

December 23, 2021

Attention: Municipal CAOs, Clerks and Treasurers,

Subject: Upper Thames River Conservation Authority (UTRCA) 2022 Draft Budget

The Upper Thames River Conservation Authority (UTRCA) 2022 Draft Budget forecasts expenditures of \$19,154,354 at this time. This total includes operating (\$17,411,797) and capital expenses (\$1,742,557).

The Draft Budget has been developed as we continue to navigate the pandemic that has impacted our service delivery levels and the corresponding budgets. With pandemic wage subsidy programs out of reach, vacant staff positions were not filled and Environmental Targets work was postponed in 2020 and for much of 2021. The 2022 Draft Budget foregoes implementation of the final phase of Environmental Targets funding, and represents an effort to regain service delivery levels, particularly in the areas of environmental planning and hazard mapping, while recognizing the work required to achieve initial stages of compliance with the new provincial regulations.

An inflationary increase of 3.5% has been applied to the 2022 Draft Budget, where not otherwise known as higher. The increased cost of insurance programs is an additional expense of approximately \$65,000.

In summary, the UTRCA is presenting a combined (operating and capital) Draft Budget with a projected deficit of \$834,435, more than half of which is planned to be absorbed by Flood Control reserves. This forecast includes a conservative estimate of "soft revenue," which is typical contract revenue that is expected during the year from programs that have not yet been announced. The municipal levy increase is 3.5% for operating purposes, of which 55% is driven by flood control needs with the remainder supporting general levy. Provincial funding remains inadequate for the mandatory responsibilities delegated to the UTRCA.

We remain proud of our staff's effort and commitment to leverage our member municipalities' investment and deliver programs that improve watershed health and contribute to building resilient communities in the face of a changing climate, through these challenging times.

Please share the attached 2022 Draft Budget with Council and appropriate staff, and contact either Michelle Viglianti (vigliantim@thamesriver.on.ca) or Tracy Annett (annettt@thamesriver.on.ca) if you have questions or would be interested in more information for Council. We welcome your comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tracy Annett", with a long horizontal flourish extending to the right.

Tracy Annett, General Manager