



## Finance and Administration Committee

MVCA Board Room

10:00 am

September 9, 2020

### AGENDA

#### **ROLL CALL**

#### **Adoption of Agenda**

#### **Declaration of Interest (written)**

1. Approval of Minutes – Finance and Administration Committee, February 7, 2020
2. Budget Control Report, Report 3067/20 (Angela Millar, Juraj Cunderlik, Ross Fergusson)
3. Job Evaluation & Salary Review, Report 3068/20 (Angela Millar)
4. 10-Year Capital Needs Assessment, Report 3069/20 (Sally McIntyre)
5. Interim Financial Plan: Background Report, Report 3070/20 (Sally McIntyre)
6. Carp River Conservation Area License of Occupancy, verbal update (Sally McIntyre)
7. Snowmobile Club License of Occupancy, verbal update (Sally McIntyre)
8. Bell Easement on K&P, verbal update (Ross Fergusson)
9. Dedicated Internet, verbal update (Alex Broadbent)
10. Boardroom A/V System, verbal update (Alex Broadbent)
11. Council Fall Presentations, verbal update (Sally McIntyre)

#### **Other Business**

#### **ADJOURNMENT**

MISSISSIPPI VALLEY CONSERVATION AUTHORITY  
FINANCE AND ADMINISTRATION ADVISORY COMMITTEE

Mississippi Valley Conservation Centre  
Carleton Place

**MINUTES**

February 7, 2020

**MEMBERS PRESENT:**

E. El-Chantiry;  
T. Fritz;  
J. Hall;  
C. Lowry;  
J. Mason;  
G. McEvoy;  
P. Sweetnam.

**MEMBERS ABSENT:**

E. Burke;  
P. Kehoe.

**STAFF PRESENT:**

S. McIntyre, General Manager;  
A. Millar, Treasurer;  
S. Lickley, Recording Secretary.

**VISITORS PRESENT:**

G. Street (Auditor).

S. McIntyre called the meeting to order at 1:03 p.m.

**FAAC02/07/20-1**

**MOVED BY:** P. Sweetnam

**SECONDED BY:** T. Fritz

**Resolved, That the agenda for the Policy & Priorities Advisory Committee meeting be adopted, as presented.**

**“CARRIED”**

**BUSINESS:**

1. Minutes – Finance & Administration Advisory Committee Meeting – November 19, 2019

**FAAC02/07/20-2**

**MOVED BY:** P. Sweetnam

**SECONDED BY:** J. Mason

**Resolved, That the Minutes of the Finance & Administration Advisory Committee meeting held November 19, 2019 be received and approved as printed.**

**“CARRIED”**

2. Business Arising from the Minutes

None presented.

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3. 2019 Draft Financial Statements

Glen Street presented the 2019 Draft Financial Statements to the Finance and Administration Advisory Committee Members.

G. Street detailed the Statement of Operations and explained that it shows a surplus of \$129,000 in day to day operations. He also noted that reserves grew for 2019.

E. El-Chantiry asked G. Street if the reserve strong enough to support the MCVA's assets through potential changes and projects. G. Street replied that the reserve looks strong, however the capital assets needing replacement in the future may bring uncertainty. He added that he could not provide a definitive straight answer, but it appeared that that MVCA is on the right track.

S. McIntyre explained that the 10-year capital plan is based on replacing "like-for-like", however some assets, for example the Shabomeka Dam, will require more than "like-for-like" improvements to bring it up to the standards that are necessary for modern usage.

A. Millar noted that the planning department thought that the planning revenues would be short for 2019 in part due to discounts for flood victims, however by the end of the year many large planning projects helped off-set the anticipated deficit. She added that we may have been a little too cautious in asking the Board of Directors for permission to access reserves.

G. Street confirmed that the septic inspection program is charged to the municipality based on what it costs, so there is no added revenue.

G. Street detailed that increases in salary and payouts related to long-term retirement represent one-time salary costs listed, after questions from E. El-Chantiry. E. El-Chantiry asked where the retirement unfunded liability is shown. G. Street replied that MVCA continues to pay the premiums each year and that based on an actuary estimate we ensure the budget will allow for this expense each year. He added that this is shown in the liabilities as (\$150,000).

G. Street answered questions regarding building costs, explaining that there is money allocated from municipal contributions that goes directly to paying the cost of the construction of the building and continues to be set aside for maintenance and repair.

E. El-Chantiry asked for the audit to be presented on the projector screen next time to make following the presentation easier for members.

G. Street summarized his Audit Findings Letter. He stated that the process of conducting the audit was smooth and timely and the staff were very cooperative and prepared.

**FAAC02/07/20-3**

**MOVED BY: E. El-Chantiry**

**SECONDED BY: J. Mason**

**Resolved, That the 2019 Draft Financial Statements, as presented, be recommended to the Board of Directors for approval.**

**"CARRIED"**

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4. 2019 Per Diem and Mileage Rates, Report 3040/20

A. Millar presented the 2019 Per Diem and Mileage Rates Report. She detailed the source that they use as a reference for rates is the National Joint Council.

**FAAC02/07/20-4**

**MOVED BY: J. Mason**

**SECONDED BY: T. Fritz**

**Resolved, That the 2019 Per Diem and Mileage Rates, as presented, be recommended to the Board of Directors for approval.**

**“CARRIED”**

5. “In Camera” Discussions

**FAAC02/07/20-5**

**MOVED BY: T. Fritz**

**SECONDED BY: E. El-Chantiry**

**Resolved, That the Finance and Administration Advisory Committee move into “in camera” discussions.**

**“CARRIED”**

**FAAC02/07/20-6**

**MOVED BY: T. Fritz**

**SECONDED BY: E. El-Chantiry**

**Resolved, That the Finance and Administration Advisory Committee move out of “in camera” discussions.**

**“CARRIED”**

6. Update – 2019 WECI Projects

S. McIntyre presented Update – 2019 WECI Projects Report (3041/20). She explained that WECI projects approved for 2019 funding were not completed within the timelines due to the limited time provided by the province to complete the works combined with flooding and other priorities. Only a portion of the WECI grant will be obtained, and MVCA will reapply this month for 2020 capital works.

At this time, MVCA is proposing to pause work on the Widow Lake Dam. After further investigation, Shabomeka and Kaskwakamak dams are more complex than originally anticipated. It is advised that MVCA focus on completing these two projects in 2020. S. McIntyre explained that the 10-year capital program allowed for “like-for-like” replacement and did not allow for equipment modernizations and new health and safety requirements; and that further degradation has been identified at Kashwakamak Lake Dam. S. McIntyre recommended that MVCA supplement its 50% contribution to repair costs from capital reserves so the 2020 municipal levy is not affected.

S. McIntyre answered questions regarding Widow Lake Dam. She explained that vehicles on the dam were a liability concern, which is now mitigated by a gate which prevents vehicles from passing over. She added that there were also concerns about someone slipping underneath the handrails, so mesh

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will be added to mitigate this at minimal expense. She added that although the public has no right to access to the dam, there are still some with prescriptive rights to use the dam, for example local land owners who historically used the dam to cross the water.

7. Update – Draft 2020 Budget

S. McIntyre presented Update – Draft 2020 Budget noting that MVCA's tractor requires a \$14,000 repair that will be taken out of the vehicle reserve which will be shown as a notice of amendment to the 2020 budget when this is purchased. J. Mason noted that eventually the Municipal Levy will have to increase to address the differential between costs in the 2019 10-year Capital Plan and actual costs associated with lifecycle replacement of dam infrastructure.

8. Update – Procurement Review

A. Millar reviewed the Procurement Review Report (3042/20).

9. Mill of Kintail Museum

C. Lowry reviewed the Mill of Kintail Museum Report (3043/20) which details the work of the Mill of Kintail Advisory Committee and the potential private funder for the museum.

P. Sweetnam asked why MVCA is not going to legal counsel, instead of a judge.

C. Lowry explained that the committee is in the process of consulting legal counsel. S. McIntyre added that the legal counsel has recommended that matter go to a judge for clarification and that this is needed to ensure that any future agreements and entities are properly structured.

J. Mason explained that the government regulations will not have an impact on this important opportunity. She expressed her support for the motion. T. Fritz concurred.

E. El-Chantiry added that MVCA should be careful that the identity of the museum is not lost in these changes. He added that it is important to consider 5 or more years down the road and ensure the continued longevity of the museum.

C. Lowry agreed and added that museums need a safety net. She explained that this approach is a little bit of a gamble for the long term, but it is a great opportunity. The advisory committee has suggested an approach of an endowment fund so the museum can be sustained long term. This private contribution may go a long way towards that goal, alongside community fundraising.

P. Sweetnam asked if the property is included in discussions or if it is just the museum.

S. McIntyre explained that this motion is regarding the museum collection only, not the property.

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**FAAC02/07/20-7**

**MOVED BY: E. El-Chantiry**

**SECONDED BY: T. Fritz**

**Resolved, That the Finance and Administration Advisory Committee recommend that the MVCA Board of Directors Approve the following:**

- 1. That MVCA make application to a Judge for an interpretation regarding MVCA's legal obligations as it pertains to operation of the museum and grounds; and**
- 2. That legal counsel be sought regarding governance options for the McKenzie and Naismith collections including:
  - a) establishing a new charitable organization;**
  - b) repurposing the Mill of Kintail Canadian Arts and Pioneer Museum Corporation; and**
  - c) repurposing the R. Tait McKenzie Memorial Trust.****

**“CARRIED”**

**10. Other Business**

S. McIntyre added that the market is hardening and insurance rates are going to go up from 7 to 22 percent. MVCA has an ongoing dispute with the snowmobile association because we require them to be insured to use the K&P trail. E. El-Chantiry explained that the City of Ottawa signed an agreement with local snowmobile trails after extensive negotiations regarding insurance. He added that MVCA needs to keep in mind is that insurance going up to 20% will have huge impacts on everyone; many new home builds are not even qualifying for insurance.

**ADJOURNMENT**

The meeting was adjourned at 3:15 p.m.

**FAAC02/07/20-8**

**MOVED BY: E. El-Chantiry**

**SECONDED BY: J. Mason**

**Resolved, That the Finance and Administration Advisory Committee meeting be adjourned.**

**“CARRIED”**

“S. Lickley, Recording Secretary

C. Lowry, Chair”

# REPORT

3067/20

TO:	Board of Directors, Mississippi Valley Conservation Authority
FROM:	Angela Millar, Treasurer
RE:	<b>Budget Control Report – up to August 31, 2020</b>
DATE:	September 2, 2020

## Recommendations:

That the Board receive this Budget Control Report for information purposes.

### 1.0 PURPOSE

The purpose of this report is to provide a comparison of year-to-date expenditures and revenues to the approved 2020 Budget; and to provide an update to the Interim Financial Update Report provided to the Board in June 2020.

Table 1: Operating Budget	2019 Actual	2020 Budget	YTD as of August 31 2020	%YTD
<b>Expenditures</b>				
Corporate Services	\$774,952	\$606,469	\$395,665	65%
Watershed Management	\$1,529,063	\$1,485,131	\$849,349	57%
Flood and Erosion Control	\$644,557	\$705,579	\$441,541	63%
Conservation Services	\$638,727	\$849,262	\$434,898	51%
<b>Total Operating</b>	<b>\$3,587,299</b>	<b>\$3,646,441</b>	<b>\$2,121,453</b>	<b>58%</b>
<b>Revenues</b>				
Municipal Levy	\$2,363,388	\$2,650,214	\$1,747,110	66%
Provincial Transfer Payment	\$128,438	\$128,438	\$0	0%
Special Grants	\$25,161	\$25,161	\$25,419	101%
User Fees & Contract Revenue	\$513,617	\$412,000	\$227,606	55%
Special Reserves	\$118,229	\$115,368	\$41,968	36%
Other	\$438,465	\$315,260	\$60,784	19%
<b>Total Revenues</b>	<b>\$3,587,299</b>	<b>\$3,646,441</b>	<b>\$2,102,887</b>	<b>58%</b>

## 2.0 FINDINGS

As of August 31, 2020, revenues are slightly below average for this time of year, and expenditures are tracking normally as shown in Table 1. Planning and permit revenues along with parking revenues for the conservation areas continue to be strong despite COVID impacts on the economy. Even though, planning and regulation fees remain strong, historical trends suggest that these are anticipated to decline slightly in the next quarter.

MVCA applied and received funding from the Temporary Emergency Wage Subsidy (TEWS) in the amount of \$25,000. This program assisted eligible employers by reducing 10% of payroll deductions (over a three-month period) that they need to remit to the Canada Revenue Agency (CRA), up to a maximum of \$25,000.

MVCA has applied for the Canada Emergency Wage Subsidy (CEWS) that provides a 75% wage subsidy for eligible employers. The listing for eligible employers is not entirely clear but application has been made and notification of award is pending and has not been included in these report projections.

MVCA was successful in receiving Canada Summer Job funding for two students for 8 weeks each at 100% to cover wages only. Total funding to be received is \$7,840. One student assisted with the Monitoring program and the other assisted with stream gauge and flow automation.

Confirmation was received from the Canadian Museum Operating Grant (CMOG) and MVCA received \$13,445 being the same allocation as previous years.

MVCA completed a Risk Assessment Study for the Kashwakamak Lake Dam in April 2020. The study recommended postponing major repairs of the dam for up to five years and proceeding with studies required for eventual dam replacement. MVCA collected bathymetric data downstream of the dam in August 2020 and is planning an underwater inspection of the dam after the fall drawdown. The inspection will be completed in support of a comprehensive Dam Safety Review (DSR) update of the dam that is planned for next year.

MVCA has received comments from MNRF on the application for the replacement of the Shabomeka Lake Dam and is currently addressing the Ministry comments. MVCA is proceeding with detailed design of the dam which is expected to be completed in 2020. MVCA also commenced regular monthly visual inspections of the dam to identify and record any hazards, deficiencies or changes to the structure until construction begins in 2021.

Under a shared agreement with the City of Ottawa, several floodplain mapping studies have been committed and more work is to be completed this year than was included in the 2020 budget. The City has paid MVCA \$48,785 per year for the studies identified in this agreement and previous



years actual expenses for these projects have been less than the funds received from the City in some years. However, 2020 will reflect higher expenses than revenue received due to the scheduling and overlap that has occurred between the project status and years of the agreement period.

As previously reported in June 2020, the following details are still valid:

The Water Quality Baseline Monitoring Project with the City of Ottawa has been reduced for 2020. Therefore, reducing the Special Levy amount to be received by \$25,148. As this program was at risk due to the pandemic and resulting budget constraints, staff have been redeployed through a work share agreement with the Rideau Valley Conservation Authority for the Septic Inspection / Re-Inspection programs. RVCA will reimburse MVCA for staff costs and this agreement is estimated to generate \$22,262 in revenue.

As identified in the Q1 Budget Control Report, some projects/expenditures included in the 2020 Budget are no longer viewed as priorities or possible given current circumstances, specifically:

- Timesheet software for managing anticipated regulatory changes, \$10,000
- Attendance by Board members and staff at the Latornell Conference, \$14,000
- Summer student positions will not be filled at Mill of Kintail for Museum and Education program, \$22,850

Expenses have increased due to the pandemic response and include: additional cleaning products; personal protection equipment; mileage for staff to travel to and from job sites individually; computer hardware and software requirements for staff working remotely; and increased staff time to perform additional cleaning responsibilities. The costs associated with these COVID-19 responses are estimated to cost \$32,000 for 2020 and have been included in the Table below. The additional cleaning responsibilities performed by MVCA staff will result in increased TOIL balances for those performing those tasks.

At present, all office staff continue to work from home or on a rotating basis in the office and are completing tasks according to their job descriptions.

Table 2 illustrates how expenditures and revenues may be impacted this year based upon information available today.

<b>Table 2: Operations Budget</b>	<b>2020 Budget</b>	<b>At Risk Revenues</b>	<b>Increased Expenses / Revenues</b>	<b>Projected Savings</b>	<b>Projected YE Surplus/(Deficit)</b>
<b>Expenditures</b>					
Corporate Services	\$606,469			(\$9,298)	\$597,171
Watershed Management	\$1,485,131		\$33,480		\$1,518,611
Flood and Erosion Control	\$705,579			(\$8,211)	\$697,368
Conservation Services	\$849,262			(\$12,445)	\$836,817
<b>Total Operating</b>	<b>\$3,646,441</b>				<b>\$3,649,967</b>
<b>Revenues</b>					
Municipal Levy	\$2,650,214	(\$25,148)			\$2,625,066
Provincial Transfer Payment	\$128,438				\$128,438
Special Grants	\$25,161		\$258		\$25,419
User Fees & Contract Revenue	\$412,000	(\$34,000)			\$378,000
Special Reserves	\$115,368			(\$11,625)	\$103,743
Other	\$315,260		\$1,734		\$316,994
<b>Total Revenues</b>	<b>\$3,646,441</b>				<b>\$3,577,660</b>
<b>Projected YE Surplus/(Deficit)</b>					<b>(\$72,307)</b>

### 3.0 RESERVES

As previously stated in the Interim Financial Update Report, Table 3 shows the 2019 year-end balance and 2020 budgeted allocations. The impact of the 2020 capital projects and projected operational deficits are anticipated to impact the reserve balances (as highlighted / identified in Table 3). These balances will be updated in a future reporting to reflect any decisions of the Board.

<b>Table 3: Reserves</b>	<b>Dec 31 2019 Balance</b>	<b>2020 Budget Allocations FROM Reserves</b>	<b>2020 Budget Allocations TO Reserves</b>	<b>Projected Dec 31 2020 Balance</b>
Building Reserve	338,701	0		338,701
Information Technology Reserve	32,000	15,700		16,300
Museum Building & Art Reserve	4,398	0		4,398
Sick Leave Reserve	73,843	0		73,843
Vehicles & Equipment Reserve	95,403	14,000		81,403
Water Control Structure Reserve - MVCA	208,885	40,000	89,761	258,646
Water Control Structure Reserve - Glen Cairn - Prov	578,771	485,668		93,103
Conservation Areas Reserve	17,000	0	25,000	42,000
Operating Reserve	918,969	10,000		908,969
<b>Total</b>	<b>2,267,970</b>	<b>565,368</b>	<b>114,761</b>	<b>1,817,363</b>

As previously stated, the COVID-19 pandemic is one of the most extreme and impactful events of this generation. Therefore, it is reasonable that during this time a draw down of reserves be made, if required. Management continues to explore options to further minimize expenditures and the need to draw down reserves at year-end to meet operational deficits.

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**REPORT**

**3068/20**

TO:	Finance & Administration Committee, Mississippi Valley Conservation Authority
FROM:	Angela Millar, Treasurer
RE:	<b>Job Evaluation (JE) and Salary Review</b>
DATE:	August 31, 2020

**Recommendation:**

That the Finance and Administration Committee recommend that the Board of Directors increase the Operating Budget by \$14,850 plus HST, and approve use of the Operating Reserve to address the gap between budgeted and bid prices received for the Job Evaluation and Salary Review project.

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The 2020 Operating Budget includes \$10,000 for HR consulting services to carry out a Salary Review of new and existing positions. The Salary Review was a commitment made by the organization to several staff during the hiring process or during performance reviews, and has implications across the organization.

During preparation of the Requests for Quotation (RFQ) it became apparent that job evaluation was last carried out in 2006 and that the information needed to ensure an equitable review were either dated or unavailable. In order to ensure fairness across the organization, the RFQ scope of work was amended to address these gaps.

Quotes were solicited from three firms, with two firms responding. Both came in significantly above the \$10,000 budget. Based upon a value for money evaluation of the submissions, the preferred firm is Cornerstones Management Solutions Limited. The Cornerstone quote came in at \$24,850 plus HST, and below the other competitor.

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## REPORT

3069/20

TO:	Finance & Administration Advisory Committee Mississippi Valley Conservation Authority
FROM:	Sally McIntyre, General Manager and Angela Millar, Treasurer
RE:	<b>10-year Capital Needs Assessment</b>
DATE:	August 31, 2020

### Recommendation:

That the Finance and Administration Committee recommend that the Board of Directors direct staff to:

- a) apply criteria to support priority setting within and amongst the asset categories;
- b) recommend updates to the *10-year Capital Plan* for tabling with the 2021 Budget; and
- c) integrate capital plan recommendations into the Draft 2021-2023 Interim Financial Plan.

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### 1.0 BACKGROUND

The Board approved MVCA's first *10-year Capital Plan* in 2018 as well as a policy of stable annualized funding to enable fulfillment of the capital program. This was a significant achievement of the organization.

In 2018, staff recognized that the *10-year Capital Plan* did not address all capital assets, that underlying assumptions would need to be revisited and updated over time, and that affordability was a major barrier to implementation. This Needs Assessment builds on the 2018 plan by considering a broader set of assets, industry practices regarding risk mitigation, the impacts of climate change on the watershed, and regulatory, technological and public demands on the organization.

The purpose of the Needs Assessment is to set out the full range of capital pressures facing MVCA to allow for priority setting, updating of the *10-year Capital Plan*, and to inform development of the 2021-2023 Interim Financial Plan.

Most cost estimates in the Needs Assessment are considered Class D<sup>1</sup>, meaning actual costs could be higher or lower by as much as  $\pm 50\%$ . Projects to occur between 2021-2023 are generally Class C estimates, meaning actual costs could vary by up to  $\pm 25-40\%$ . In both cases, they provide order of magnitude estimates for the purpose of financial planning. All costs are stated in 2020 Canadian dollars and will be subject to inflation over time.

## 2.0 SUMMARY OF NEEDS

The Needs Assessment divides capital assets into the following categories:

- A. Water and Erosion Control System** – this includes dams, weirs and related appurtenances, as well as the gauges and communication systems that allow for remote data collection of water levels and flows across the watershed.
- B. Buildings and Conservation Areas** – this includes continued payment of the mortgage on the Administrative Building, connection to the central water and sewer when they become available, as well as lifecycle replacement of key assets and planned improvements at the Mill of Kintail, Morris Island, and Purdon conservation areas.
- C. Information and Communication Systems** – this includes lifecycle replacement of major hardware, major software upgrades, major data acquisition, and modernization of data management, communication, and security systems.
- D. Vehicles and Equipment** – this includes all equipment used across the organization for field operations and laboratory equipment.

Table 1 provides a summary of capital pressures facing MVCA over the next 10-years. Its purpose is to inform and support priority setting and financial planning. Sections 3 through 6 provide background information regarding these pressures. Refer to the appendices for more details.

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<sup>1</sup> Budget Guidelines for Consulting Engineering Services. CEBC, 2009

**Table 1: DRAFT NEEDS ASSESSMENT 2021-2031**

Appendix A - Draft Needs Assessment 2021 - 2030											
Water and Erosion Control Structures and Network											
Water Control Structures	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Shabomeka Lake Dam	1,300,000	65,000	-	-	-	-	-	-	-	-	1,365,000
Mazinaw Lake Dam	-	-	-	-	-	-	-	-	50,000	50,000	100,000
Kashwakamak Lake Dam	50,000	75,000	20,000	75,000	1,500,000	-	-	-	-	-	1,720,000
Big Gull Lake Dam	-	-	-	-	50,000	50,000	-	-	-	-	100,000
Mississagagon Lake Dam	-	-	-	-	-	-	-	75,000	50,000	250,000	375,000
Farm Lake Dam	-	-	-	75,000	-	50,000	350,000	-	-	-	475,000
Pine Lake Dam	-	-	-	-	-	75,000	25,000	50,000	-	-	150,000
Carleton Place Dam	-	-	150,000	75,000	-	-	-	-	-	-	225,000
Lanark Dam	-	-	75,000	50,000	-	-	-	-	-	-	125,000
Widow Lake Dam	-	175,000	-	-	-	-	-	-	-	75,000	250,000
Bennett Lake Dam	-	-	-	-	-	-	-	75,000	75,000	-	150,000
Glen cairn Detention Basin	-	-	-	-	-	-	-	-	-	-	-
MacLarens Landing	-	-	-	-	-	-	-	-	-	-	-
Project Management	-	-	-	-	-	-	-	-	-	-	-
Preventative Maintenance	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
<b>Subtotal</b>	<b>1,365,000</b>	<b>330,000</b>	<b>260,000</b>	<b>290,000</b>	<b>1,565,000</b>	<b>190,000</b>	<b>390,000</b>	<b>215,000</b>	<b>190,000</b>	<b>390,000</b>	<b>5,185,000</b>
Watershed Monitoring	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Gauge Network	22,500	22,500	22,500	16,500	22,500	22,500	21,000	22,500	22,500	31,500	226,500
Survey & Flow Equipment	-	-	30,000	-	-	30,000	-	-	-	-	60,000
<b>Subtotal</b>	<b>22,500</b>	<b>22,500</b>	<b>52,500</b>	<b>16,500</b>	<b>22,500</b>	<b>52,500</b>	<b>21,000</b>	<b>22,500</b>	<b>22,500</b>	<b>31,500</b>	<b>286,500</b>
<b>Total Water and Erosion Control Structures and Monitoring</b>	<b>1,387,500</b>	<b>352,500</b>	<b>312,500</b>	<b>306,500</b>	<b>1,587,500</b>	<b>242,500</b>	<b>411,000</b>	<b>237,500</b>	<b>212,500</b>	<b>421,500</b>	<b>5,471,500</b>
Buildings and Conservation Areas											
Conservation Areas	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Mill of Kintail	26,000	41,000	50,000	60,000	85,000	75,000	50,000	50,000	9,000	60,000	506,000
Purdon	17,500	12,500	12,500	12,500	5,000	-	7,000	-	-	-	67,000
K&P Trail	7,000	32,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	55,000
Morris Island	6,000	5,000	5,000	10,000	5,000	-	-	-	-	-	31,000
Office Trail	5,000	-	-	-	-	-	-	-	-	-	5,000
<b>Subtotal</b>	<b>61,500</b>	<b>90,500</b>	<b>69,500</b>	<b>84,500</b>	<b>97,000</b>	<b>77,000</b>	<b>59,000</b>	<b>52,000</b>	<b>11,000</b>	<b>62,000</b>	<b>664,000</b>
New Administration Office	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Debenture payment	277,005	277,005	277,005	277,005	277,005	277,005	277,005	277,005	277,005	277,005	2,770,050
Sewer and water connection	-	-	348,000	-	-	-	-	-	-	-	348,000
Other	-	-	-	15,000	-	60,000	10,000	10,000	10,000	-	105,000
<b>Subtotal</b>	<b>277,005</b>	<b>277,005</b>	<b>625,005</b>	<b>292,005</b>	<b>277,005</b>	<b>337,005</b>	<b>287,005</b>	<b>287,005</b>	<b>287,005</b>	<b>277,005</b>	<b>3,223,050</b>
<b>Total Buildings and Conservation Areas</b>	<b>338,505</b>	<b>367,505</b>	<b>694,505</b>	<b>376,505</b>	<b>374,005</b>	<b>414,005</b>	<b>346,005</b>	<b>339,005</b>	<b>298,005</b>	<b>339,005</b>	<b>3,887,050</b>
Information and Communications Systems	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Hardware	11,100	14,400	41,600	8,500	17,500	11,500	9,500	8,500	9,500	8,500	140,600
Data Acquisition	2,000	2,000	2,000	19,500	2,000	2,000	2,000	2,000	19,500	2,000	55,000
<b>Total Information and Communications Systems</b>	<b>13,100</b>	<b>16,400</b>	<b>43,600</b>	<b>28,000</b>	<b>19,500</b>	<b>13,500</b>	<b>11,500</b>	<b>10,500</b>	<b>29,000</b>	<b>10,500</b>	<b>195,600</b>
Vehicles and Equipment	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Vehicles	53,000	60,000	60,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	621,000
Equipment	-	-	12,000	8,000	10,000	25,000	-	-	21,000	20,000	96,000
<b>Total Vehicles and Equipment</b>	<b>53,000</b>	<b>60,000</b>	<b>72,000</b>	<b>72,000</b>	<b>74,000</b>	<b>89,000</b>	<b>64,000</b>	<b>64,000</b>	<b>85,000</b>	<b>84,000</b>	<b>717,000</b>
<b>Total</b>	<b>1,792,105</b>	<b>796,405</b>	<b>1,122,605</b>	<b>783,005</b>	<b>2,055,005</b>	<b>759,005</b>	<b>832,505</b>	<b>651,005</b>	<b>624,505</b>	<b>855,005</b>	<b>10,271,150</b>

### **3.0 WATER AND EROSION CONTROL STRUCTURES AND MONITORING**

The current needs assessment identifies approximately \$5.4 million dollars in capital improvements over the period 2021-2030. This is a 51% increase over what was identified in 2018, with major additions comprised of the following:

- Shabomeka Lake Dam – increased construction costs identified
- Kashwakamak Lake Dam – increased construction costs identified
- Farm Lake Dam – construction identified
- 2018 Capital Expenditure Summary did not include Watershed Monitoring Equipment costs

Refer to Appendix B for details.

### **4.0 BUILDINGS AND CONSERVATION AREAS**

The current needs assessment identifies approximately \$3.9 million dollars in capital improvements over the period 2021-2030. This is a 11% increase over what was identified in 2018, with major additions comprised of the following:

- Mill of Kintail – septic system replacements, construct flushable washrooms, roof shingles on museum, centralized parking area
- K&P Trail – bridge deck and handrails
- Administration Office – HVAC system replacements identified

Refer to Appendix C for details.

### **5.0 INFORMATION AND COMMUNICATION SYSTEMS**

The current needs assessment identifies approximately \$196,000 in capital improvements over the period 2021-2030. The computer hardware and data acquisitions were previously budgeted within the annual operating budget for Information Management and had not been included in the 2018 Capital Expenditure Summary. Annually, \$15,000 had been allocated for computer hardware and \$8,000 per year for data acquisitions through the annual operating budget. The current needs assessment identifies a 15% decrease over what had been identified in previous annual budgets.

Refer to Appendix D for details.



## **6.0 VEHICLES AND EQUIPMENT**

The current needs assessment identifies approximately \$717,000 in capital improvements over the period 2021-2030. This is a 27% increase over what was identified in 2018, with major additions comprised of the following:

- Vehicle replacements had been postponed for 2019 and reallocated to the current needs assessment
- Additional Equipment needs identified – tracks for ATV, riding mower

Refer to Appendix E for details.

## **7.0 NEXT STEPS**

This Needs Assessment does not consider affordability or corporate and community priorities. Therefore, the next step in this process is to develop and apply criteria to each asset category to support priority setting and update of the 10-year Capital Plan. It is recommended that this occur over the fall concurrent to development of the 2021 Budget and the 2021-2023 Interim Financial Plan.

<b>Appendix B - Water and Erosion Control Structures and Monitoring</b>											
<b>Water and Erosion Control Structures</b>											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
Shabomeka Lake Dam	1,300,000	65,000	-	-	-	-	-	-	-	-	1,365,000
Mazinaw Lake Dam	-	-	-	-	-	-	-	-	50,000	50,000	100,000
Kashwakamak Lake Dam	50,000	75,000	20,000	75,000	1,500,000	-	-	-	-	-	1,720,000
Big Gull Lake Dam	-	-	-	-	50,000	50,000	-	-	-	-	100,000
Mississagagon Lake Dam	-	-	-	-	-	-	-	75,000	50,000	250,000	375,000
Farm Lake Dam*	-	-	-	75,000	-	50,000	350,000	-	-	-	475,000
Pine Lake Dam*	-	-	-	-	-	75,000	25,000	50,000	-	-	150,000
Carleton Place Dam	-	-	150,000	75,000	-	-	-	-	-	-	225,000
Lanark Dam	-	-	75,000	50,000	-	-	-	-	-	-	125,000
Widow Lake Dam	-	175,000	-	-	-	-	-	-	-	75,000	250,000
Bennett Lake Dam	-	-	-	-	-	-	-	75,000	75,000	-	150,000
Glen Cairn Detention Basin	-	-	-	-	-	-	-	-	-	-	-
MacLarens Landing	-	-	-	-	-	-	-	-	-	-	-
Preventative Maintenance	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
<b>Total</b>	<b>1,365,000</b>	<b>330,000</b>	<b>260,000</b>	<b>290,000</b>	<b>1,565,000</b>	<b>190,000</b>	<b>390,000</b>	<b>215,000</b>	<b>190,000</b>	<b>390,000</b>	<b>5,185,000</b>

<b>Watershed Monitoring</b>											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	10 Yr Total
<b>Gauge Network</b>											
WCS Gauges	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	15,000	82,500
MVCA Gauges	15,000	15,000	15,000	9,000	15,000	15,000	13,500	15,000	15,000	16,500	144,000
<b>Survey &amp; Flow Equipment</b>			30,000			30,000					60,000
<b>Total</b>	<b>22,500</b>	<b>22,500</b>	<b>52,500</b>	<b>16,500</b>	<b>22,500</b>	<b>52,500</b>	<b>21,000</b>	<b>22,500</b>	<b>22,500</b>	<b>31,500</b>	<b>286,500</b>

<b>Total WCS and Monitoring</b>	<b>1,387,500</b>	<b>352,500</b>	<b>312,500</b>	<b>306,500</b>	<b>1,587,500</b>	<b>242,500</b>	<b>411,000</b>	<b>237,500</b>	<b>212,500</b>	<b>421,500</b>	<b>5,471,500</b>
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<b>Appendix C - Buildings and Conservation Areas</b>											
<b>Mill of Kintail Conservation Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr. Total</b>
<b>Museum</b>											
Balcony repairs			25,000								25,000
Replace wooden shingle roof								50,000			50,000
Re paint all exterior window and door trim				20,000							20,000
Replace riverside look out	9,000										9,000
Replace play structure wood chips					5,000						5,000
Replace septic system							50,000				50,000
Museum roadway retaining wall						15,000					15,000
Building Condition Assessment		20,000									20,000
<b>Gatehouse</b>											
- Repoint stone work	5,000	5,000	5,000	5,000							20,000
- Replace veranda joists and flooring		8,000									8,000
Security and accessibility upgrades				10,000							10,000
- Replace windows			5,000	5,000							10,000
Septic replacement										60,000	60,000
<b>Ed Center</b>											
Accessibility doors and ramps		8,000									8,000
Replace siding			10,000								10,000
<b>Site General</b>											
Construct dog park			5,000								5,000
Centralized parking						50,000					50,000
Pedestrian bridge deck replacement									9,000		9,000
Resurface roadway and parking lot	10,000					10,000					20,000
Signage	2,000										2,000
Construct flush washrooms				20,000	80,000						100,000
Develop site work shop	5,000	5,000	5,000								15,000
<b>Subtotal</b>	<b>26,000</b>	<b>41,000</b>	<b>50,000</b>	<b>60,000</b>	<b>85,000</b>	<b>75,000</b>	<b>50,000</b>	<b>50,000</b>	<b>9,000</b>	<b>60,000</b>	<b>506,000</b>
<b>Purdon Conservation Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr. Total</b>
Replace sections on Boardwalk	12,500	12,500	12,500	12,500							50,000
Replace stairs											-
Replace site signage	5,000										5,000
Replace main look-out					5,000						5,000
Replace finger look-out							7,000				7,000
<b>Subtotal</b>	<b>17,500</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>5,000</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,000</b>
<b>K&amp;P Trail Conservation Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr. Total</b>
Trail improvements											-
Condition Assessment	5,000										5,000
Bridge deck & handrail upgrades		30,000									30,000
Beaver management	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
<b>Subtotal</b>	<b>7,000</b>	<b>32,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>55,000</b>
<b>Morris Island Conservation Area</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr. Total</b>
Trail brushing/improvements	5,000		5,000	5,000	5,000						20,000
Parking meter											-
Signage	1,000										1,000
Trail Bridge repairs		5,000									5,000
Road maintenance				5,000							5,000
<b>Subtotal</b>	<b>6,000</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,000</b>
<b>Office Trail</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr. Total</b>
Trail construction	-	-	-	-	-	-	-	-	-	-	-
Signage	-	-	-	-	-	-	-	-	-	-	-
Construct lookout	5,000	-	-	-	-	-	-	-	-	-	5,000
<b>Subtotal</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>
<b>Total Conservation Areas</b>	<b>61,500</b>	<b>90,500</b>	<b>69,500</b>	<b>84,500</b>	<b>97,000</b>	<b>77,000</b>	<b>59,000</b>	<b>52,000</b>	<b>11,000</b>	<b>62,000</b>	<b>664,000</b>
<b>Administration Office</b>											
<b>Administration Office</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr Total</b>
Debtenture payment	277,005	277,005	277,005	277,005	277,005	277,005	277,005	277,005	277,005	277,005	2,770,050
Sewer and water connection			348,000								348,000
<b>OTHER CAPITAL</b>											
Condition Assessment				15,000							15,000
Painting and Restoration						60,000					60,000
HVAC replacements							10,000	10,000	10,000		30,000
<b>SUB-TOTAL OTHER CAPITAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>60,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>105,000</b>
<b>Total Administration Office</b>	<b>277,005</b>	<b>277,005</b>	<b>625,005</b>	<b>292,005</b>	<b>277,005</b>	<b>337,005</b>	<b>287,005</b>	<b>287,005</b>	<b>287,005</b>	<b>277,005</b>	<b>3,223,050</b>
<b>Total Buildings and Conservation Areas</b>	<b>338,505</b>	<b>367,505</b>	<b>694,505</b>	<b>376,505</b>	<b>374,005</b>	<b>414,005</b>	<b>346,005</b>	<b>339,005</b>	<b>298,005</b>	<b>339,005</b>	<b>3,887,050</b>

<b>Appendix D - Information and Communications Systems</b>											
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr Total</b>
<b>HARDWARE</b>											
computers	7,100	5,400	5,600	8,500	8,500	8,500	8,500	8,500	8,500	8,500	77,600
Servers			10,000		8000						18,000
Printers		9,000									9,000
Monitors	1,000		1,000		1,000		1,000		1,000		5,000
Storage						3,000					3,000
Audio Visual	3,000		25,000								28,000
<b>SUB-TOTAL</b>	<b>11,100</b>	<b>14,400</b>	<b>41,600</b>	<b>8,500</b>	<b>17,500</b>	<b>11,500</b>	<b>9,500</b>	<b>8,500</b>	<b>9,500</b>	<b>8,500</b>	<b>140,600</b>
<b>DATA ACQUISITION</b>											
OtherData aquisition	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
DRAPE				17,500					17,500		35,000
<b>SUB-TOTAL</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>19,500</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>19,500</b>	<b>2,000</b>	<b>55,000</b>
<b>Total</b>	<b>13,100</b>	<b>16,400</b>	<b>43,600</b>	<b>28,000</b>	<b>19,500</b>	<b>13,500</b>	<b>11,500</b>	<b>10,500</b>	<b>29,000</b>	<b>10,500</b>	<b>195,600</b>

<b>Appendix E - Vehicles &amp; Equipment</b>											
<b>Description</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>10 Yr. Total</b>
<b>Vehicles</b>											
Vehicle purchase	53,000	60,000	60,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	621,000
<b>Equipment Purchase</b>											-
- ATV						25,000					
Tracks for ATV				8,000							
- Tractor										20,000	
- Boat & Motor									21,000		
- Tandem utility trailer					10,000						
Riding Lawn mower			12,000								
<b>Sub-Total Equipment</b>	-	-	12,000	8,000	10,000	25,000	-	-	21,000	20,000	96,000
<b>Total</b>	<b>53,000</b>	<b>60,000</b>	<b>72,000</b>	<b>72,000</b>	<b>74,000</b>	<b>89,000</b>	<b>64,000</b>	<b>64,000</b>	<b>85,000</b>	<b>84,000</b>	<b>717,000</b>

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## REPORT

3070/20

TO:	Finance & Administration Committee, Mississippi Valley Conservation Authority
FROM:	Sally McIntyre, General Manager and Angela Millar, Treasurer
RE:	<b>Interim Financial Plan 2021-2023 – Background Report</b>
DATE:	September 2, 2020

### Recommendation:

That the Finance and Administration Committee recommend that the Board of Directors direct staff to:

- a) Prioritize and quantify 2021-2023 operating and capital pressures.
- b) Identify a revenue and financing approach to address priority needs; and
- c) Draft an Interim Financial Plan 2021-2023 that sets out the above for consideration by the Board.

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### 1.0 PURPOSE

The purpose of this report is to identify operational and capital trends and needs and other matters that represent financial pressures to MVCA; and to initiate a discussion of priorities and options in a manner that supports development of the 2021 Budget and an Interim Financial Plan for the period 2021-2023.

### 2.0 ISSUE

In 2019, the province adopted *Bill 108* that prescribed changes to the manner in which conservation authorities (CAs) are funded, and requires CAs to develop and implement transition plans to evolve to the new funding model. To date, no regulations have been issued by the province detailing these matters. As the Board is aware, MVCA did not receive provincial funding for 2020 capital projects and received just over \$128,000 from the Province towards delivery of mandatory services. Consequently, the Authority is facing increasing financial burden and risk.

Provincial regulations specify legal requirements pertaining to CA financial decision-making, and the *MVCA Administrative By-law, 2018* sets out implementation protocols to ensure good

governance. However, neither document connects the financial health of MVCA to its ability to deliver on its mandate in the context of industry service standards, evolving regulations, aging assets and climate change.

Significant progress in addressing financial gaps was made in 2018 with adoption of MVCA's first *10-year Capital Plan* and the move towards stable annualized contributions to capital reserves in the 2019 budget. Given the scope of financial pressures facing the organization, it is prudent that MVCA take the next step by examining both operating and capital pressures over the short and mid-term and potential ways to address them. Consideration of these matters will support MVCA not only in drafting the 2021 Budget but also in updating the Corporate Strategic Plan, preparing the Transition Plan prescribed by legislation, and drafting an interim financial plan for the organization.

### **3.0 REPORT OUTLINE**

The attached Background Report identifies a range of operating and capital pressures facing the Authority, including matters such as:

- High rates of land development;
- Recent flood events and demand for permits;
- Demands for real-time data, analysis and operational control;
- Aging and antiquated infrastructure;
- Increased complexity and regulation of development;
- Implementation and sustainment of new technologies and software;
- Market competition for professional and technical staff; and
- Legal and insurance burdens.

The report quantifies operating pressures where values were readily available, and summarizes capital pressures that are detailed in Staff Report 3069/20.

The report also identifies revenue and financing opportunities and approaches that could help the Authority to manage financial pressures and corporate risk.



**Interim Financial Plan:  
Background Report**

**September, 2020**



## 1.0 INTRODUCTION

This report outlines trends and other matters placing pressure on the financial resources of the Mississippi Valley Conservation Authority (MVCA). Documentation of operating and capital budget pressures will enable strategic discussions to occur regarding corporate priorities. Development of the 2021 Budget and an Interim Financial Plan for 2021-2023 will be guided by these discussions, with the goal of ensuring that the Authority can continue to meet its mandate within a sustainable financial framework. Discussions will also help to inform development of the Corporate Strategic Plan and a Transition Plan as required by Bill 108.

## 2.0 SCOPE

This report deals with all work performed by MVCA. Authority activities fall under one or more of the following five categories.

- 1) MVCA is mandated under Section 20 of the *Conservation Authorities Act*, as amended, to provide “programs and services designed to further the conservation, restoration, development and management of natural resources”. And, Section 21 of the Act provides a range of powers including but not limited to the following:
  - To study the watershed and determine programs and services to conserve, restore, develop and manage natural resources;
  - To erect works and structures and create reservoirs by the construction of dams or otherwise;
  - To control the flow of surface waters in order to prevent floods or pollution or their impacts;
  - To enter into agreements with private landowners and collaborate with individuals and other organizations;
  - To use lands for parks or other recreational purposes; and
  - To plant and produce trees on Crown and other land.
  
- 2) A 2010 Memorandum of Understanding<sup>1</sup> between the Province of Ontario and Conservation Ontario requires MVCA to:
  - review municipal planning documents and development applications under the *Planning Act* to ensure that MVCA interests are addressed, as approved under sections 20 and 21 of the *Conservation Authorities Act*;
  - review policy documents and development proposals processed under the *Planning Act* to ensure that the application has appropriate regard to Section 3.1 of the 2020 *Provincial Policy Statement* (natural hazard policies);

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<sup>1</sup> Refer to: *Policies and Procedures for Conservation Authority Plan Review and Permitting Activities*, 2010.

- comment on planning applications for compliance with *O.Reg. 153/06*,<sup>2</sup> and administer and enforce permitting requirements for alterations to wetlands, shorelines, and waterways.
- 3) MVCA and Rideau Valley Conservation Authority are legislated to act as a Source Protection Authority within their jurisdiction per Part 1 of the *Clean Water Act*; and have agreements with Carleton Place and Mississippi Mills to administer Part 4 of the Act as it pertains to municipal drinking water systems in those communities.
  - 4) MVCA has memoranda of understanding with the City of Ottawa and the County of Lanark to provide advisory services to municipalities and the County during municipal reviews of *Planning Act* applications. The MOUs allow MVCA to advise on matters of municipal jurisdiction where MVCA is a subject matter expert (namely, Sections 2.1 and 2.2 of the *Provincial Policy Statement* including erosion control works, aquatic health, wetlands, woodlands, hydrogeology, potable water, and stormwater management.)
  - 5) MVCA receives fees or other transfers from the following organizations to deliver specific programs:
    - MNRF to maintain and operate five provincial dams;<sup>3</sup>
    - OPG to perform log operations at its Crotch Lake and High Falls facilities.
    - City of Ottawa to prepare and update flood plain mapping, deliver the Baseline Monitoring program, and to deliver three stewardship programs;
    - County of Lanark for forest management services;
    - Carleton Place to develop Roy Brown Park for outdoor educational purposes;
    - Tay Valley Township for approval under Part 8 of the *Ontario Building Code* and North and Central Frontenac Townships for the delivery of septic inspection services;
    - Independent and public schools to deliver outdoor education programming;
    - Mississippi Mills and the Ontario Ministry of Tourism, Culture and Sport to support operations at the Mill of Kintail Museum; and
    - Individuals and groups for facility rentals and special programs and events.

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<sup>2</sup> *O. Reg. 153/06: MVCA: Regulation of Development, Interference with Wetlands and Alternations to Shorelines and Watercourses*

<sup>3</sup> Malcolm, Mosque, Palmerston, Canonto, and Summit.

### 3.0 PROVINCIAL TRENDS AND PRESSURES

#### 3.1 Bill 108, Schedule 2

As discussed in Staff Report 3012/19, Bill 108 the *More Homes, More Choice Act*, 2019:

- identifies “mandatory” conservation authority services, and removes funding of “non-core” activities from the municipal levy;
- requires MVCA to sign Memoranda of Understanding with member municipalities that support delivery of one or more “non-core” programs, and separate levies for each.

As noted in Section 2, there are no services that are delivered in the absence of some form of legislated requirement, MOU, or other agreement. However, one of the “mandatory” service areas identified in the Act is management of “hazard lands”. Since its creation, MVCA has focused permitting resources on addressing flood risks, mitigating impacts to natural systems, and slope stability where studies have been completed. The management of hazardous lands has been gaining significance in Eastern Ontario in recent years due to increased incidents related to leda clay and other unstable soils. Under the revised Act, MVCA will need to work with local municipalities and CA partners to understand the risk and the Authority’s role to mitigate.

The ongoing lack of implementing regulations for Bill 108 has created operational and budgetary uncertainty due to:

- a lack of clarity regarding the scope of some “mandatory” programs and services;
- potential changes in MVCA powers as currently set out in *O.Reg. 153/06*; and
- a more complex budget approval process that could see some programs dropped mid-budget where consensus cannot be achieved amongst our 11 municipal councils.

As operation of the Mill of Kintail Museum clearly falls outside of what is deemed “mandatory”, the Board directed staff to establish an *ad hoc* committee of Board and community members to examine alternatives.<sup>4</sup> Annual operating costs of the museum are approximately \$120,000. The ability of the committee to identify funders and establish an alternative service delivery model has been compromised by the COVID-19 pandemic. To date, there has been no firm commitment from any organization to support continued operation of the museum.

The following programs and services may also be deemed “non-core” under pending regulation. Collectively, they constitute ~\$1.1 million or 29% of the 2020 Operating Budget. Several are long-standing conservation and education programs of MVCA funded by member municipalities since its inception:

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<sup>4</sup> Refer to B09/18/19-4, September 2019.

- shoreline naturalization projects;
- studies of watershed-interest such as algae growth in recreational lakes;
- monitoring of lakes, streams, and cold-water streams that support sport fishing;
- support to lake associations in the development of Lake Management Plans;
- watershed planning and technical services to guide land and water management;
- advisory support to municipalities on related plans and policies;
- studies to guide conservation and restoration work;
- educational programs to school children;
- stewardship programs such as the *Rural Clean Water Program* and *Green Acres* planting program; and
- administration of facility rentals for weddings, community clubs etc.

Once regulations are released, MVCA will need to determine which programs can no longer be funded via the municipal levy, whether to continue them and, if so, how to fund them.

### **3.2 Operating Grant: CA Act Section 39 Provincial Transfer**

The Section 39 transfer was established to help manage natural hazards by funding the operation and maintenance (O&M) of flood and erosion control systems. In 1979, MVCA received ~\$148,200 (1979\$)<sup>5</sup> from the province to support O&M activities. Today MVCA receives ~\$128,500 (2020\$), a real dollar decrease of ~77%.<sup>6</sup> In 2019, 3.6% of MVCA's operating revenues came from the province.

Provincial policies established in 1997 limited the funding envelop for this program to \$8 million per year, and committed the province to funding 50% of eligible costs.<sup>7</sup> Annual reports submitted to the province over the past decade show that the annual transfer consistently covers less than 8% of MVCA's eligible costs,<sup>8</sup> which were approximately \$1.6 million in 2019.

There is no indication in *Ontario's Flooding Strategy, 2020* that the province intends to increase funding to conservation authorities to operate and maintain flood and erosion control systems. These costs are expected to increase as MVCA deals with aging infrastructure and the impacts of climate change.

### **3.3 Capital Grant: Water & Erosion Control Infrastructure (WECl) Program**

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<sup>5</sup> MVCA. *1979 Annual Report*.

<sup>6</sup> Assumes annual average rate of inflation over the period of 3.31% per <https://www.dollartimes.com/inflation/>.

<sup>7</sup> *Policies and Procedures for Determining Eligibility for Provincial Grant Funding to Conservation Authorities*, June 13, 1997.

<sup>8</sup> Conservation Ontario. *Submission to the Minister of Natural Resources: Re-Investment in Ontario's Conservation Authorities - Now and In the Future*, June 2004.

As discussed in Staff Report 3070/20, there are significant challenges obtaining and using WECl funding. Because of this, MVCA cannot assume it will consistently receive 50% provincial funding to study and resolve water and erosion infrastructure issues in accordance with timelines set out in Canadian Dam Association guidelines,<sup>9</sup> and in a manner that adequately mitigates risks to people that depend on MVCA water and erosion control structures.

Furthermore, there is no indication in *Ontario's Flooding Strategy, 2020* that the province intends to increase capital funding to conservation authorities to study, design, repair, replace and modernize water and erosion control systems. These costs are expected to increase as MVCA deals with aging infrastructure and the impacts of climate change. Financing of some capital works may become necessary for MVCA to meet its fiduciary responsibilities.

#### **4.0 WATER RESOURCE MANAGEMENT TRENDS AND PRESSURES**

Demands on the water resource management team are increasing due to aging infrastructure, the need to modernize structures and their operation, to resolve long standing land ownership issues, to respond to public demands for real time information and transparent operations, and to assess, plan for, and adapt to the impacts of climate change.

##### **4.1 Capital Program**

Staff Report 3069/20 identifies an incremental capital pressure over the next 10-years of approximately \$2,582,000 or \$258,200/year greater than the current annual capital contribution. Approximately 50% of this increase is associated with work on water resource management assets to address dam safety gaps and priorities. See the staff report for details.

##### **4.2 Climate Change and Operational Readiness**

The frequency and duration of extreme weather events occurring in the Mississippi, Carp and Ottawa river watersheds is increasing. The floods of 2012, 2017 and 2019, and the severe drought of 2016 are indicative of this trend. Preliminary modeling carried out by MVCA shows that by 2100, the spring freshet could regularly begin as early as February, severely impacting the ability of the Authority to capture and hold water for slow release during summer months.<sup>10</sup> This is confirmed by a June 2020 report by the National Capital Commission<sup>11</sup> that states:

- Annual snowfall will decrease by 20%.
- Annual precipitation (spring, fall, winter) will increase by 8%.
- The maximum daily precipitation will increase by 14%.

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<sup>9</sup> For example, CDA recommends dam safety reviews for significant hazard class dams once every 10 years.

<sup>10</sup> Casselman, *et al.* (2011)

<sup>11</sup> <https://ncc-ccn.gc.ca/our-plans/climate-change-adaptation-initiative>

- Precipitation will increase in volume and intensity.
- Extreme heat events will become more common.

Calls to increase storage in the watershed and improve system operations require more and better information delivered in real-time; comprehensive system modeling and analysis; improved predictive tools; and introduction of automated systems and controls. MVCA’s jurisdiction is over 4,450 km<sup>2</sup> and considerable work is required to address the gaps needed to manage flows and effectively protect economic, social and environmental interests within the watershed. Table 1 identifies key gaps to be addressed.

**Table 1: Water Resource Management Needs**

<b>Current State / Gap</b>	<b>Continuous Improvement Needs</b>
1) Discrete, subjective and delayed watershed operation and forecasting	System-wide, objective and real-time watershed operation and forecasting;
2) Limited monitoring network for watershed forecasting, operation, and stewardship	Optimized monitoring network addressing current and future watershed needs
3) Limited and manual data QA/QC	Automated data QA/QC to meet provincial/federal standards
4) Insufficient standards for engineering reviews and submission requirements, no system for knowledge retention	Engineering guidance documents for planning reviews and submission requirements; System for knowledge sharing and retention
5) Manually operated water control structures	Automated and remote watershed operation
6) Limited resources for understanding watershed dynamics	Research and knowledge development program to support future watershed needs

MVCA can mitigate budget pressures and enhance watershed management capabilities by carrying out research and partnering with other CAs, levels of government, and universities to some extent however, additional staff resources may be required to conduct such research. As discussed further in the report, there is an opportunity to offset the costs of maintaining baseline technical expertise by providing cost-recovery services (e.g. WISKI support services.)

**5.0 PLANNING & PERMITTING TRENDS AND PRESSURES**

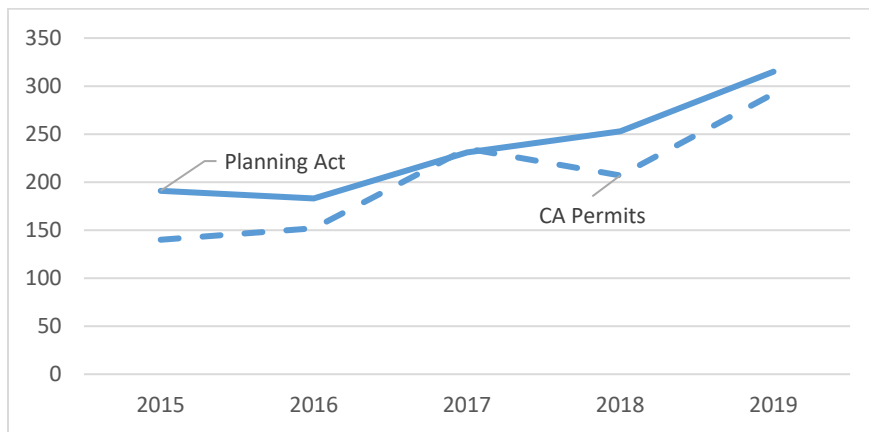
Operational demands have increased in recent years due to growth, the impacts of flood and storm events, and increased regulation and development complexity. Planning, regulations and engineering staff at MVCA are finding it increasingly difficult to meet client service expectations, and timelines prescribed by the *Planning Act*.

### 5.1 Demand for Services

Between 1996 and 2016, three census subdivisions in Lanark County ranked 3rd, 11th, and 12th of the fastest growing non-metropolitan areas in Ontario. Between 2011 and 2016, Beckwith, Carleton Place, and Mississippi Mills grew by 9.4%, 8.5%, and 6.3% respectively.<sup>12</sup> To the east, Kanata-Carleton grew by 10% over the same period.<sup>13, 14</sup> All exceeded the provincial average growth rate of 4.6% over the same period. The floods of 2017 and 2019 have created a significant increase in workload over the last few years. Recent flooding impacted structures on over 1,000 properties. Floods also created damage and shoreline erosion throughout the watershed which has also contributed to the high volume of permits, inquiries and workload capacity challenges.

Figure 1 illustrates the increase in *Planning Act* and *Conservation Authority Act* permit applications and reviews experienced since 2015.

**Figure 1 – Number of Applications Received per Year**



### 5.2 Complexity of Applications

The best land for urban development was developed prior to 2000. Today, many applications involve land with poor soil and drainage characteristics, and integration into communities developed with limited stormwater management. Both these factors increase the time and effort required to review planning and permit applications.

a) Stormwater Management - while current developments include stormwater management, most land developed pre-1990 do not provide comprehensive stormwater management. This

<sup>12</sup> <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-cma-eng.cfm?LANG=Eng&GK=CMA&GC=509&TOPIC=1>

<sup>13</sup> <https://www12.statcan.gc.ca/census-recensement/2016/dp-prof/details/page.cfm?B1=All&Code1=35041&Code2=35&Data=Count&Geo1=FED&Geo2=PR&Lang=E&SearchPR=01&SearchText=Kanata--Carleton&SearchType=Begins&TABID=1>

<sup>14</sup> Between 2015 and 2019 the number of *Planning Act* applications processed by the City of Ottawa grew from 1741 to 2012, and by the County of Lanark between 2014 to 2019 from 131 to 153.

means that large areas of Kanata and Stittsville (and to a lesser extent Carleton Place and Almonte) have limited storage capacity, water quality and quantity control, and growth in these communities must not exacerbate pre-existing drainage, flooding, erosion and pollution challenges. Increasingly, planning and permit reviews involve the relocation of tributaries, flood fringe developments, capacity assessments, and require the review of multiple models and plans to ensure that a proposal can properly integrate into the existing drainage system.

b) Wetlands – stormwater management and water balance challenges are increased when wetlands are drained and developed. The Authority regulates development and interference of Provincially Significant Wetlands (PSWs,) and wetlands greater than 0.5 ha with a hydraulic connection to a waterbody.<sup>15</sup> Because wetlands are perceived by some as “marginal” land without intrinsic value, MVCA regularly encounters development applications on wetlands, and situations where wetlands are drained and developed in contravention of provincial regulations and MVCA policies. For example, approximately \$315,000 was spent over 10 years to protect the Goulbourn Wetland Complex alone.<sup>16</sup> With limited financial and staff resources, MVCA needs to assess its approach to compliance promotion and enforcement once new regulations are in place. Greater collaboration with area municipalities in wetland management is needed, particularly in areas approved for or under consideration for urban expansion.

## **6.0 CONSERVATION TRENDS AND PRESSURES**

### **6.1 Conservation Area Capital Works**

Staff Report 3069/20 identifies need for approximately \$664,000 in capital works over the next 10 years. Most of this work was identified in the 2018 10-year Capital Plan and does not pose a significant capital pressure.

### **6.2 Demand for Conservation Areas**

Measures imposed during the COVID-19 pandemic have highlighted the importance of public greenspace and conservation areas in supporting physical and mental health in the community. For example, visitorship at Morris Island Conservation Area more than doubled this summer over previous years. Across the portfolio, public demand has highlighted a need to widen pathways, increase parking areas, and reconsider toilet facility availability and operations.

Discussions are occurring within government regarding the need to increase the number, size, and quality of natural areas for public use, and cost-sharing grants are expected to become available through stimulus programs. The Authority needs to consider whether to use this opportunity to improve or expand existing sites, or to add to the Authority’s portfolio. Depending

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<sup>15</sup> MVCA Regulation Policies, updated 2019

<sup>16</sup> Refer to Staff Report 3030/19 for details.



upon the grant program and funding model, the Authority may need to debt finance its share in order to access these funds. Potentially eligible projects include the following:

- a) At the Mill of Kintail there are opportunities for wheelchair accessible pathways, washroom and outhouse improvements, expansion of the parking lot, fencing of an off-leash dog run, establishment of a demonstration site for controlled tile drainage.
- b) The Carp River restoration area in Kanata is an excellent example of how flood control and storm water management systems can be designed for conservation and use as passive recreational areas. The Authority is currently in discussions with the City to have the site designated as a Conservation Area. A similar approach is recommended to enable protection of wetlands abutting Stittsville, Carleton Place and Almonte, which could be facilitated through grants used to properly delineate and assess these areas and undertake comprehensive no net loss plans for expansion of those communities.
- c) The Palmerston-Canoto Conservation Area includes an 86 ha. upland forest with a 3.5 km trail system and has opportunities for further promotion, development and use.
- d) Purdon Conservation Area has narrow boardwalks which could be widened to allow for easier and safer foot traffic. Stairs and seating areas also require renewal.
- e) Work on the Watershed Plan has identified several areas for potential conservation either through redesignation by the province, or through purchase or lease agreements with landowners. Consideration could be given to expand the Authority's portfolio, particularly area representing threatened landscapes or that support regional or international natural corridors (e.g. A2A initiative.)
- f) Similarly, there is the potential for physical expansion of one or more CA sites.
- g) There are opportunities for restoration, signage, and promotion of the historic canoe route and portages along the Mississippi River.

### **6.3 Operations and Maintenance**

As noted previously, COVID-19 has significantly raised attendance at Morris Island CA. Should current visitor rates be sustained over time, continued daily maintenance may be required—a significant increase in level of service over pre-COVID conditions, with a round-trip over 100km.

Similarly, should the health and safety measures imposed under COVID-19 continue into 2021, the Authority could see increased vehicle and fuel costs, and a decrease in overall core program outputs due to additional COVID-19 duties and the challenge of deploying field staff both safely and efficiently.

## **7.0 SURPLUS PROPERTIES AND LANDOWNER LIABILITY**

The Authority owns several parcels of land on which it pays taxes and holds unquantified landowner liability. An 8 ha. former roadside pit is used without Authority permission by local dirt bike enthusiasts. Approximately 3 km of the Carp River channel in Kanata, including a stormwater detention facility and construction easements, was acquired in the 1970s. Roles and responsibilities between the City of Ottawa and MVCA are unclear.<sup>17</sup> Several properties were purchased between 1988 and 1993 in the Clyde River floodplain to facilitate homeowner relocation. There is an assortment of similar properties at various locations in the watershed.

In addition to the above, the Authority installed a slope stabilization berm at McLaren's Landing in 1988/89 on private land. There are no agreements on file with the landowners or the former Township of West Carleton for the long-term maintenance and replacement of the structure.

None of these sites is actively monitored or managed. Each should be reviewed, with risks and opportunities assessed so that decisions can be made whether to dispose or retain them, and the degree of active management required at each property.

## **8.0 STAFFING TRENDS AND PRESSURES**

MVCA is a small organization of less than 30. A variety of skills and expertise are required to deliver on the Authority's mandate. The entire management team are "working" managers performing daily tasks along side their staff in addition to their supervisory and leadership responsibilities.

### **8.1 Mandatory versus Non-Core Programs and Staffing**

Most staff are technical experts with specialized skills and knowledge. Many employees are cross-trained and deployed across different service areas. Engineering staff responsible for oversight of the dam system and capital projects are the same people who conduct technical planning and permit reviews. The people who carry out watershed field monitoring also comment on planning and permit applications, and provide fee-for-service programs to member municipalities.

It may become necessary to adjust funding sources and fees to maintain the scope of competencies required to deliver mandatory programs if some positions can no longer be funded by the Municipal Levy under the new regulations; or when existing service contracts expire that are used to pay base salaries.<sup>18</sup>

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<sup>17</sup> This recently became an issue due to the growth of wild parsnip abutting paths established and used, without Authority permission, by the public.

<sup>18</sup> Three permanent positions are subsidized under contracts with the City of Ottawa that expire in 2022.

## **8.2 Water & Erosion Control Asset Management**

Time sensitive technical planning and permit reviews impede the ability of the engineering group to deliver essential asset planning and renewal programs. Additional resources are needed to address this gap to effectively deliver on the capital program, and to assess and adjust system design and operations to adapt to the impacts of climate change.

## **8.3 GIS and WISKI**

Since its creation, the GIS Specialist position has been funded 50% by the City of Ottawa and/or the National Disaster Mitigation Program (NDMP). Funding will expire in 2021. This position is essential to existing and planned modeling and mapping work of the organization. A budget pressure will be created upon conclusion of the City's project.<sup>19</sup>

In 2011, MVCA began using WISKI software to collect, manage, analyze, and illustrate watershed data. MVCA is one of 10 CAs in eastern Ontario using this software, and collaborates and partners with them to purchase and tailor add-on packages. The technical staff member who has supported WISKI use and integration into the MVCA workplace has been on contract for almost two years. Due to the critical role this position plays in roll-out and maintenance of the WISKI system, and the ongoing need to develop code and scripts for system automation, an investment is needed to make the position permanent. These costs can be off-set by fee-for-service payments from other CAs. In 2019, RVCA and Quinte Conservation contributed \$24,000 towards the position.

## **8.4 Contract versus Permanent Staffing**

MVCA has made extensive use of contract staff to meet the planning and regulation pressures identified herein and to deliver seasonal programs. Several contract staff were extended or reassigned from other duties this past year to help deal with the sustained high level of applications received since the Spring 2019 flood.

While the use of temporary staff is beneficial, over the long-term it can undermine service continuity and client relationships, demonstrate a lack of commitment to adequately support employees, and entails cyclical hiring and training of replacement workers that places additional burdens on management and colleagues. As well, it is difficult to attract experienced knowledgeable employees to contract positions.

For example, the continual use of contract staff to meet planning, engineering and stewardship service requirements yields lower productivity than what is achieved by those familiar with our

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<sup>19</sup> Two other positions are currently subsidized by NDMP and /or the City of Ottawa: Director of Water Resources Engineering (\$32,700/y) and Water Resources Engineer (\$20,200/y).

municipalities, policies, procedures, and precedents. As well, it undermines implementation of longer-term stewardship projects that require the cultivation and sustainment of relationships with landowners and partner organizations. Historically, the stewardship position was staffed by an experienced forester/farmer, but in recent years has been delivered seasonally by people with limited connection to the community and on-the-ground experience.

A review of staffing is warranted given sustained growth and demands in these service areas. Each permanent position costs MVCA between \$12,600 to \$31,500 to meet *Employment Standards Act* requirements and the benefits package approved by the Board.

## **8.5 Compensation**

The Authority is a governmental agency responsible for delivering regulated and multi-disciplinary programming over a 4,450 km<sup>2</sup> area, and needs to attract and retain experienced and knowledgeable staff to properly deliver its mandate and address the pressures outlined in this report. MVCA competes with other governmental bodies and the private sector for qualified technical experts and needs to provide competitive compensation. Recent recruitment efforts have shown that the Authority offers below market compensation for some positions. A study is currently underway to assess where adjustments in wages may be needed to remain a desirable employer. It is anticipated that one or more positions and wage brackets will require adjustment. The last comprehensive review was carried out in 2006.

## **8.5 Mississippi Valley Conservation Foundation**

The fundraising arm of the Authority is unstaffed and there is effectively no development work being carried out beyond the annual fundraising letter and the Kintail Christmas event. More effort is needed to engage residents, conservation area users, community organizations, major funders and philanthropic advisors. This work cannot be carried out by existing staff. Consideration should be given to staffing this work or contracting it out.

## **9.0 OTHER TRENDS AND PRESSURES**

### **9.1 Information and Communications Technology (ICT)**

Several trends are placing increased pressures on ICT budgets:

- Software providers are transitioning from a traditional sales model to fixed-term subscriptions. This means that increasingly the Authority cannot buy licences and use them indefinitely but must pay regular operating fees instead.
- The cyber-security risk of hackers, phishing, and ransomware attacks is real and increasing as evidenced by the attacks experienced in 2018 and 2019. Regular updating of security systems is needed to protect Authority data and operations.

- Geospatial data such as ortho photography, LIDAR and climate information and the models and GIS tools used to analyze this information require a tremendous amount of computer processing and storage space. Updating computers and adding data storage, either through hardware or cloud space, is expensive.
- Real-time system integration of field data and modeling projections amongst CAs, the Province, and the Ottawa River Regulation Planning Board is desired. This represents a significant investment in data collection, transmission, data management and integration software, and maintenance of all these elements which will require financial support from other levels of government to achieve.
- Strong and stable internet connectivity has become essential during COVID-19 for those working remotely, and the lack of it has been always been problematic at this site. Recently, Bell Canada agreed to bring dedicated internet service to the site at no cost, however, it comes with operating costs in excess of \$30k total over the next 5 years.
- The heightened need for video and teleconferencing during COVID-19 has shown our boardroom audio-video systems to be substandard. Upgrades are needed to allow people to participate inside and outside of the room concurrently and effectively.

## **9.2 Insurance and Legal Pressures**

Annual increases in insurance rates now consistently exceed cost of living increases. This has placed pressures on all organizations to limit their liabilities. Consequently, MVCA must pay increasing attention to liability clauses and review existing and new contracts to ensure that risks are fairly and appropriately allocated amongst the parties. For example, over the past year, CAs across Ontario have been renegotiating contracts with local snowmobile clubs that have been directed by the Ontario Federation of Snowmobile Clubs to implement a new agreement that places addition risk on landowners without compensation. MVCA is working with other landowners to draft an agreement for potential use with all District 6 clubs.

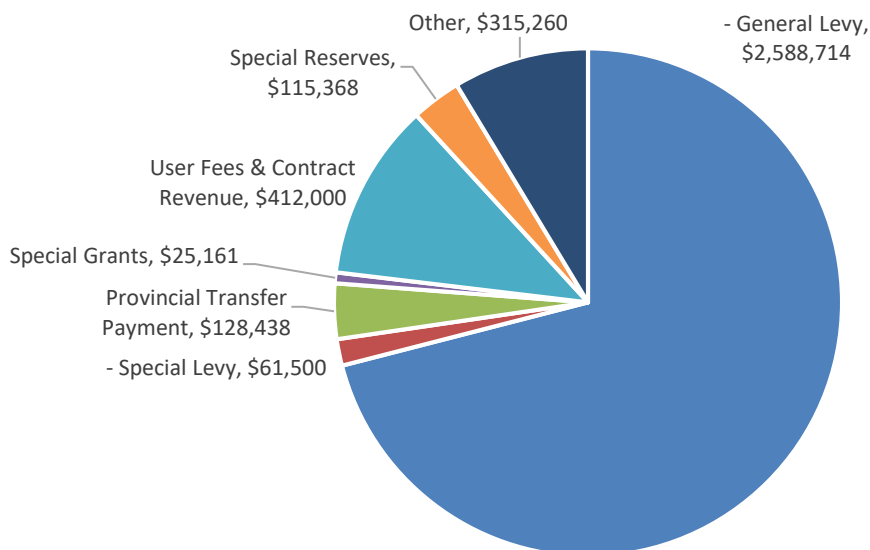
The lack of clear title and property boundaries at some sites, particularly around dams, is an impediment to the negotiation of agreements as well as to acquiring the approvals and easements needed to carry out our capital program. Extensive field and legal work are needed to properly delineate property boundaries. For example, many hours have been expended by legal counsel, surveyors, and staff to define property boundaries at Palmerston Lake Beach to enable land transfer to the Township of North Frontenac.

As noted previously, there are a variety of other pressures on the organization that have legal requirements and will require external counsel to help resolve.

## 10.0 REVENUE AND FINANCING OPPORTUNITIES

Figure 2 illustrates MVCA’s 2020 Budgeted Operating Revenues, with approximately 73% or \$2.65 million attributable to the municipal levy. Another \$543,600 in municipal levies is collected to support the Capital program and for debt repayment.<sup>20</sup> At present, 3.8% of budgeted operating revenues are from the Province.<sup>21</sup>

**Figure 2: 2020 Operating Budget Revenues**



The following sections discuss existing and potential opportunities to increase revenues and to debt finance major capital works to help address financial pressures.

### 10.1 Grants

In 2020, grants accounted for 0.07% of MVCA’s Operating Budgeted Revenues. The Authority regularly applies for operating grants under the following programs, with mixed success:

- Community Museums Operating Grant
- Mississippi Mills Grant
- Canada Summer Jobs
- Summer Experience Program
- Career Launcher
- Project Learning Tree

<sup>20</sup> Annual payments of \$277,005 are scheduled to end in 2040.

<sup>21</sup> Provincial transfers are comprised of \$13,445 for museum operations, and \$128,438 for flood and erosion control.

- Federation of Canadian Municipalities
- TD Planting Program
- Canadian Parks and Recreation Program
- Ontario Power Generation SWAP Grant
- Ottawa Community Foundation
- ECO Canada
- Young Canada Works

Under COVID-19, the Authority has applied for the following operating subsidies:

- COVID-19 Emergency Fund for Heritage Organizations
- Temporary Emergency Wage Subsidy
- Canada Emergency Wage Subsidy

As discussed in Staff Report 3070/20, there are systemic underfunding and administrative challenges with the provincial Water and Erosion Control Infrastructure (WECI) program. While MVCA has made use of this program over the years, it is unreliable and challenging to use which makes capital and financial planning difficult. Greater effort is needed to identify and secure grants at the federal level. Currently, details are pending for three stimulus initiatives of Infrastructure Canada:

- Canada Healthy Communities Initiative
- Investing in Canada Infrastructure Program
- Investing in COVID-19 Community Resilience

Areas of potential opportunity include the *Green Infrastructure* stream, which includes projects that address resilience and disaster mitigation, and the *Community, Culture and Recreation Infrastructure* stream, which could be beneficial for conservation area projects. Importantly, some or all of these programs may be administered and prioritized at the provincial level AND require a provincial and local contribution. Stimulus grants are also expected to be of limited duration, for example the COVID-19 program requires projects to start no later than September 30, 2021 and be completed by the end of 2021. Therefore, direction is needed concerning corporate priorities, and how the Authority will meet any required financial commitment.

Other granting organizations to be contacted include the following:

- Trillium Foundation (e.g. Resilient Communities Fund);
- The Community Foundations of Perth & District, Ottawa, and Frontenac County;
- Private foundations such as the Richard Ivey, McLean and Metcalf foundations; and
- Major banking institutions.

## 10.2 Fees for Service

MVCA currently administers the following fees with revenues varying year-over-year based upon demand. Generally, they are not full cost-recovery and there is an opportunity to increase them:

- Parking/entrance fees
- Planning review fees
- Permit applications fees
- Facility rental and user fees

The Authority also has contracts with MNRF and OPG that can be reviewed and renegotiated upon renewal.

MVCA delivers several monitoring and stewardship programs and the septic program to area municipalities on a cost recovery basis. Fees could be examined when contracts are renewed or amended to ensure that they address current costs.

More entrepreneurial opportunities that the Authority may wish to pursue to help offset financial pressures include:

- Provide technical support to conservation authorities that are members of the Eastern Ontario WISKI Hub;
- Prepare flood plain mapping for municipalities in the Madawaska and Bonnechere watersheds, which do not have a conservation authority;
- Lease waterfront properties and portions of the Palmerston-Canoto Conservation Area for use as private campsites via North Frontenac Parklands or apps such as Campertunity.com;
- Rent the Education Centre to school boards as is done by three other CAs in Eastern Ontario;
- Provide property maintenance at other conservation sites within our service area; and
- Sell or lease the roadside pit to the local dirt bike club or municipality.

## 10.3 Partnerships

MVCA works with conservation authority partners in Eastern Ontario to defray costs and bolster buying power for WISKI products and services. Through Conservation Ontario, the Authority has also been able to save on GIS software, through a managed Electronic Licencing agreement which sees a reduction in annual maintenance cost - *“to reflect the reality of government funding reductions and the collective Authority’s interest in a long-term partnership with ESRI GIS products and services.* Association with Conservation Ontario also provides buying power with vendors of choice for computing and peripheral products. MVCA also utilizes our not for profit status and purchases software from Tech Soup, a program of the Centre for Social Innovation



that is dedicated to empowering charities and non-profits with the effective use of technology. The Authority has also undertaken special studies in partnership with area universities and colleges. There is an opportunity to package work needed by the Authority and to solicit partnerships and support from other organizations both within and outside of the watershed. DRAPE is an ortho-imagery project managed by MNR. It is scheduled to run every 5 years. Its success and benefit for MVCA is the partner funding model that allows for a complete watershed image at a reasonable cost.

The Authority has also undertaken special studies in partnership with area universities and colleges. There is an opportunity to package work needed by the Authority and to solicit partnerships and support from other organizations both within and outside of the watershed.

#### **10.4 Financing**

MVCA currently expends approximately 7.3% of its self-generated revenues<sup>22</sup> on debt repayment. For comparison purposes, the *Municipal Act* permits municipalities to debt finance up to 25% of the value of self-generated revenues. There is no similar limit on conservation authorities, however, this is viewed as a reasonable benchmark. On this basis, MVCA could commit up to \$952,000 per year in debt payments to finance major capital works.

At this time, there are only two capital projects identified in the 10-year capital needs assessment that would qualify for debt financing due to the longevity of the assets:

- Reconstruction of the Shabomeka Lake Dam (\$1,300,000)
- Reconstruction of the Kashwakamak Lake Dam (\$1,500,000)

In theory, both of these should be 50% funded by the WECl program. If that occurs, annual debt payments required to fund the Authority's share over 25 years would be approximately \$72,185<sup>23</sup>. However, if the decision was made to proceed with these projects without WECl funding, the annual debt payments associated with these projects over 25 years would be approximately \$144,370, or well within the debt to revenue ratio of the Authority.

MVCA has consulted with its accountants at Cross Street Professional who offer the following comment:

"Debt financing is a viable strategy for financing long-term high cost capital assets. The Authority has previously utilized this tool for financing the construction of the building in Carleton Place.

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<sup>22</sup> Municipal levy plus fees for service and interest on investments.

<sup>23</sup> Sample Amortizing Debenture Schedules obtained from Infrastructure Ontario website <https://www.infrastructureontario.ca/Loan-Calculator/>

The key is to ensure that revenue in future years generates sufficient cash flow to service the debt payment obligations each year.”

Based on the findings of this report, it is recommended that the Authority consider debt financing as a potential tool for dealing with financial pressures for major capital works.