



Date: November 27, 2023

To: Mayor and Council

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Director of Planning and Development

RE: Essex Region Conservation Authority – Category 3 Non-Mandatory Programs and Services

INFORMATION REPORT

BACKGROUND

The Essex Region Conservation Authority (ERCA) was established in 1973 under the *Conservation Authorities Act* to further the conservation, restoration, development and management of natural resources within the Essex Region. ERCA's jurisdiction extends across the watersheds of the Detroit River, Lake St. Clair and Lake Erie and include nine municipalities of Windsor-Essex. To provide effective services and programs, ERCA works with member municipalities, senior levels of government and other partners.

Section 21.1.2 of the *Conservation Authorities Act*, permits ERCA to provide other non-mandatory programs and services, as deemed advisable, to further the objectives identified within the legislation between ERCA and the participating municipality in respect of the program or service.

Recent changes to the *Conservation Authorities Act*, proposed as part of a suite of legislative amendments associated with both Provincial Bill 229 and more recently Bill 23, now require Authorities to align programs and budgets with Mandatory Services and Non-Mandatory Programs and Services:

- Category 1 – Mandatory Services are programs and services where municipal levy can be used without any agreement. This includes managing the risk of natural hazards (flood forecasting and warning, flood and erosion infrastructure, review of planning documents and applications for natural hazards), management of conservation lands, responsibilities under the *Clean Water Act* (i.e. Source Water Protection), and implementation of the provincial water quality monitoring programs.

- Category 2 – Non-Mandatory/Municipal programs provided by the CA at the request of a municipality. This includes programs that are required by Municipalities, and would otherwise be delivered by a municipality
- Category 3 – Non-Mandatory/Other programs and services which Conservation Authorities were once permitted to levy, as capital or operating expenses, which an Authority deems as advisable, but where use of municipal levy requires an MOU or Agreement. This includes water quality research and monitoring, watershed stewardship and restoration, curriculum-based outdoor education and management and operations at Holiday Beach and John R. Park Homestead Conservation Areas not captured in Category 1 programs.

In short, for the municipality to continue to benefit from the programs and services identified, municipal funding from the Town of Kingsville is required, and Conservation Authorities require a municipal cost apportioning agreement, authorized by Council, to levy for Category 3 Non-Mandatory programs and services.

DISCUSSION

On June 23, 2022, the ERCA Board of Directors endorsed the suite of non-mandatory programs and services, as described below. The Board of Directors endorsed the list as beneficial programs and services that support the conservation, restoration, development, and management of natural resources within the watershed area served by ERCA. The ERCA Board tasked the ERCA administration to negotiate cost-apportionment agreements with each municipality for the list of programs and services to be included in the cost apportionment agreement (attached) and summarized below:

- Land acquisition to protect existing natural features;
- Tree planting on private land;
- ERCA management of Holiday Beach Conservation Area;
- Holiday Beach Conservation Area asset maintenance;
- Watershed Stewardship and Agricultural Outreach;
- Research and monitoring of water quality;
- John R. Park Homestead Museum operation;
- John R. Park Homestead Museum heritage building preservation;
- Outdoor education for school groups and the general public; and
- Outreach and community engagement.

These programs and services have historically required some level of municipal levy over the past five years, or may require municipal financing during the time period covered by the multi-year municipal cost apportioning agreement. The sources of funding for non-mandatory programs and services have traditionally been a combination of municipal levies; government grants; user fees and the Essex Region Conservation Foundation. This funding model will continue.

This initial agreement will be for three years to match the remaining three years of the current council term. It is anticipated that the terms of future agreements would match the four-year term of Council.

FINANCIAL CONSIDERATIONS

The Municipal Cost estimate is presented in Attachment 1, Schedule B, page 10, and would be subject to annual revision.

The draft agreement states that the annual aggregate of municipal levies allocated to the funding envelope may not exceed the estimate of \$900,000 plus 5% for any annual budget, without municipal consultation and Council resolution. It also states that ERCA will maintain deferred accounts to hold unspent funds and will not reallocate funds to other programs without municipal approvals.

The Cost Apportionment of Category 3 (non-mandatory) Programs estimates a cost apportionment to Lakeshore of between \$57,372 and \$59,254. This amount is already considered in the Corporate Budget as the programs and services have been provided by the conservation authority via levy for several years.

The total ERCA levy in the 2023 budget is 242,711 and will be adjusted in 2024 based on the estimated cost in the ERCA Budget.

ERCA wishes to continue to provide beneficial non-mandatory programs and services that support environmental sustainability and cultural heritage in the watershed. At this time, Administration is looking for Council to agree to financially support the programs and services outlined above and for such support to be apportioned to the Town of LaSalle, using the Modified Current Value Assessment method. When this method is applied, The Town of Kingsville's proportionate share of these costs is equal to 6.34% which is a function of our overall assessment share within the region.

ENVIRONMENTAL CONSIDERATIONS

ERCA is a watershed-based agency; and programs and services delivered within the Essex Region watersheds benefit all residents of the region. Category 3 programs include those directly related to natural heritage, restoration and stewardship, environmental education, water quality, and stewardship and outreach.

CONSULTATIONS

- Ryan McLeod, Director of Finance and Corporate Services/Treasurer
- Tim Byrne, CAO/Secretary-Treasurer, Essex Region Conservation Authority
- Shelley CFO/Director of Finance and Corporate Services, Essex Region Conservation Authority

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