



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: November 14, 2023

Report Number: FS-2023-11

Subject: Essex Region Conservation Authority
Non-Mandatory Programs and Services
Cost Apportioning Agreement
OUR FILE: D03 ERCA

Recommendations

It is recommended:

That Report FS-2023-11 entitled “Essex Region Conservation Authority – Non-Mandatory Programs and Services, Cost Apportioning Agreement” **be received**;

And that a by-law authorizing the execution of a “Cost Apportioning Agreement” with the Essex Region Conservation Authority regarding the Town’s funding contribution for various non-mandatory Essex Region Conservation Authority programs and services for the four-year term January 1, 2024, to December 31, 2027, **be prepared and considered for adoption** at the Regular Council meeting of November 28, 2023.

Background

The provincial government recently amended the Conservation Authorities Act to define that ancillary services provided by Conservation Authorities are now defined as non-mandatory services. All Conservation Authorities require an agreement to apportion costs amongst the member municipalities for non-mandatory services. An agreement is required by January 1, 2024.

On June 23, 2022, the Essex Region Conservation Authority (“ERCA”) Board of Directors endorsed a suite of non-mandatory programs and services, which are summarized later in this Report. These are deemed to be beneficial programs and services that support the conservation, restoration, development, and management of natural resources within the watershed area served by ERCA.

To adequately fund these programs and services, ERCA is required to negotiate cost-apportionment agreements for these programs and services with each municipality, including the Town of Tecumseh.

Comments

A draft Cost Apportioning Agreement (“draft Agreement”) has been prepared by ERCA and reviewed by Town Administration (see Attachment 1). The four-year term of this initial agreement is proposed to extend one year beyond the remaining three years of the current Council term. Accordingly, the draft Agreement is set to expire on December 31st, 2027. It is anticipated that future agreements will also be for four-year terms.

The following provides a summary of all non-mandatory programs and services that are included within the scope of the proposed cost-apportioning agreement as part of the funding envelope:

- i. Land Acquisition & Protection;
- ii. Tree Planting;
- iii. Holiday Beach Management;
- iv. Holiday Beach Infrastructure;
- v. Water Quality Research and Monitoring;
- vi. Watershed Stewardship & Restoration (Rural & Agricultural);
- vii. John R Park Museum/Visitor Centre operations, active programming, and maintenance;
- viii. Curriculum-based outdoor education; and
- ix. Outreach and community engagement.

The draft Agreement includes the following key components:

- i. Article 3 c) establishes that the municipality agrees to financially support the programs and services, as more specifically noted in Schedule A to the draft agreement;
- ii. Article 3 f) establishes that the annual region-wide requirement for financial support will be in the order of \$900,000, based on the average cost of program and service delivery presented in Schedule A to the draft Agreement. During the term of the Agreement, should the annual aggregate of municipal support exceed \$900,000 plus 5 percent, municipal consultation and Council resolutions will be required;
- iii. Schedule B of the draft Agreement provides the estimated total municipal support by municipality as guidance only and to facilitate the municipal budget. The draft Agreement establishes that municipalities will financially support the preceding programs and services by apportioning the costs among participating municipalities using the Modified Current Value Assessment method. The estimated annual cost for Tecumseh ranges from \$71,280 to \$73,617. ERCA advises that a range is included due to the shifting allocation within the funding envelope in recent budget cycles.

When the Modified Current Value Assessment method is applied, the Town of Tecumseh's proportionate share of these costs is equal to 9.04%, which is a function of our overall assessment share within the region regulated by ERCA.

Town Administration believes that Town residents will benefit from the list of non-mandatory programs proposed to be funded by the draft Agreement and that the proposed terms are reasonable. Accordingly, Administration recommends that Council pass a by-law authorizing the execution of a Cost Apportioning Agreement with ERCA for various non-mandatory Essex Region Conservation Authority programs and services for the four-year term January 1, 2024, to December 31, 2027 (see Attachment 1).

Consultations

Development Services
Essex Region Conservation Authority

Financial Implications

The municipal cost estimate for all municipalities is presented in Attachment 1, Schedule B and would be subject to annual revision.

The proposed 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.

The cost apportionment of non-mandatory programs estimates a cost apportionment to Tecumseh of between \$71,280 to \$73,617. This amount is already considered in the 2023 Corporate Budget as the service has been provided by the conservation authority via levy for several years.

The total ERCA levy for Tecumseh in 2023 is \$309,846.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input checked="" type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1.	Draft Cost Apportioning Agreement