



Board of Directors Meeting

Addendum

Thursday, October 5, 2023 at 6:00 p.m.

Hamilton Conservation Authority is now conducting meetings in a hybrid format via an in-person and Webex platform.

**All hybrid meetings can be viewed live on HCA's You Tube Channel:
<https://www.youtube.com/user/HamiltonConservation>**

9. Reports from Budget & Administration Committee and Conservation Advisory Board

9.1. Budget & Administration Committee – September 23, 2023
(Recommendations)

9.1.1. BA 2321 Draft 2024 Operating & Capital Budgets - Revised

HCA 2024 DRAFT BUDGETS - Revised

October 5, 2023



Hamilton
Conservation
Authority

A Healthy Watershed for Everyone

OPERATING BUDGET GOALS

- 1) Engage in those activities identified as important in HCA's 2019-2024 Strategic Plan
- 2) Construct budget with a zero-based approach in areas where actuals have experienced variances from budget in the past
- 3) In areas of uncertainty, budget conservatively to mitigate risk
- 4) Operate on a cash neutral basis (Break-Even)

A Balanced Budget

	<u>Budget 2024</u>	<u>Budget 2023</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
<u>Revenues</u>				
Levy	\$ 4,909	\$ 4,778	\$ 4,693	\$ 4,622
Admissions	3,424	3,381	3,556	4,004
Camping/marina	3,598	3,467	3,279	3,147
Equipment rental	1,345	1,325	1,233	1,313
Other	<u>3,317</u>	<u>2,985</u>	<u>2,540</u>	<u>2,968</u>
	16,593	\$ 15,936	\$ 15,301	16,054
<u>Expenses</u>				
Staffing	10,382	9,959	8,094	8,147
Utilities	821	1,020	783	645
Equipment	963	907	842	739
Materials/supplies	603	706	401	456
Other	<u>3,824</u>	<u>3,344</u>	<u>3,463</u>	<u>3,329</u>
	16,593	15,936	13,583	13,316
Net surplus/(deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718</u>	<u>\$ 2,738</u>

- Municipal Levy increase of 2.75% required to balance budget.
- Municipal Levy represents 32% of revenue, with self-generated revenues representing 66%.
- Anticipating Camping/Cabins and Marina revenues to be increased over 2022 results as we see higher volumes become the new normal.
- Staffing expense is 63% of total costs, consistent with past years.
- Incorporated 2% cost of living adjustment for staff, as well as wage grid increases (Job Evaluation).
- Other expenses include various items, including IT Modernization upgrades and Climate Change Initiatives.

Watershed Management Services

	<u>Budget 2024</u>	<u>Budget 2023</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
<u>Revenues</u>				
Levy	\$ 2,157	\$ 2,211	\$ 1,392	\$ 1,103
Permits, fees	388	380	303	314
Grants	163	242	301	474
Other	<u>196</u>	<u>78</u>	<u>56</u>	<u>337</u>
	2,903	2,911	2,053	2,228
<u>Expenses</u>				
Staffing	2,430	2,585	1,750	1,644
Contractors	164	30	46	127
Materials/supplies	113	115	55	23
Other	<u>197</u>	<u>182</u>	<u>202</u>	<u>435</u>
	2,903	2,911	2,053	2,228
Net surplus	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

- Revenue and expenses similar to 2023 budget, however, arrived at with greater acuity.
- Permit and planning fees to increase 2%.
- Other revenue includes \$120K in funding for Climate Change Initiatives.
- Staffing to see 4 roles converted from contract to full-time.
- Staffing overall below 2023 budget level as a zero-based budgeting approach was taken to refine true costs and staff compliment.
- Contractors includes \$120K spend of revenue received above for Climate Change initiatives.

Conservation Area Services

	Budget <u>2024</u>	Budget <u>2023</u>	Actual <u>2022</u>	Actual <u>2021</u>
<u>Revenues</u>				
Admissions	\$ 3,357	\$ 3,309	\$ 3,485	\$ 3,935
Camping	2,035	1,929	1,802	1,555
Marina	1,563	1,538	1,477	1,592
Other	<u>554</u>	<u>622</u>	<u>764</u>	<u>550</u>
	7,510	7,397	7,528	7,632
<u>Expenses</u>				
Staffing	3,397	3,349	2,803	2,739
Equipment	796	827	685	688
Materials/supplies	340	329	295	258
Utilities	352	383	336	278
Other	<u>1,182</u>	<u>1,117</u>	<u>1,119</u>	<u>1,230</u>
	6,067	6,004	5,239	5,194
Net surplus	<u>\$ 1,442</u>	<u>\$ 1,393</u>	<u>\$ 2,288</u>	<u>\$ 2,438</u>

- Admissions, Camping, and Marina all increased compared to 2023 Budget matching new normal levels.
- Camping includes Cabins for full year, Cabins came online mid-way through Q1 2023.
- Marina includes fee increases of 4 to 5% in some areas.
- Staffing costs to increase with the implementation of Job Evaluation results, COLA, and increases to minimum wage.
- All other expenses in-line with 2023 Budget and 2022 Actuals.

Westfield Heritage Village & Conservation Area

	<u>Budget 2024</u>	<u>Budget 2023</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
<u>Revenues</u>				
Levy	\$ 654	\$ 624	\$ 624	\$ 611
Events	157	78	101	-
School Programs	68	30	32	-
Admissions	67	72	71	69
Other	<u>67</u>	<u>78</u>	<u>117</u>	<u>130</u>
	1,012	881	943	811
<u>Expenses</u>				
Staffing	637	558	521	512
Promotion	109	100	21	29
Materials/supplies	48	33	46	21
Utilities	58	60	59	46
Other	<u>160</u>	<u>130</u>	<u>136</u>	<u>110</u>
	1,012	881	784	718
Net surplus	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 160</u>	<u>\$ 93</u>

- Levy increased by \$30K to cover additional expenses not covered by self-generated revenue.
- Admissions flat, with Events and School Programs increasing significantly as volumes increases.
- Staffing at 63% of costs, similar to last year, however, increased as a result of the implementation of Job Evaluation results and COLA.

Central Support Services

	Budget <u>2024</u>	Budget <u>2023</u>	Actual <u>2022</u>	Actual <u>2021</u>
<u>Revenues</u>				
Levy	\$ 2,098	\$ 1,943	\$ 2,677	\$ 2,908
Equipment	1,345	1,325	1,233	1,313
Management fees	500	500	438	202
Other	<u>1,226</u>	<u>977</u>	<u>429</u>	<u>960</u>
	5,169	4,745	4,777	5,383
<u>Expenses</u>				
Staffing	3,918	3,467	3,020	3,252
Utilities	387	402	365	321
Contractors	182	180	218	103
Materials/supplies	102	107	60	71
Equipment	82	83	72	51
Other	<u>1,940</u>	<u>1,899</u>	<u>1,771</u>	<u>1,377</u>
	6,611	6,138	5,507	5,176
Net surplus/(deficit)	<u>\$ (1,442)</u>	<u>\$ (1,393)</u>	<u>\$ (730)</u>	<u>\$ 207</u>

- Levy, Equipment and Management fees similar to 2023 Budget.
- Other revenue includes interest earned, foundation transfers, transfers from reserves for Equipment purchases, and rental income.
- Staffing represents 59% of costs (55% in 2022), increased with implementation of Job Evaluation results and COLA.
- Other represents various items supporting HCA including IT Modernization, Vehicle Purchases, Legal & Audit, etc.

Operating Budget Levy Request

This year's Operating Budget Levy increase request is **2.75%**

Province provides allocation percentages annually, this year

- City of Hamilton 99.24%
- Township of Puslinch 00.76%

Total Levy for 2024 \$ 4,909 thousand (\$ 4,778 thousand in 2023)

- City of Hamilton \$ 4,876,750
- Township of Puslinch \$ 32,316

Year over year impact on Operating Levy is an increase of \$131,386

Draft Capital Budget Commentary

- The draft capital budget is composed of two areas; the first being Special Projects and the second being Major Maintenance. Specific Projects make up 56% of the budget for 2024, these projects are broken down by location.
- Major maintenance makes up 44% of the 2024 budget and are spread across multiple geographic areas and work disciplines. Several years ago, HCA introduced the budget process of pooling the primary categories of major maintenance to address the issue of not having enough funds in one conservation area to do a necessary upgrade while having work of lesser priority completed in areas that had an allocation and felt compelled to use it. With the pooled approach the funds are held centrally and distributed to the areas that are of highest priority.
- These pooled monies fund projects and programs which enhance our facilities and ensure they are safe and functional and further improve our Conservation Areas for current and future generations.
- To give some feel of the scope, in our Conservation Areas we have close to 100 bridges, about 15km of internal roadways, 2km of boardwalk, 170 buildings which include 60 at Westfield Heritage Village, 145 km of trails, and countless other items to manage and improve such as fencing, utilities gates, etc.

Draft Capital Budget

<u>Specific Projects</u>			<u>Subtotal</u>	<u>Percent</u>
<u>#</u>	<u>Location</u>	<u>\$ Amount</u>	<u>By Area</u>	<u>of Projects</u>
Christie Lake				
1	Beach House Accessibility Improvements	<u>\$ 75,000</u>	\$ 75,000	6.6%
Dundas Valley / Woodend				
2	Woodend Office Renovations	\$ 100,000		
3	Dundas Valley Entrance Sign Replacement	<u>40,000</u>	140,000	12.4%
Fifty Point				
4	Entry Road Reconstruction	\$ 250,000		
5	Dock Repairs	<u>25,000</u>	275,000	24.3%
Hamilton Mountain				
6	DBP Site Development	\$ 150,000		
7	Saltfleet Parking Expansion	100,000		
8	Felkers Falls Fencing	<u>50,000</u>	300,000	26.5%

Draft Capital Budget (cont'd)

<u>Specific Projects</u>			Subtotal	Percent	Percent
#	<u>Location</u>	<u>\$ Amount</u>	<u>By Area</u>	<u>of Projects</u>	<u>of Total</u>
Valens Lake					
9	Campground Expansion	<u>\$ 300,000</u>	300,000	26.5%	
Westfield Heritage Village					
10	Westfield Entrance Sign Replacement	<u>\$ 40,000</u>	40,000	3.5%	
			<u>1,130,000</u>	<u>100.0%</u>	<u>56.5%</u>
<u>General Projects - Major Maintenance</u>					
	Roads & Parking	\$ 250,000			
	Bridges	200,000			
	Masterplans	100,000			
	Utilities & Services	100,000			
	Building Maintenance	70,000			
	Fencing	50,000			
	Signage	50,000			
	Trails	<u>50,000</u>			
			<u>870,000</u>	<u>100.0%</u>	<u>43.5%</u>
Total Capital and Major Maintenance (Block Funding)			<u>\$ 2,000,000</u>	<u>100.0%</u>	<u>100.0%</u>

Programs & Services

Category	Inventory Key Program Areas	Total Expenses	Program Revenue	%	Other Funding	%	Provincial Funding	%	Reserve Funding	%	City of Hamilton Capital Block Funding	%	Municipal Levy	%	Balance
1	Natural Hazards Management	2,232,343	387,600	17%	26,000	1%	89,996	4%	5,100	0%		0%	1,723,647	77%	-
	Conservation Lands and Conservation Areas	4,156,566	1,539,048	37%		0%		0%	150,000	4%	1,007,500	24%	1,460,018	35%	-
	Water Quality & Quantity Monitoring	448,968		0%		0%		0%		0%		0%	448,968	100%	-
	Core Watershed-based Resource Management Strategy	64,547		0%		0%		0%		0%		0%	64,547	100%	-
	Drinking Water Source Protection	1,470		0%	1,470	100%		0%		0%		0%		0%	-
Total Category 1		6,903,894	1,926,648	28%	27,470	0%	89,996	1%	155,100	2%	1,007,500	15%	3,697,180	54%	-
2	Conservation Lands and Conservation Areas	1,193,666	500,000	42%	40,000	3%		0%		0%		0%	653,666	55%	-
	Water Quality & Quantity Monitoring	173,674		0%	56,000	32%		0%		0%		0%	117,674	68%	-
	Core Watershed-based Resource Management Strategy	580,546	120,000	21%		0%		0%	20,000	3%		0%	440,546	76%	-
	Drinking Water Source Protection	-													-
Total Category 2		1,947,886	620,000	32%	96,000	5%	-	0%	20,000	1%	-	0%	1,211,886	62%	-
3	Conservation Lands and Conservation Areas	9,741,705	8,599,205	88%		0%		0%	150,000	2%	992,500	10%	-	0%	-
	Total Category 3	9,741,705	8,599,205	88%	-	0%	-	0%	150,000	2%	992,500	10%	-	0%	-
Total Municipal Levy		18,593,485	11,145,853	60%	123,470	<1%	89,996	<1%	325,100	2%	2,000,000	11%	4,909,066	26%	-

P&S Municipal Levy Allocation

Category	Inventory Key Program Areas	City of Hamilton Municipal Levy	%	Township of Puslinch Municipal Levy	%	Total
1	Natural Hazards Management	1,710,557	99.24%	13,090	0.76%	1,723,647
	Conservation Lands and Conservation Areas	1,448,930	99.24%	11,088	0.76%	1,460,018
	Water Quality & Quantity Monitoring	445,559	99.24%	3,410	0.76%	448,968
	Core Watershed-based Resource Management Strategy	64,057	99.24%	490	0.76%	64,547
	Drinking Water Source Protection	-	-	-	-	-
Total Category 1		3,669,103	99%	28,077	1%	3,697,180
2	Conservation Lands and Conservation Areas	653,666	100.00%	-	0.00%	653,666
	Water Quality & Quantity Monitoring	116,780	99.24%	894	0.76%	117,674
	Core Watershed-based Resource Management Strategy	437,200	99.24%	3,346	0.76%	440,546
	Drinking Water Source Protection	-	-	-	-	-
Total Category 2		1,207,646	100%	4,239	0%	1,211,886
3	Conservation Lands and Conservation Areas	-	-	-	-	-
	Total Category 3	-	-	-	-	-
Total Municipal Levy		4,876,750	99%	32,316	1%	4,909,066

Recommendation

THAT the 2024 Draft Operating Budget, as presented, be approved by the Board of Directors and;

THAT the 2024 Draft Capital Budget, as presented, be approved by the Board of Directors.

Questions?



**Hamilton
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