ 43,460	\$ 44,348

Non-Wage and Benefits Expenditures

- Once staff costs have been determined and allocated, the remaining account expenditures are added to various expense accounts that are anticipated to cover the work required during the fiscal year.
- All other expenditures can be budgeted either to high-level account groups (slide 36) or to the detailed general ledger accounts.
- It is strongly encouraged that budgets be submitted at the detailed level. (Ex. High level summarized grouping would show *Asset* as an expenditure, whereas *Tangible Capital Assets – Equipment* would be could be shown at the detailed level).
- Budgets must break even at year-end. If the amount of revenue being generated in a fiscal year is lower than what was budgeted, expenditures must be reduced to mitigate any financial losses.

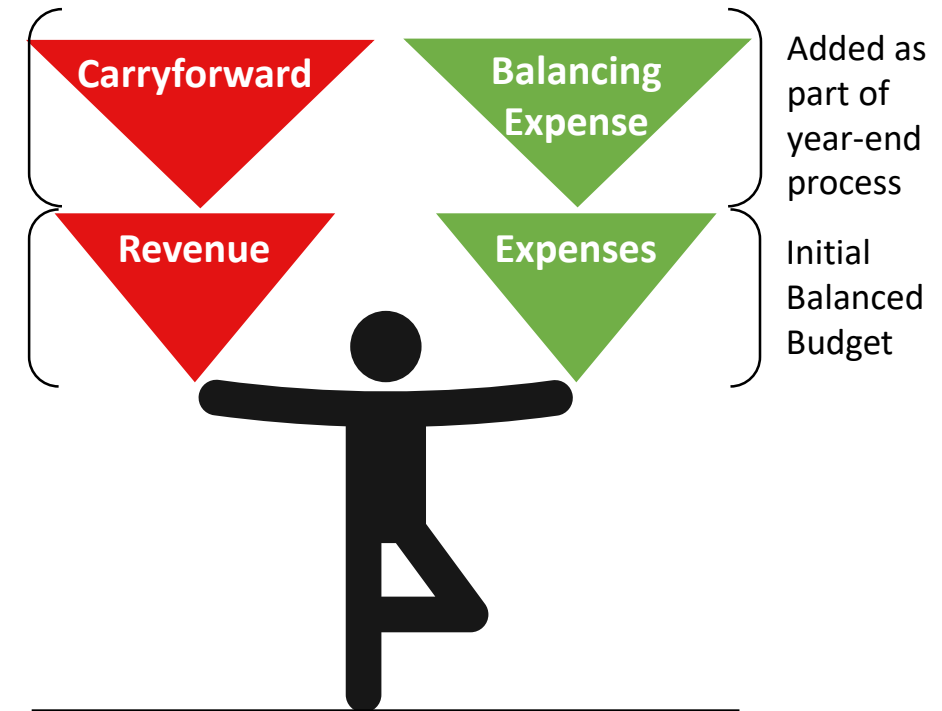
Expense	Budget	Actual	Forecast to Dec. 31	Estimate from YTD to Dec. 31
Compensation	150,000.00	50,000.00	50,000.00	-
Contracted services	125,000.00	150,000.00	225,000.00	75,000.00
Materials and Supplies	100,000.00	50,000.00	100,000.00	50,000.00
Internal charges	25,000.00	15,000.00	25,000.00	10,000.00
Total Expense	400,000.00	265,000.00	400,000.00	135,000.00

Total expenses must fall within the amount originally budgeted. If a specific line item is overspent (contract services in the example), account leads must underspend in another area (compensation).

- At a macro level, divisions must also break even. If in the instance an individual account is overspent (due to lower actual revenue or emergency expenses), senior management must readjust accordingly and offset the amount from another account within the division.

Carryforward

- Annual capital budgets are to be initially balanced without the use of carryforward funds; Account Leads will work with SBPP and Finance to have approved carryforward added to individual project and program budgets in January of the subsequent year.
- To be approved, carryforward must be tied to an outstanding deliverable.
- Approved carryforward amounts between \$5,000 and \$25,000 will not be added to your budget. Funds will be available for use and will appear under actuals, but budgeted revenue will remain unchanged.
- Carryforward amounts less than \$5,000 are absorbed corporately (the same applies to deficits of this amount) unless otherwise approved by SBPP.
- Carryforward will not be approved for the following revenue types:
 - Operating levy
 - TRCA generated revenues
 - Internal recoveries.
- Carryforward of grant funding is subject to the terms of the grant agreement.



Budget Preparation

Reminders

Timelines

Budget Preparation

- Individual project or program budgets should incorporate all revenue sources and the true cost for each project/program, including those associated with providing oversight and centralization of Corporate Services, Human Resources and the CEO's Office. TRCA applies a 5% corporate surcharge to all capital projects and programs to assist in the recovery of indirect costs including but not limited to corporate services required to fulfill the projects and program service delivery.
 - Note that TRCA will move to a full cost accounting model following the release of the updated Conservation Authorities Act regulations; divisional surcharges are permitted while TRCA transitions to a full cost model.
- TRCA recognizes costs on the [accrual basis of accounting](#), which recognizes the effect of transactions and events in the period in which the transactions or events occur, regardless of whether there has been a payment of cash or its equivalent. Recoverable projects and programs should only invoice for payment after expenses have been incurred. Please discuss any exceptions to this with SBPP and Finance.
- Staff Allocation spreadsheets, which will be provided by your SBPP lead, are based on the most current version of the Staff Complement and Payroll information from August 2020. Changes to staff complement must be submitted to SBPP and HR and are subject to approval outside of the 2021 Budget process.
- TRCA and partner municipality fiscal years follow the calendar year. Canada's fiscal year, which extends to all provinces and territories, begins on April 1. Your budget must always follow TRCA's fiscal year, regardless of the calendarization of your revenue type.

SBPP Timelines

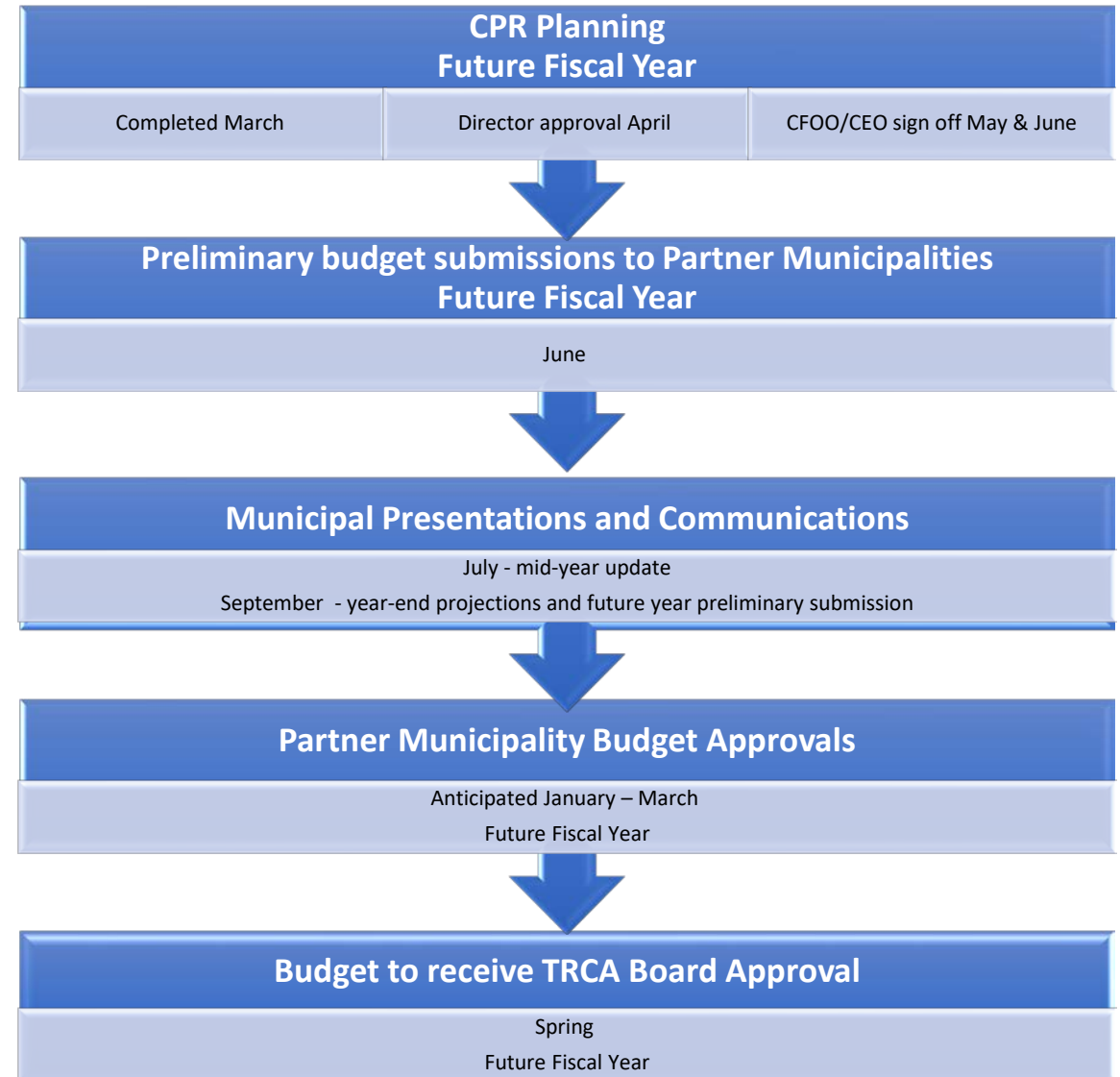
Q1 March	<ul style="list-style-type: none">• Q4 variance reporting (prior fiscal year)• CPR planning (future fiscal year)• Partner Municipality budget approvals (current fiscal year)• Finalize previous year Carryforward
Q2 June	<ul style="list-style-type: none">• Q1 variance reporting• Preliminary municipal budget submissions for future fiscal year (4-year budget included)• Presentations to Partner Municipalities to showcase in-year progress
Q3 September	<ul style="list-style-type: none">• Q2 variance reporting• Staffing allocations for future fiscal year (in coordination with SBPP lead)• Presentations to Partner Municipalities to forecast year end achievements and present preliminary future fiscal year plans
Q4 December	<ul style="list-style-type: none">• Q3 variance reporting• Addition of non-staff costs to future fiscal year budget sheets (with SBPP lead)• Balance Budget• Collection of Annual Report metrics

Reminder:
Engage with your SBPP lead as questions arise throughout the year rather than waiting until quarter end.

Budget Approval Timeline

Requests to modify previously allocated budget and/or approved deliverables must be coordinated through the SBPP Business Unit which is ultimately responsible providing leadership and guidance on:

- Communication with TRCA's partner municipalities;
- Ownership of TRCA's 1-year, 4-year (in accordance with municipal terms) and 10-year budgets and supporting documentation;
- Leadership of organizational unmet financial needs;
- Coordination of divisional budget and Centralized Planning and Reporting (CPR) information;
- TRCA's Grant Centre;
- Development and maintenance of the Business Intelligence (CPR) Tool;
- Business Synopsis and Rationale;
- Business Planning and Performance.



Financial Reporting

Timelines

Linking Financial and Non-Financial Reporting

Financial Reporting

- [Variance sheets](#) are completed typically within one month of quarter end and outline the year-to-date expenses and revenues of a project or program against approved budgets. Account leads are to input total expected revenues and expenses for year-end, thus indicating a variance when compared to approved budgets.
- **Account Leads** are responsible for providing a rationale for each variance greater than \$50,000 or 10% inclusive of operating, capital and special budgets. This information identifies potential financial or timeline related variances that may arise over the life of the project/program.
- [Variance reporting to the Executive Committee and Board of Directors](#) takes place quarterly, approximately two months after each quarter-end.
- Any aggregate program area variance in excess of 10% or \$500,000 requires a rationale as to the cause of the variance in the report to the Board of Directors. SBPP coordinates responses from Account Leads for each Program Area explaining the rationale and include a plan for reconciling the variance (if required). The Divisional Director must approve the plan prior to submission to SBPP. This information will be included in the quarterly reporting to the Board of Directors.
- Specific financial deadlines are available in the [Budget Management folder](#) and on the [Finance Team's Hub Space](#).



Quarterly Reporting Timelines

Linking Financial and Non-Financial Reporting

Centralized Planning & Reporting (CPR) database

- Non-Financial Reporting follows the same quarterly schedule as Financial Reporting and is captured in CPR at the account level.
- CPR reporting speaks to the YTD progress in achieving project or program deliverables that are created each year and provided in [TRCA's Budget Submissions to partner municipalities](#).
- Non-Financial reporting is used in conjunction with financial reporting to generate [quarterly variance reports](#) that are submitted to the City of Toronto in addition to the Regional Municipalities of York, Peel and Durham.
- CPR is accessible via the Staff Hub and training guides are available [here](#).

Strategic Plan and Annual Report – Monthly Metrics Reporting

- [Monthly metrics reporting](#) is completed to illustrate how the work of individual business units is achieving the intended outcomes of the Strategic Plan.
- To see examples of metrics used in each of TRCA's program areas, please refer please see [TRCA's Internal vs. External structures](#) presentation.

Financial Reporting and COVID-19

Following Board of Director approval, the only authorized changes to occur to the budget relate to:

- Changes in approved partner municipality apportionments;
- TRCA staff's assessment of deferred revenue subsequent to year end and the determination of what additional revenues and matching expenses will be recognized during the fiscal year.

Throughout 2020, variance reporting has been used to quantify the financial impact of the COVID-19 pandemic on TRCA and inform the required adaptation measures:

- YTD revenues and expenditures were compared against the initial budget, in addition to that of the same period of the year prior. TRCA Service Areas experienced a range of affects:
 - Certain core service areas such as Water Risk Management and Regional Biodiversity experienced an increase in demand for services, as procedures for field work were modified to maintain service levels;
 - Other core service areas such as Planning & Development review have adapted to maintain uninterrupted service levels with minimal budget variance to date;
 - Certain non-core service areas such as Tourism and Recreation and Education and Outreach funded largely by self-generated revenue (user fees) experienced revenue reductions as a result of the closure and limited uses of TRCA facilities. Staff have worked to mitigate net financial losses through service adaptations (movement to virtual platforms and bubble-focused in-person programming) and expenditure reductions.
- Ongoing monitoring of YTD revenues and expenditures will indicate if the adaptation measures currently in place are sufficiently effective and will inform realistic expectations of revenue to be earned in 2021.

Unfunded Priorities

Workflow and Procedure

Unfunded Priorities

- The unfunded priorities list is a budget document which outlines funding pressures that are not currently allocated in the organizations existing budget.
 - This can include an **increase in service level, additional staffing or new programs.**
- New requests for projects, programs or additional staffing to be added to the unfunded priorities list require Director approval before being reviewed by SLT.
- If Directors are requesting that a new project, program or additional staffing that is not currently part of TRCA's existing business stream, the [Strategic Business Planning Policy and Procedure](#) must be followed prior to adding the item on the unfunded priorities list.



Divisions propose unfunded projects, programs or additional staffing to be added to the unfunded priorities long list.



The long list is prioritized according to a matrix and proposed to SLT for approval. The four highest ranking projects in each partner municipality forms the short list which may be shared with partner municipalities.



Following SLT approval, the list of unfunded priorities is submitted to the Executive Committee and Board of Directors for approval.

- SBPP shall prepare, as required, recommendations for SLT and Board of Directors regarding potential allocation of unrestricted reserves to projects/programs on the unfunded priorities list.
- The Unfunded Priorities workflow is explained in detail in the [Corporate Budget Policy and Procedure](#).

Performance Measurement

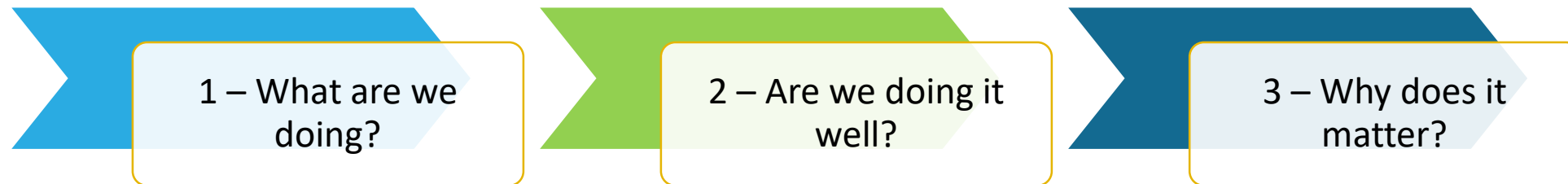
TRCA's Performance Measurement Framework

Reporting Outputs and Audiences

Performance Measurement

Metrics & Reporting: What They Are, and Why They Matter

- Performance measurement helps to gauge and measure the actual outcomes achieved as compared to the intended outcomes.
- TRCA's performance measurement framework has 2 primary objectives:
 - Improve Performance: identify patterns, gaps and trends in real-time to enhance the ability to make sound business decisions.
 - Increase Accountability: enable TRCA to accurately report accomplishments to partner municipalities and external stakeholders thus providing value and impact.
- Performance measures also provide a transparent means of communicating the fulfilment of TRCA's mandate as a Conservation Authority under the *Conservation Authorities Act*. This important function is key to maintaining the confidence of our provincial government, partner municipalities, and constituents.
- By clearly defining and measuring TRCA's progress in achieving the intended outcomes, each business unit helps TRCA provide answers to the following questions:



Performance Measurement Framework

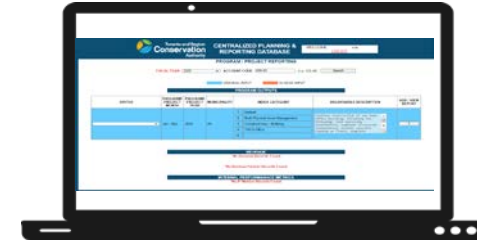
TRCA uses three key processes as part of its performance measurement framework:



Question Addressed	What are we doing?	Are we doing it well?	What does it matter?
Time Frame	1- Year (Short-term)	4 – Year (Medium-term)	10 – Year (Long-term)
Inputs	Annual Report Metrics	Strategic Plan Metrics	Strategic Plan Metrics Partner Municipality Inputs
Outputs	Annual Report Performance Dashboard*	Annual Report Performance Dashboard* Strategic Plan Update	Strategic Plan Update Strategic Plan (Future)
Primary Responsibility	Account Lead	Senior Management Team	Divisional Directors

* Future Initiative

Centralized Planning & Reporting (CPR)



Outputs

Municipal
Budget
Submissions

Municipal
Variance

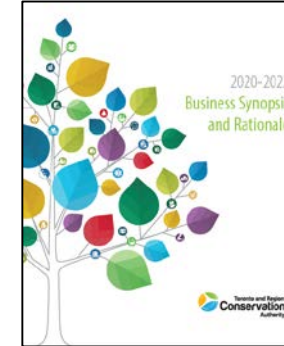
Quarterly
Variance

Strategic
Financial
Reporting

Municipal
Budget
Presentations

- TRCA's CPR business intelligence tool performs an essential function by not only tracking project and program data at the individual account level, but also monitoring progress towards TRCA's commitments to its partner municipalities.
- TRCA's municipal levy funding is contingent upon the fulfilment of deliverables established by account leads and monitored by our partner municipalities. These deliverables act as a legally binding agreement between TRCA and its partner municipalities. By tracking these deliverables in CPR, it is possible to ensure that all TRCA activities are compliant with these requirements. Failure to meet these requirements could result in loss of municipal funding, making CPR an essential tool in TRCA's daily operations.
- CPR provides insight into the annual achievements of each business unit, and a baseline of what is accomplished on a quarterly basis. This information is used to report the value of investments back to partner municipalities and informs the progress in achieving the medium-term outcomes as part of the Business Synopsis and Rationale Report.
- In-year modifications to approved deliverables must be discussed with your SBPP lead who will facilitate communication with partner municipalities, as needed.

Business Synopsis & Rationale Report



Outputs

Business
Synopsis &
Rationale
Report

4-Year
Financial
Plans

- The Business Synopsis and Rationale Report (BSSR) outlines the intermediate level of intended outcomes for each program area across TRCA's nine Service Areas.
- The BSRR is the 4-year link between the long-term outcomes of the Strategic Plan and the short-term outcomes reported through CPR. This link is important as it helps to associate the intended connection between annual results and long-term outcomes.
- Using the medium-term outcomes, staff are more easily able to recognize the influence their work has on the achievements of organizational performance, improving overall employee satisfaction.
- The integration of performance measures that analyze the medium-term outcomes within the BSRR, are key to advancing the ability to more accurately track the progress in achieving the intended outcomes of the Strategic Plan.

Performance Measurement

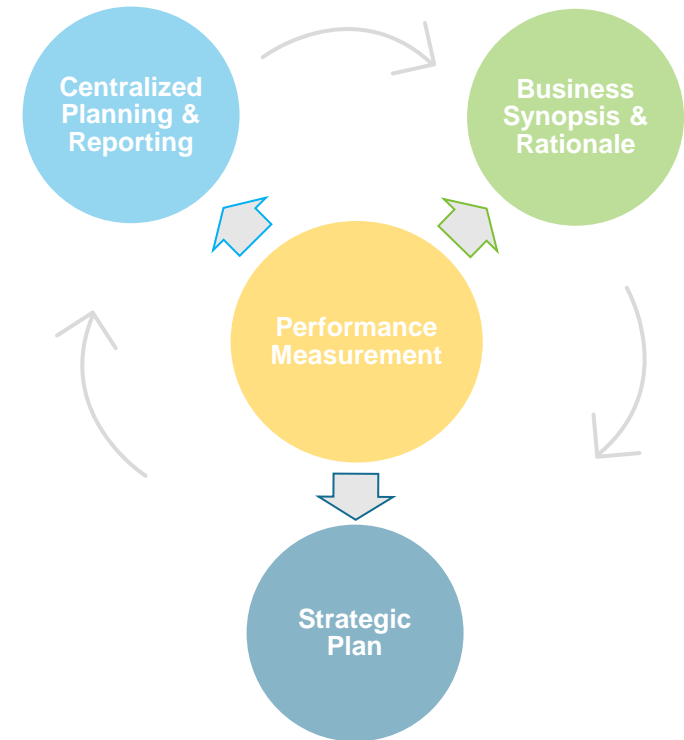
Outputs

Internal
Performance
Metrics*

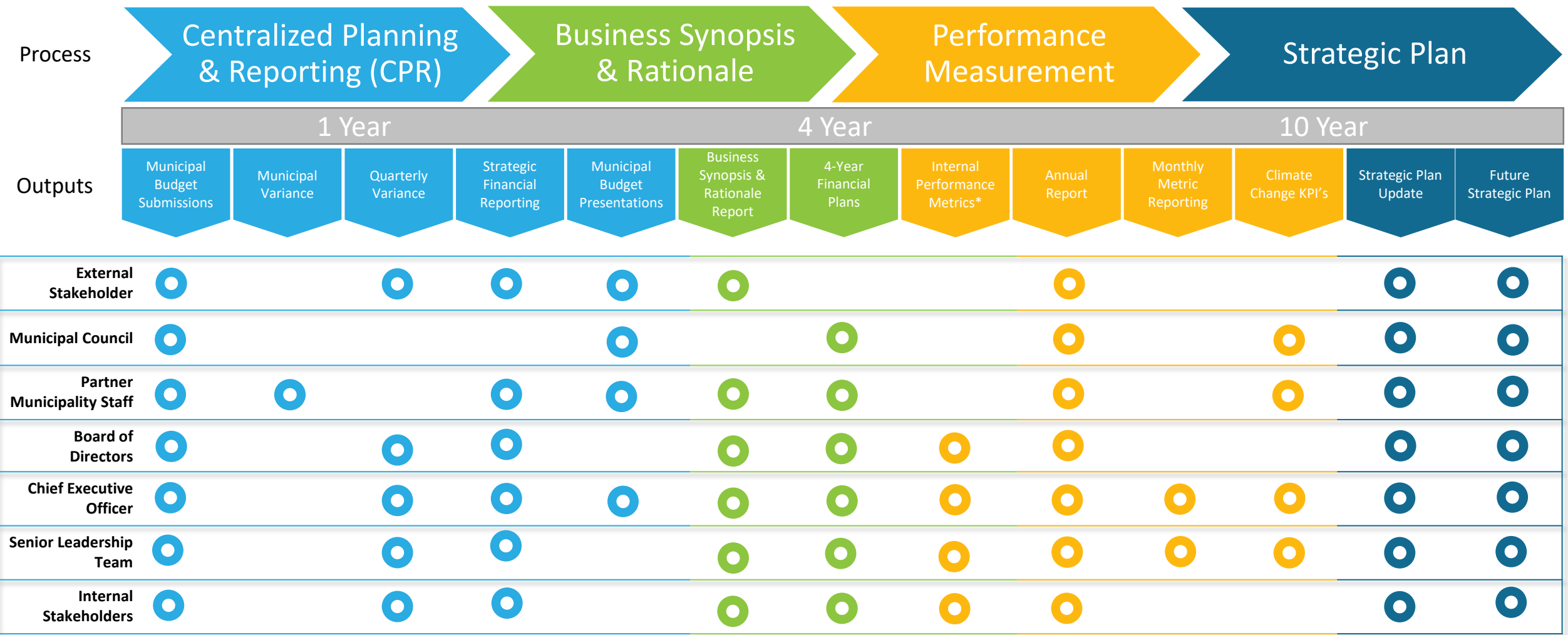
Monthly Metric
Reporting

Climate Change
KPI's

- To develop effective measures, an outcome or result needs to be defined to show what result is trying to be achieved.
- Defined outcomes should include **S**pecific **M**easurable **A**chievable **R**elevant and **T**ime-bound (SMART) elements to make measures clearer.
- Measures should show the extent that the outcome is occurring.
- Climate Change KPI project developed a series of measures for the intended outcomes of the Peel Climate Change portfolio shared between TRCA and Credit Valley Conservation Authority. Performance measures will be used to report on achievements and improve program outcomes in the future.



Reporting Outputs and Audiences



*Future Initiative

Roles and Responsibilities

Corporate Budget

SBPP, Grant & TRCF Contacts

Roles and Responsibilities – Corporate Budget

Board of Directors

- Review and approve TRCA's annual budgets inclusive of operating, capital and special accounts, with access to all supporting information, including any changes to the approved apportionments and/or use of reserves; and
- Review and approve TRCA municipal levies; and
- Review and approval of TRCA's unfunded priorities short-list, to be presented to TRCA's partner municipalities.

CEO

- Making apportionment and allocation recommendations to the Board of Directors based on the advice and recommendations of Chief Financial and Operating Officer (CFOO), and SLT.

CFOO

- All final budget documents and supporting information as presented to SLT, the Board of Directors and Partner Municipalities; and
- Ensuring that in-year financial performance/impacts are communicated to the Board of Directors and Partner Municipalities

SLT

- Reviewing and approving TRCA's budget documents;
- Reviewing and approving TRCA's budgets inclusive of the 1, 4 and 10-year outlook; unfunded priorities list; and the prioritization of projects/programs in the budget process;
- Ensuring that funding allocations are aligned to support strategic initiatives;
- Reviewing all project/program and/or service levels for potential reprioritization of funds, with recommendations from SBPP.

Roles and Responsibilities – Corporate Budget

Divisional Directors

- Approving impacts for their associated division, to the extent they are known, are communicated to SLT and Board of Directors. budget documents for their respective divisions prior to SLT review;
- Consulting with their respective *Account Leads* to ensure that strategic priorities are supported, and that funding is allocated appropriately;
- Ensuring that all unfunded divisional priorities are included in TRCA's priority unfunded projects/programs document; and
- Ensuring that financial impacts for their associated division, to the extent that they are known, are communicated to SLT and the Board of Directors.

Account Leads - the assigned staff who oversees the planning, tracking, monitoring, and reporting of projects/programs and the associated information within TRCA's CPR database. The Account Lead must be part of Senior Management Team, unless otherwise approved by their Director and the SBPP team.

- Developing the 1, 4 and 10-year budget which includes revenue and expense projections for related accounts in partnership with SBPP and the respective Director;
- Providing project/program rationale and scope and include detailed annual tasks within CPR to enable SBPP to develop specific, measurable, attainable, realistic and time-bound (SMART) *deliverables*; and
- Reviewing the unfunded priorities short and long list and make any required modifications or updates to the existing projects on the list, and provide any additional documentation as required.

Roles and Responsibilities – Corporate Budget

Strategic Business Planning and Performance

- Preparing reports for review and approval at both SLT and the Board of Directors which summarize all annual budget documents, as required;
- Providing all internal and external stakeholders with required communications regarding all multi-year budgets, forecasts, plans for funding, and discussions regarding unfunded priorities;
- Working with *Account Leads* to verify budget documents account for: stakeholder appetite; internal and external strategic alignment; financial sustainability; and internal capacity;
- At the request of staff, updating budgetary documents, and create CPR account records for all new unfunded priorities;
- Providing ongoing training, leadership and direction in the completion of all corporate budget submissions for projects/programs, securing funding, and advises on all inputs into CPR; and
- Meeting with divisional directors to verify timing, costs, and review all revenues and expenditure in partnership with CFOO.

SBPP Budget Contacts

Justine Spero

Region of Durham – Budget Support
City of Toronto – Budget Support
Internal Training
Performance Measurement
Planning & Policy
Source Water Protection
Enforcement and Compliance
Construction Services
Professional Services
Engineering Projects
Restoration & Resource
Management Projects
PMO

Tara Wilkie

Region of Peel – Budget Support
Region of York – Budget Support
Fundraising & Grant Support
Engineering Services
Development Planning & Permits
Infrastructure Planning & Permits
Watershed Planning and Ecosystem
Science
Education & Training
Corporate Sustainability
Community Transformation
Sustainable Neighbourhoods
Partners in Project Green
Sustainable Technologies
Evaluation Program

Matt Nevins

CPR 2.0
Conservation Parks
Black Creek Pioneer Village
Clerks Office
Marketing & Events
Finance
Property & Risk Management
ITRM
Government & Community Relations

SBPP Grant and TRCF Contacts

Max Smith

Day-to-day and long-term management of TRCA funding initiatives, as well as TRCF grants.

Evaluates funding opportunities

Manages proposal writing and development

Conducts comprehensive funding research

Acts as a reference on information such as common funding agency requirements and forms, staff profiles and curriculum vitae, project abstracts, reference literature, funding policies, and other pertinent material

Acts as a primary point of contact for funding agency staff (e.g., Program Officers, Program Managers, and Advisors)

Debbie Pokornik

Coordinates the Raiser's Edge NXT database, trains users and provides oversight to ensure consistency.

Processes donations including acknowledgment, and charitable tax receipts when eligible.

Coordinates donor stewardship and recognition.

Responsible for financial reporting and facilitates transfers to TRCA through the Internal Billing Memo process.

www.trca.ca