



LAKEHEAD REGION
CONSERVATION AUTHORITY

2026 Budget

November 26, 2025
Version 2.0

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EXECUTIVE SUMMARY

The 2026 Budget document contains details for the Lakehead Region Conservation Authority's (LRCA) planned operations and capital activity. The 2026 total Budget is \$3,245,679 which includes a total levy of \$1,183,882.

It is noted that at the time of budget preparation confirmation had not been received that the long-standing provincial Section 39 Transfer Payment was forthcoming in 2026/2027 from the province. For budget purposes, it has been assumed it will be provided. If funding does not materialize, staff will come back to the Board with a revised budget, including the use of Reserve Funds from the Operating Capital Category. It is noted that notification of provincial funding is consistently late.

Between draft approval and final budget approval, the Province announced the proposed regional consolidation of the 36 Conservation Authorities into 7 regions, with the LRCA grouped in the Huron-Superior Regional Conservation Authority. If approved the consolidation would result in the amalgamation of all reserves, assets and debt. Due to the unknowns at the time of budget approval, it is recommended to not appropriate any funds in to reserves in 2026 and to advise the City of Thunder Bay to appropriate the planned sole-benefitting levy into a City Reserve for future work on the Neebing-McIntyre Floodway, Victor Street Erosion work and floodplain mapping maintenance. Future budgets will be part of a regional budget, beginning in 2027.

The budget results in a 3.50% increase in levy-all in 2026 compared to 2025. The 2026 budget requires a 3.50% increase in order to maintain its current level of service, which is at current cost-of-living increases.

Financial pressures anticipated in 2026 include: Salaries and Wage increases; increase in fuel costs; and increased costs of goods and services due to inflation.

Programs have been categorized into three mandated categories including:

- Category 1: Mandatory Programs and Services
- Category 2: Non-Mandatory Programs and Services at the request of a Municipality
- Category 3: Non-Mandatory Programs and Services

Highlights of the 2026 Budget expenditures include:

- Continuation of the annual programming including:
 - Plan Review,
 - Development Regulations,
 - Flood Forecasting and Warning,
 - Operation and maintenance of LRCA owned properties,
 - Stewardship, and

- Education programming.
- Capital improvements at the Conservation Areas:
 - Replace two concrete vault toilets with one at the Hazelwood beach area.
 - Repairs to the privy at Mission Island
 - Repairs to asphalt cracks in the trail and parking lot and paint lines at Mission Island
 - Decommission old parking lot at Mills Block
- Other items:
 - Office plumbing repair
 - Garage storage units
 - Continuation of wayfinding signage installation using new designs in Conservation Areas
 - Update of Asset Management Plan
 - 10-year update of Forest Management Plans
 - Design/construction of Urban Conservation Area (LRCA Administration Office location).

Opportunities considered to raise and use self-generated revenue to fund the authority's operations:

- User fees (i.e., permit and plan review fees, education fees, inquiry fees)
- Explore Card/pay and display units/coin boxes – parking/day use fee at Conservation Areas
- Sales of native plants
- External funding will be continually sought throughout the year.

The Watershed Biologist, Watershed Stewardship Technician and Education Coordinator positions will continue using non-levy funds for non-mandatory programs.

The total Budget Levy is summarized in Appendix A including the amount applicable to each Member Municipality. Appendix B outlines the cost for each Member Municipality based on per resident, per household and \$100,000 of assessed value.

Overall, the 2026 Budget reflects the short-term objectives of the Authority and considers long-term requirements to ensure the LRCA can provide sustainable benefits to the watershed residents, while meeting the Authority's legislative responsibilities.

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1 INTRODUCTION

The 2026 Budget document contains details for the Lakehead Region Conservation Authority's (LRCA) planned operations and capital activity. The 2026 total Budget is \$3,245,679 which includes a total levy of \$1,183,882.

The budget results in a 3.50% increase in levy-all in 2026 compared to 2025. The 2026 budget requires a 3.50% increase in order to maintain its current level of service, which is at the current cost-of-living increases.

The total Budget Levy is summarized in Appendix A including the amount applicable to each Member Municipality, which includes a summary of the breakdown between Operating and Capital. Appendix B outlines the cost for each Member Municipality based on per resident, per household and \$100,000 of assessed value.

It is noted that at the time of budget preparation confirmation had not been received that the long-standing provincial Section 39 was forthcoming for the 2026/2027 fiscal budget year from the province. For budget purposes, it has been assumed it will be provided. If funding does not materialize, staff will come back to the Board with a revised budget, including the use of Reserve Funds from the Operating Capital Category. It is noted that notification of provincial funding is consistently late.

Between draft approval and final budget approval, the Province announced the proposed regional consolidation of the 36 Conservation Authorities into 7 regions, with the LRCA grouped in the Huron-Superior Regional Conservation Authority. If approved the consolidation would result in the amalgamation of all reserves, assets and debt. Due to the unknowns at the time of budget approval, it is recommended to not appropriate any funds in to reserves or deferred funds in 2026 and to recommend to the City of Thunder Bay to appropriate the planned sole-benefitting levy into a City Reserve for future work on the Neebing-McIntyre Floodway, Victor Street Erosion work and floodplain mapping maintenance. Future budgets will be part of a regional budget, beginning in 2027.

2 BACKGROUND

The LRCA is a community-based environmental protection and advisory agency, established in 1954 (initially the Neebing Valley Conservation Authority) by the Province of Ontario at the request of municipalities in the Lakehead watershed. The LRCA's purpose is to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in the Lakehead Watershed. Conservation Authorities undertake a broad range of programs, including: watershed management, erosion control, Flood Forecasting and Warning, recreation and land management, water level monitoring, Plan Review, environmental education and stewardship. We improve quality of life by actively providing Conservation Areas for semi-passive recreation and environmental education opportunities.

Our integrated approach to resource management leads to a wide range of programs and projects, which are aimed at keeping our watersheds healthy. We improve quality of life by actively providing open space and protecting life and property from flooding and erosion, as well as restoring and conserving aquatic and natural habitats. In addition to serving our watershed residents, we also provide advice and counsel to all levels of government regarding natural hazards.

The LRCA is one of 36 Conservation Authorities across Ontario, including one of five in Northern Ontario.

Historically Conservation Authorities were administered by Ministry of Natural Resources (MNR); however, in 2018, Conservation Authorities were moved under the Ministry of Environment, Conservation and Parks (MECP). In September 2022, Conservation Authorities were moved back under the administration of MNR and in June 2025, were moved back under the administration of MECP.

2.1 MANDATE

In 2017, the LRCA adopted vision and mission statements and in January 2018, the LRCA adopted its first ever Five-Year Strategic Plan for the period 2018-2022. The Strategic Plan was updated in 2022 for the next five-year period (2023-2027). The Strategic Plan identifies four main priorities including: conserve and sustain; protect and support; connect and explore; and govern and enhance. LRCA's vision and mission statements are as follows:

Vision: A healthy, safe and sustainable Lakehead Watershed for future generations.

Mission: To lead the conservation and protection of the Lakehead Watershed.

Action items will be drafted taking into consideration the identified initiatives in the Strategic Plan, which will be incorporated into future work plans and budgets, as well as the overall business of the Authority.

2.1.1 PURPOSE

With the passing of Bill 139 on December 12, 2017, a purpose statement was added to the *Conservation Authorities Act*, which states:

The purpose of this Act is to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario.

2.1.2 FOUNDING PRINCIPLES

Conservation Authorities are based on three fundamental principles:

- Municipal and Provincial partnership
- Local initiative and involvement
- Management of natural resources on a watershed basis.

2.1.3 OBJECTS OF AN AUTHORITY

Per Section 20(1) of the *Conservation Authorities Act*,

The objects of an authority are to provide, in an area over which it has jurisdiction,

- a) the mandatory programs and services required under Section 21.1;
- b) any municipal programs and services that may be provided under section 21.1.1; and
- c) any other program or services that may be provided under section 21.1.2.

2.2 ORGANIZATION DETAILS

2.2.1 AREA OF JURISDICTION

The LRCA Area of Jurisdiction (2,719 square kilometres) includes:

- City of Thunder Bay
- Municipality of Neebing
- Municipality of Shuniah
- Municipality of Oliver Paipoonge
- Township of Conmee
- Township of O'Connor
- Township of Gillies

- Township of Dorion

The Ministry of Natural Resources (MNR) is responsible for areas outside the jurisdiction of the Authority.

The scientific boundary of the Lakehead Watershed is 11,526 square kilometres.

2.2.2 BOARD OF DIRECTORS/MEMBERS

Policy and budget decisions are made by a Board of Directors comprised of eleven members appointed by LRCA's Member Municipalities. The number of representatives appointed as Members of the LRCA Board of Directors is based on population as outlined in subsection 2(2) of the *Conservation Authorities Act*.

Per Bill 229, Schedule 6, as of the end of the 2022 term of the Board, at least 70% of the appointees to the Board must be municipal councillors, unless an exception has been granted by the Minister, at the request of a municipality (per Section 14(1.1), 14(1.2) of the *Conservation Authorities Act*). Therefore, unless an exception has been granted each Member Municipality must only appoint municipal councillors, with the exception being the City of Thunder Bay who has four Members. They will be required, at a minimum, to appoint three municipal councillors. Prior to this change, the City of Thunder Bay appointed two municipal councillors and two citizen appointees. Historically, other municipalities had periodically appointed citizens to the Board.

As of February 2, 2021 (per Section 17 (1.1)(1.2)(1.3) of the *Conservation Authorities Act*) the term of the Chair and Vice-Chair is limited to one year and they can serve for no more than two consecutive terms. Positions must rotate between participating municipalities; therefore, the Board cannot appoint the succeeding chair from the same municipality as the current chair. A Conservation Authority or a municipality can request permission for a longer term to the Minister.

Four exceptions have been granted by the Minister to date. For the 2022 election both the Chair and Vice-Chair were approved to continue their terms if so elected. Additionally, for the 2023 and 2024 elections, the Chair was approved to continue her term if so elected. A fourth exception was granted for both the Chair and Vice-Chair to hold their positions if so elected for the 2025 and 2026 elections.

AGRICULTURAL REPRESENTATIVE

Per Bill 229, Schedule 6, as of February 2, 2021, the Minister may appoint an Agricultural Representative to the Board of Directors. If appointed the Agricultural Representative can not vote on enlarging, amalgamating or dissolving an authority or any budgetary matter. Their term can be up to four years as determined by the Minister. Per diems for

this position would be paid by the Ministry. To date no agricultural representative has been appointed to the LRCA Board.

2.2.3 STAFF COMPLEMENT

In 2026, the Authority will have a full-time equivalent (FTE) staff complement of 13.67 who deliver the programs/services on behalf of the LRCA Board, which include:

- Chief Administrative Officer
- Finance Manager
- Watershed Manager
- Lands Manager
- Communications Manager
- Development Regulations Officer
- GIS/IT Specialist
- Admin Clerk/Receptionist
- Finance Assistant (part-time)
- Field Operations Lead Hand
- Environmental Planner
- Watershed Biologist
- Watershed Stewardship Technician
- Regulations and Planning Assistant

Recurring contract employees that amount to an equivalent of 2.0 FTEs include:

- Education Co-ordinator (39 weeks)
- Field Operations Assistant (33 weeks)
- Seasonal Watershed Stewardship Technician (33 weeks)

Seasonal employees that amount to an equivalent of 1.8 FTE include:

- Four summer field staff (15 weeks – students)
- Two Assistant Water Resources Technologists (16 weeks – students)

2.2.4 CONSERVATION AND MANAGEMENT OF LAND

The LRCA owns a total of 2,597 hectares of land. The lands owned by the LRCA offers a diversity of services in the watershed including recreation, water management, protection of natural heritage features, flood protection, erosion control and forest management. The properties owned by the LRCA fall into three land use categories including:

1. Conservation Areas for Passive Recreation
2. Conservation Authority Administrative Area
3. Management Area

The categories of land are grouped in the Inventory of Programs into two classifications, Conservation Areas and Other Owned land, which includes the Administrative Office and Management Areas.

CONSERVATION AREAS

The LRCA owns and maintains ten Conservation Areas (1,550 hectares), which provide semi-passive recreational use opportunities to the public and access to Lake Superior. The areas include:

- Hurkett Cove (Township of Dorion)
- Cascades (City of Thunder Bay)
- Silver Harbour (Municipality of Shuniah)
- Cedar Falls (Township of O'Connor)
- Little Trout Bay (Municipality of Neebing)
- Hazelwood Lake (unincorporated Township of Gorham)
- MacKenzie Point (Municipality of Shuniah)
- Mission Island Marsh (City of Thunder Bay)
- Mills Block (City of Thunder Bay)
- Wishart (unincorporated Township of Gorham)

In 2022, Mills Block Forest and Wishart Forest were renamed as Conservation Areas. Previously, they were referred to as Managed Forests.

Boat launches at Silver Harbour and Little Trout Bay Conservation Areas provide access to Lake Superior.

As a private landowner, the LRCA pays property taxes to the Municipality/Township in which the land resides.

OTHER LAND OWNED BY THE LRCA

The LRCA owns 3.4 hectares at 130 Conservation Road in Thunder Bay which is where the LRCA's Administrative office and grounds are located.

Management Areas include floodplain and erosion control lands, forest management properties, nature reserves, Neebing-McIntyre Floodway and the Hope and Memory Garden.

The LRCA owns and maintains one Forest Management property known as Williams Forest, located in the Municipality of Oliver Paipoonge and is not open to the public. That property, as well as other Conservation Areas have Forest Management Plans under the Managed Forest Tax Incentive program (MFTIP), which provides some tax relief as well as provides a plan for proper long-term forest management. As warranted, harvesting occurs with revenue used to maintain the forest management area and the associated

Forest Management Plans. Surplus generated funds in a given year are allocated to the Forest Management Reserve.

The LRCA also owns other conservation, floodplain and erosion lands as well as the banks and bed of the Neebing-McIntyre Floodway. Property taxes are paid on all lands.

Conservation of Land Tax Incentive Program (CLTIP) is applied to annually to reduce the taxes in recognition of natural heritage features for the following lands:

- 330 Beaver Avenue
- Wakefield Common
- Hurkett Cove
- Mills Block

2.2.5 WATERSHED MONITORING

The LRCA conducts a variety of watershed monitoring throughout the year including:

- Provincial Groundwater Monitoring Program (in partnership with MECP)
- Provincial Water Quality Monitoring Program (in partnership with MECP)
- Streamflow Gauges (in partnership with Water Survey of Canada)
- Precipitation Gauges (some in partnership with Water Survey of Canada)
- Neebing River Climate Change Monitoring Station (in partnership with MECP)
- Dorion Fish Culture Station Monitoring Station (new as of 2018, in partnership with MNR)
- Bathing Beach Sampling (Hazelwood Lake and Mission Island Marsh)
- Blue/Green Algae Monitoring (Hazelwood Lake, Mission Island Marsh, Hurkett, Silver Harbour)
- Snow Surveys
- Floodway Channel water level monitoring (automated in 2024)
- Ontario Low Water Response
- Invasive Species Monitoring (Neebing-McIntyre Floodway and Conservation Areas and other areas subject to funding)

2.3 SOURCES OF FUNDING

LRCA funding comes from several sources:

- Grant Revenue
 - MNR – Provincial Section 39 Transfer Payment
 - MNR – Water and Erosion Control Infrastructure (WECI) (when applicable and approved)
 - MECP – Source Water Protection
- Special Projects (programs/available funds vary from year to year)

- TD Friends of the Environment
- Enbridge
- Ontario Power Generation
- Canada Summer Jobs
- Environment and Climate Change Canada (ECCC) - Great Lakes Freshwater Ecosystem Initiative
- Ministry of the Environment, Conservation and Parks (MECP) – COA, Wetland Conservation Partnership Program
- Invasive Species Centre – Invasive Species Action Fund
- Invasive Phragmites Control Fund
- Green Shovels Collaborative – Invasive Phragmites Control Fund
- TC Energy
- Northern, Ontario Heritage Corporation (NOHFC)
- Natural Resources Canada (NRCAN)
- Parks Canada
- CPRA Green Jobs Canada
- Municipal Levy
 - Levy – All
 - Levy - Sole-Benefitting
- Other Revenue
 - Interest
 - Contracts - Department of Fisheries and Oceans Wolf River Weir Inspections, Sea Lamprey Trapping
 - Coin Boxes/Pay and Display – parking fees/day use fees at Conservation Areas
 - Explore Card sales
 - Lakehead Conservation Foundation donation
 - Multi-purpose Room rentals
 - Forest Management harvesting
 - Property Rentals
 - Mapping Service
 - Donations
 - Lawyer Request Fees
 - Development Regulation Permit Fees
 - Plan Review Fees
 - Education Fees
 - Calendar advertising
 - Seeds for Conservation Sales
 - Other

2.3.1 GRANT REVENUE

2.3.1.1 PROVINCIAL SECTION 39 TRANSFER PAYMENT

The *Conservation Authorities Act* Section 39 Provincial “Operating” Grant funds the Conservation Authority in undertaking provincially mandated activities that include:

1. Flood/Erosion Operations (flood and erosion control structures, Flood Forecasting and Warning, ice management) and
2. Hazard Prevention (Plan Input, Hazard Information).

Eligible activities include:

- Flood and Erosion Operations
 - Operation of Flood Control Structures
 - Routine/Minor Maintenance of Flood Control Structures
 - Preventative Maintenance of Flood Control Structures
 - Operation of Erosion Control Structures
 - Routine/minor Maintenance of Erosion Control Structures
 - Preventative Maintenance of Erosion Control Structures
 - Flood Forecasting and Warning-System Operation
 - Ice Management
- Hazard Management
 - Plan Input (Official Plan/Amendment review only)
 - Information (i.e., Watershed Planning/Technical Studies)
- Administration

Funds are provided by lump sum payment for work undertaken from April 1 to March 31 of any given year. Funding is contingent of having local matching levy from the Member Municipalities. Interim and Year End reports are submitted by the LRCA to the MNR.

Between 1998 and 2019, Provincial Section 39 Transfer Payments to all 36 Conservation Authorities remained at the same level of \$7,400,000. In 2019, mid-way through the budget year, the Provincial Government announced a 48-50% funding cut to all Conservation Authority Section 39 Transfer Payments, effective for the current year. LRCA’s transfer payment was reduced from \$292,380 to \$150,940, resulting in a funding reduction of 48% (\$141,440). This resulted in an emergency mid-year amendment to the budget, which resulted in a cancelation of all planned training, advertising, and capital expenditure spending at Conservation Areas as well as delaying some planned repairs. Funds were reallocated to ensure that the provincially mandated programs were still delivered.

At the time of budget preparation, no confirmation had been received that this long-standing Transfer Payment is forthcoming for the 2026/2027 fiscal year. For budget purposes, staff have budgeted as though the funding would be provided at the reduced

level of \$150,940. If this funding is not forthcoming, it is proposed to utilize funds from the Operating Capital Reserve, which was established to provide operating funds in the event of loss of funds in a given year. Notification of the approval of this funding is consistently delayed annually.

2.3.1.2 SOURCE WATER PROTECTION FUNDING

The MECP provides 100% funding to administer the Source Protection program through Provincial Transfer Payment, which is a program under the *Clean Water Act* to protect municipal drinking water systems, which there are two in the LRCA Area of Jurisdiction (i.e., Bare Point Water Treatment Plant (City of Thunder Bay) and Rosslyn Drinking Water System (Municipality of Oliver Paipoonge)).

This program runs on the Provincial fiscal year of April 1 to March 31 of any given year. In 2024, a multi-year funding agreement was signed for the period of April 1, 2024 to March 31 2027 for a total of \$226,007.48 in funding. Total funded FTEs over the period are 0.55 FTE for 2024-2025 and 2025-2026 and 0.5 FTE for 2026-2027.

It is noted that if the Drinking Water Source Protection Transfer Payment was ever eliminated, the cost to administer this mandatory program would be applicable to the City of Thunder Bay and the Municipality of Oliver Paipoonge as sole-benefitting municipalities.

2.3.1.3 WATER AND EROSION CONTROL INFRASTRUCTURE FUNDING

MNR administers the Water and Erosion Control Infrastructure (WECI) funding program, which typically provides an annual five-million-dollar capital investment to fund major maintenance required to maintain Conservation Authority dams and other flood and erosion control structures.

The WECI program provides matching funding to Conservation Authorities for studies or major maintenance of water or erosion control structures that are either owned by or maintained by Conservation Authorities. Local benefiting municipalities provide matching funds. A committee made up of five Conservation Authority representatives, one MNR and one Conservation Ontario representative, oversees the program and determines the priority list of eligible projects based on need and level of risk.

Funding is not guaranteed year to year. The LRCA applies for funding when major maintenance or studies are required on the Neebing-McIntyre Floodway or if major maintenance (i.e., soil nailing) is required on City of Thunder Bay owned land on Victor Street along the banks of the Kaministiquia River.

2.3.2 MUNICIPAL LEVY

2.3.2.1 LEVY – ALL

Operation and Capital Project costs that benefit all Member Municipalities is levied to all Member Municipalities based on their proportion of the Modified Current Value Assessment (see Section 2.4).

2.3.2.2 SOLE- BENEFITTING LEVY

A sole-benefitting levy is applied to a single Municipality for work undertaken by the LRCA upon which they are sole-benefitting. The operation and maintenance of the Neebing-McIntyre Floodway and Victor Street erosion protection (City owned land) are included in the sole-benefitting levy of the City of Thunder Bay. Another example is the completion, updating or maintenance of floodplain mapping, where the municipality/municipalities upon which the watershed is located are levied for that cost of the project.

2.4 MODIFIED CURRENT VALUE ASSESSMENT (MCVA)

Modified Current Value Assessment (MVCA) means a method of apportioning an authority's operating and capital costs that is based on the MCVA of the properties within the authority's area of jurisdiction (as outlined in O. Reg. 402/22). Municipal Current Value Assessment values are modified for conservation authorities where only a portion of a municipality falls within an area of jurisdiction of an authority. Since the LRCA's Member Municipalities are geographically entirely within the LRCA area of jurisdiction, no modification of the CVA is required. The Modified Current Value Assessment (MCVA) data is provided by the MNR annually, which is then used to calculate the levy-all for each Member Municipality. Each Conservation Authority has an Agreement regarding the use of Modified Property Assessment Information with MNR. Generally, this data is received by the Conservation Authority in late August. Since adoption of the CVA method, the levy percentage for Member Municipalities fluctuates annually.

For population data, reliance on the information from Statistics Canada is used, as the information received within the MCVA is not reflective of the actual population in our Member Municipalities. Representation on the Board is determined by the population of the applicable Member Municipality as detailed in the *Conservation Authorities Act*.

2.5 BUDGET APPROVAL PROCESS

The *Conservation Authorities Act*, and O. Reg. 402/22 outline the process of approving Conservation Authority budgets, specifically the process of approving the annual Municipal levies.

2.5.1 O. REG. 402/22: BUDGET AND APPORTIONMENT

O. Reg. 402/22: Budget and Apportionment specifies that the 2024 budget and all subsequent budgets must adhere to this regulation. It provides details on the budget process and municipal apportionment methods for levying participating municipalities and includes revocation of the previous regulations that governed municipal levies (O. Reg. 670/00 and O. Reg. 139/96).

The regulated budget process includes:

First Phase

Budget must include:

- All sources of revenue (other than municipal levy)
- Categorize operating expenses into Category 1, 2 and 3
- Categorize capital expenses into Category 1, 2 and 3
- Amount of levy for each Member Municipality
- Specify if the Authority considered opportunities to raise and use self-generated revenue to help finance the authority's operations, including the programs and services it provides, a description of what the authority considered.

Budget must:

- Apply any relevant revenue to specific programs to offset levy.
- Apply Modified Current Value Apportionment method to determine levy for each program.
- Apply Benefit Based Apportionment method to sole benefitting programs (i.e., Floodway, Victor Street Erosion)

Second Phase

Draft Budget Process:

1. Notify all Member Municipalities of Draft Budget meeting if a Member Municipality will owe levy for Category 1 *Clean Water Act* programs and Services.
 - a. Advise of amounts owing or to be owed for Category 1 *Clean Water Act* programs and services (n/a to LRCA)
2. Hold meeting to consider draft budget.
3. Hold vote on whether or not to approve the draft budget for consultation.
 - a. If there is a levy for Category 1 *Clean Water Act* programs and services, hold a separate vote of Members from applicable municipalities for that portion of the draft budget (n/a to LRCA).
 - b. Vote is a one-member-one vote method.
4. Send Member Municipalities a copy of the Draft Budget and all financial information relating to the apportionment of operating and capital expenses.
5. Post a copy of the Draft Budget and financial information on Governance section of Authority's website.

6. Consult as necessary with Member Municipalities on draft budget in order to finalize final budget.

Third Phase

Final Budget Approval Process:

1. Notify all Member Municipalities of Budget meeting.
 - a. Notification must be at least 30 days prior to meeting.
 - b. Must include copy of most recent draft of the budget.
 - c. Must specify amount of levy for the given year.
2. Hold meeting to approve budget.
3. Hold a recorded vote to municipal levy/amounts owing.
 - a. If there are any Category 1 *Clean Water Act* apportionments, hold a vote with participating municipality representatives (n/a to LRCA).
 - b. Weighted vote to approve municipal levy/amounts owing.
 - c. Authority can not send a notice of apportionment unless a vote has occurred.
4. Hold a recorded vote to approve final budget.
 - a. One -member-one vote to approve final Budget Document.
5. “Promptly” after the final budget process is approved, provide a copy of the final budget to the Minister and each Member Municipality.
6. Post final budget on the Authority’s website in the Governance section.

2.5.2 BUDGET APPROVAL METHODS

Quorum must be achieved to approve the budget (i.e., 6 of 11 members must be present. Voting by proxy is not permitted.

For each phase of the budget approval process, the following budget approval method shall be used:

- Draft Budget
 - Decide on whether to approve draft budget for consultation
 - one-member-one-vote method
- Final Budget
 - Municipal levy/amounts owing
 - recorded weighted majority vote
 - Budget document
 - recorded one-member-one-vote

Weighted Majority Vote:

As outlined O. Reg. 402/22 Section 19, a recorded weighted vote is to be conducted to approve the levy/amounts owing in the Final Budget.

The following rules apply:

- Each Members vote shall be weighted according to the ratio of the MCVA for applicable Member Municipality.
- Approval requires 51%, based on the weighted percentage of those present.
- In the case of a tie vote, the vote is lost.
- If a municipality appoints more than one member to the authority, each members' votes shall be equal to the municipality's weighted vote divided by the number of members the municipality appoints to the authority.
- A municipality shall not have a weighted vote of more than 50 percent of the total weighted value for all the votes to be cast unless the municipality appoints more than 50 percent of the members to the authority.
- Absent members percentage does not carry to the members present from their Municipality (only applies to the City of Thunder Bay, as they have four members).
- Must be a recorded vote.

For weighted voting, the weighting of the votes is based on the applicable year's MCVA values provided annually by MNR. In the case of the City of Thunder Bay, where their MCVA apportionment is greater than 50%, their members are equally apportioned 50% of the total vote, as no one municipality can hold greater than 50 percent of the vote for the weighted majority vote.

Weighted Vote Allocations:

| Municipality | # of Members | 2026 CVA (%) | Vote % |
|---------------------|--------------|--------------|------------|
| City of Thunder Bay | 1 | 85.62 | 12.5 |
| | 1 | | 12.5 |
| | 1 | | 12.5 |
| | 1 | | 12.5 |
| Conmee | 1 | 0.44 | 1.53 |
| Dorion | 1 | 0.29 | 1.01 |
| Gillies | 1 | 0.25 | 0.87 |
| Neebing | 1 | 2.25 | 7.82 |
| O'Connor | 1 | 0.48 | 1.67 |
| Oliver Paipoonge | 1 | 5.69 | 19.78 |
| Shuniah | 1 | 4.98 | 17.32 |
| TOTAL | 11 | 100 | 100 |

Example: Conmee = $(0.44 / (100 - 85.62)) \times 50$

One-Member-One-Vote Method:

A one-member one-vote (i.e., majority vote) is to be conducted to approve consultation of the draft budget and approval of the Budget Document. Each member present has an equal weighting of their vote.

Majority Vote Allocations:

| Municipality | # of Members | % Vote |
|---------------------|--------------|------------|
| City of Thunder Bay | 1 | 9.09 |
| | 1 | 9.09 |
| | 1 | 9.09 |
| | 1 | 9.09 |
| Conmee | 1 | 9.09 |
| Dorion | 1 | 9.09 |
| Gillies | 1 | 9.09 |
| Neebing | 1 | 9.09 |
| O'Connor | 1 | 9.09 |
| Oliver Paipoonge | 1 | 9.09 |
| Shuniah | 1 | 9.09 |
| TOTAL | 11 | 100 |

2.6 ASSET MANAGEMENT PLAN

KGS Consulting Group completed the LRCA Asset Management Plan (AMP) in July 2021 and will be updated in 2026. The AMP provided insight into the current condition of the Authority's assets and a timeline indicating recommended repairs, maintenance and replacement of assets. The goal of the AMP is to provide a strategy to achieve and maintain the desired level of services for each asset while maintaining financial goals.

2.7 RESERVE POLICY

The Authority has an approved Reserve Policy (FIN-04) which outlines how the various reserves are to be managed. A summary of planned appropriations to and from Reserves is included in Section 4.

2.8 PURCHASING POLICY

The LRCA approved Purchasing Policy (FIN-06), which was updated in 2019, guides all purchasing.

2.9 LAKEHEAD CONSERVATION FOUNDATION

The Lakehead Conservation Foundation was formed in 1987 as it became evident that funding from the Province of Ontario was decreasing. Since inception, the Foundation has donated \$836,290 towards these programs. Their annual contribution has been typically \$20,000 and is allocated for environmental education and other special projects.

Due to COVID-19 in 2021 the annual Dinner and Auction and the Wine Tasting Fundraising events were cancelled, and in 2022 the Dinner Auction was cancelled resulting in a loss in revenue of approximately \$20,000.00 each year, and subsequently no donation to the LRCA. The LCF hosted both events in 2024, however only plans on hosting the wine tasting event in 2025 and beyond. Future donations will be determined based on the success of the events.

2.10 CONSERVATION ONTARIO

Conservation Ontario (CO) is the network or umbrella organization of the 36 Conservation Authorities similar to the Association of Municipalities (AMO). Decisions made at CO Council Meetings do not bind individual Conservation Authorities unless specifically adopted by the Conservation Authority. CO advocates on behalf of the collective and has been instrumental during the current *Conservation Authorities Act* review process. Typically, both the Chair and CAO attend the quarterly CO Council meetings; however, since COVID, meetings have been mostly virtual, with two meetings in person per year. The LRCA pays an annual levy to CO.

2.11 PROGRAMS AND SERVICES

In October 2021 the MECP released O. Reg. 686/21: Mandatory Programs and Services and O. Reg. 687/21: Transition Plans and Agreements under the *Conservation Authorities Act*. The purpose of the transition period is to provide conservation authorities and municipalities with the time to address changes to the budgeting and levy process based on the delivery of mandatory programs and services (Category 1), municipal programs and services (Category 2), and other programs and services (Category 3) and to reach agreements.

As required in O. Reg. 687/21: Transition Plans and Agreements the following requirements have been completed:

- **Transition Plan** (November 24, 2021): Included a timeline/workplan to meet the requirements for the first and second phases of the transition period.
- **Inventory of Programs and Services** (February 28, 2022): List of all the programs and services that the authority was providing at that time, and those that it

intends to provide as of January 1, 2024. Summarized programs into Category 1, 2 and 3 and detailed how they were funded.

The Act outlines programs areas which have been categorized into three categories:

2.11.1 CATEGORY 1 – MANDATORY PROGRAMS AND SERVICES

Mandatory programs and Services (as outline in the Act)

21.1 (1) *An authority shall provide the following programs or services within its area of jurisdiction:*

1. *A program or service that meets any of the following descriptions and that has been prescribed by the regulations:*
 - i. *Programs and services related to the risk of natural hazards*
 - ii. *Programs and services related to the conservation and management of lands owned or controlled by the authority, including any interests in land registered on title.*
 - iii. *Programs and services related to the authority's duties, functions and responsibilities as a source protection authority under the Clean Water Act, 2006.*
 - iv. *Programs and services related to the authority's duties, functions and responsibilities under an Act prescribed by the regulations.*
3. *A program or service, other than a program or service described in paragraph 1, that has been prescribed by the regulations on or before the first anniversary of the day prescribed under clause 40 (3) (i).*

Within the budget the Mandatory Programs and Services are categorized under each of the following categories:

- Risk of Natural Hazards
 - Floodplain Mapping
 - Technical Studies
 - Communications and Outreach
 - Flood Forecasting and Warning
 - Drought and Low Water Response
 - Infrastructure: Neebing-McIntyre Floodway
 - Infrastructure: Victor Street Erosion

- Review of Proposal Under an Act
 - Plan Review Comments
 - Administering and Enforcing the Act (Section 28 Development Regulations)
- Conservation and Management of Lands
 - Conservation Areas
 - Administer Section 29 Regulations in Conservation Areas
 - Other owned land
- Source Protection
- Other Programs and Services
 - Water Quality and Quantity Monitoring: Provincial Groundwater Monitoring Network
 - Water Quality and Quantity Monitoring: Provincial Water Quality Monitoring Network
 - Watershed-based Resource Management Strategy

2.11.2 CATEGORY 2 – NON-MANDATORY PROGRAMS AND SERVICES AT THE REQUEST OF A MUNICIPALITY

Municipal programs and services (as outlined in the Act)

21.1.1 (1) *An authority may provide within its area of jurisdiction municipal programs and services that the authority agrees to provide on behalf of a municipality situated in whole or in part within its area of jurisdiction under a memorandum of understanding or such other agreement as may be entered into with the municipality in respect of the programs and services.*

On November 28, 2022, the *More Homes Built Faster Act* (Bill 23) was passed and subsequently O. Reg. 596/22 (Prescribed Acts) came into affect on January 1, 2023. This legislation impacts the LRCA's Category 2 programs as outlined in the Inventory of Programs.

Within LRCA's current Inventory of Programs, the Category 2 programs include:

- Mapping Service
 - GIS mapping service provided to Municipality of Oliver Paipoonge, Township of Dorion and the Lakehead Rural Planning Board, as a fee for service.

Effective January 1, 2023, the following section was added to the *Conservation Authorities Act*:

21.1.1 (1.1) *An authority shall not provide under subsection (1), within its area of jurisdiction, a municipal program or service related to reviewing and commenting on a proposal, application or other matter made under a prescribed Act.*

Where the prescribed Acts are outlined in O. Reg. 596/22:

The following Acts are prescribed for the purposes of subsections 21.1.1 (1.1) and 21.1.2 (1.1) of the Act:

1. The *Aggregate Resources Act*.
2. The *Condominium Act, 1998*.
3. The *Drainage Act*.
4. The *Endangered Species Act, 2007*.
5. The *Environmental Assessment Act*.
6. The *Environmental Protection Act*.
7. The *Niagara Escarpment Planning and Development Act*.
8. The *Ontario Heritage Act*.
9. The *Ontario Water Resources Act*.
10. The *Planning Act*.

The new legislation prohibits the LRCA from providing the Category 2 program “Natural Heritage Planning Review” program as proposed to the City of Thunder Bay. Staff have removed this program from the Inventory of Programs. The “GIS Mapping Service” program will continue to be offered to the applicable municipalities.

2.11.3 CATEGORY 3 – NON-MANDATORY PROGRAMS AND SERVICES

Other programs and services (as outlined in the Act)

21.1.2 (1) *In addition to programs and services described in section 21.1 and 21.1.1, an authority may provide, within its area of jurisdiction, any other programs and services that it determines are advisable to further the purposes of this Act.*

NEW AS OF JANUARY 1, 2023 - (1.1) *An authority shall not provide under subsection (1), within its area of jurisdiction, a program or service related to reviewing and commenting on a proposal, application or other matter made under a prescribed Act.*

(2) *On and after the day prescribed by the regulations, if financing under section 25 or 27 by a participating municipality is necessary in order for the authority to provide such programs and service authorized to be provided under subsection (1), the program or service shall not be provided by the authority unless an agreement that meets the following criteria has been entered into between the authority and the participating municipality in respect of the program and service:*

1. *The agreement must provide for the participating municipality to pay to the authority,*
 - i. *An apportioned amount under section 25 in connection with a project related to the program or service, or*
 - ii. *An apportioned amount under section 27 in respect of the program or service.*
2. *The agreement must include provisions setting out on which the agreement terminates and a requirement that it be reviewed by the parties within the period specified in the regulations for the purpose of determining whether or not the agreement is to be renewed by the parties.*
3. *The agreement must meet such other requirements as may be prescribed by the regulations.*

Category 3 programs included in the budget include:

- Education
 - Environmental Education
 - Nature Interpretive Programming
- Stewardship
 - Superior Stewards
 - Tree Seedling
 - Private Land Stewardship
 - Seeds for Conservation
 - Sea Lamprey

2.11.4 CORPORATE SERVICES

Corporate Services that apply to all program areas are considered an enabling service and are categorized as a separate budget category. They are considered to be applicable to all Member Municipalities and are part of the levy-all. Subservices within this category include:

- Corporate Services
 - Administration
 - Community Relations
 - Vehicle and Equipment Program
 - Information Technology Management
 - Corporate GIS

The *Conservation Authorities Act* defines the following term:

Operating expenses: include,

- a) salaries, per diems and travel expenses of employees and members of an authority,
- b) rent and other office costs,
- c) program expenses,
- d) costs that are related to the operation or maintenance of a project, but not including the project's capital costs, and
- e) such other costs as may be prescribed by regulation.

3 2026 BUDGET

The 2026 Budget document contains details for the Lakehead Region Conservation Authority's (LRCA) planned operations and capital activity. The 2026 total Budget is \$3,245,679 which includes a total levy of \$1,183,882. The draft budget has a 3.50% levy-all increase compared to the 2025 approved budget.

BUDGETED REVENUE

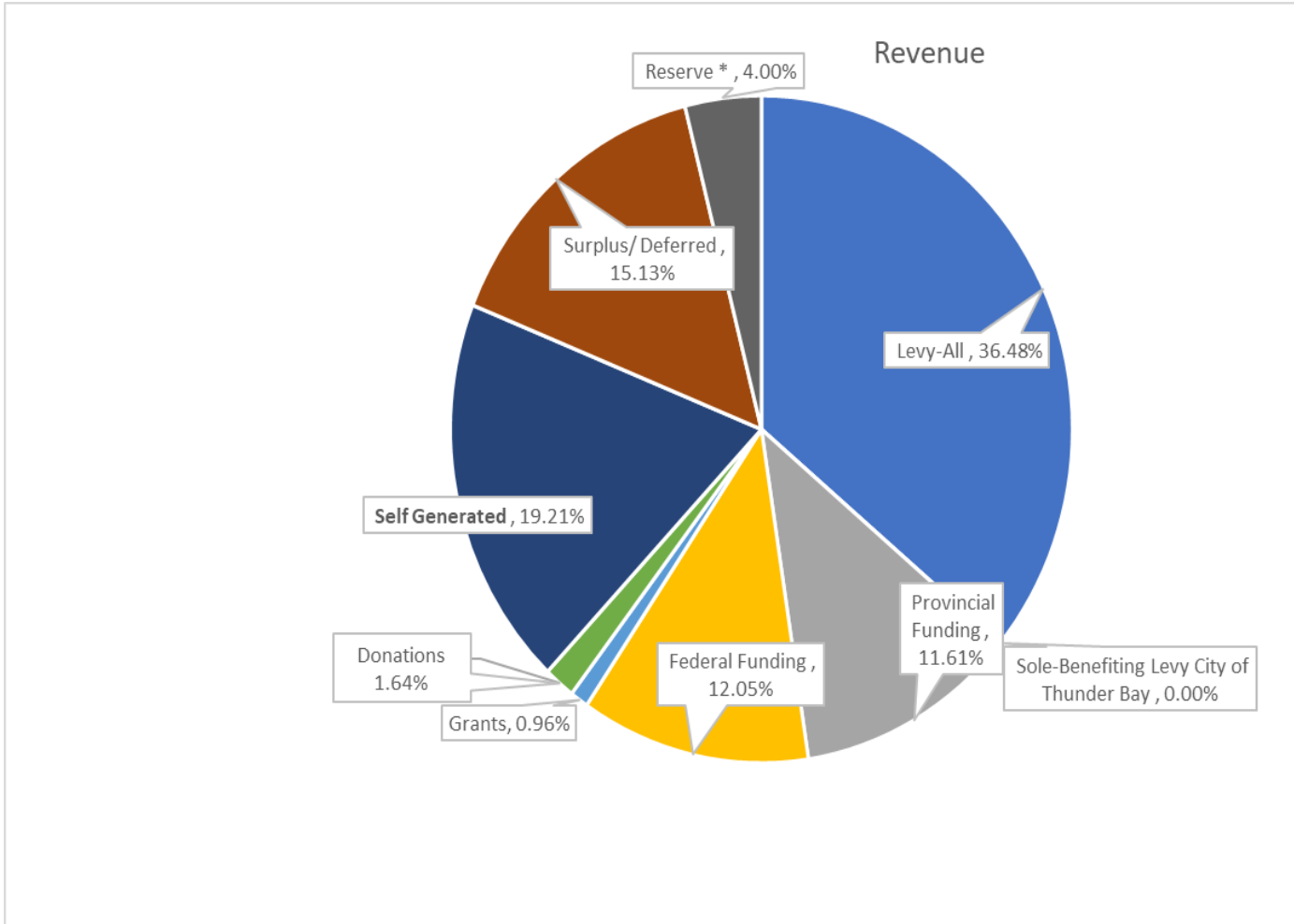
The LRCA draws revenue from a variety of sources:

- Municipal levies
- Provincial transfer payments (MNR)
- Other Transfer Payments for specific purposes (i.e., Source Water Protection)
- User fees (i.e., parking fees, education programs, permit fees, etc.)
- Reserves and prior years deferred revenue
- Other miscellaneous sources of revenue (i.e., property rental, interest, etc.)
- Other funding sources (varies from year to year)
-

**See Section 2.3 – Sources of Funding for a detailed analysis*

Projected Revenues by category:

FIGURE 1: 2026 PROJECTED REVENUES



Significant revenue sources budgeted for 2026 include the following:

- \$1,183,866 – Levy-all
- \$150,940 – MNR Section 39 Provincial Transfer Payment
- \$301.125 - NRCan Climate Resilient Coastal Communities Program
- \$72,652 – MECP – Source Water Protection
- \$8,500 – MECP NWP Admin Controls Protocol
- \$49,550 – MECP Indigenous Community Garden
- \$40,000 – Invasive Phragmites Control Fund
- \$30,000 – Thunder Bay Rotary Club (Seeds for Conservation)
- \$30,000 – Parks Canada Hurkett Cove Cattail
- \$40,000 – MNR Shoreline Protection
- \$77,500 – ECCC GFLEI Floodway Habitat Corridor
- \$30,000 – MECP Restoration Maintenance of Current Sites
- \$233,000 – Interest income

Other grants that the LRCA intends to apply for in 2026 include:

- Canada Summer Jobs (\$11,000)

This budget has been prepared based on estimates of potential revenue from various funding sources, which will be dependent on successful funding applications. Some of the projects included in the budget will only be completed if grant funding is successfully obtained. Additional applications for other programs may be completed as funding becomes available throughout the year.

CONSIDERATION OF OPPORTUNITIES TO RAISE AND USE SELF-GENERATED REVENUE

Per O. Reg. 402/22, Section 13(2)8, the budget must provide a description of what opportunities the authority considered to raise and use self-generated revenue to help finance the authority's operations, including the programs and services it provides.

Currently the LRCA's self generated revenue is derived from fee for service and user fees from the following sources:

- Interest
- Mapping Service (Category 2 program)
- Education programming fees (Category 3 program)
- Plan Review fees
- Section 28 Permit fees
- Lawyer Inquiry fees
- Explore Card sales
- Coin boxes for parking/day use fees at:

- Mills Block Forest
 - Little Trout Bay
 - Cedar Falls
 - Hurkett Cove
 - Wishart Forest
 - Hazelwood Lake
- Pay and Display Units for parking fees (enforced under City of Thunder Bay Parking By-Law)
 - Mission Island Marsh
 - Cascades
 - Silver Harbour
- Seeds for Conservation native seed and plant sales

In 2025 or 2026, depending on weather and the arrival of the unit, a new pay and display will be installed at Mills Block Conservation Area.

The Fee Schedule will be reviewed annually to determine the annual fee rates, as approved by the Board. On December 28, 2022, a Minister's Direction was issued to Conservation Authorities prohibiting them from changing fees related to reviewing and commenting on planning and development related proposals or land use planning policies, or for permits issued by the Conservation Authority for the period of January 1, 2023 to December 31, 2023. The freeze was extended for 2024 and 2025. At the time of budget creation, it was not known if fees were going to be frozen again for 2026.

Increased revenue will be used to offset levy and reinvest in amenities provided at Conservation Areas.

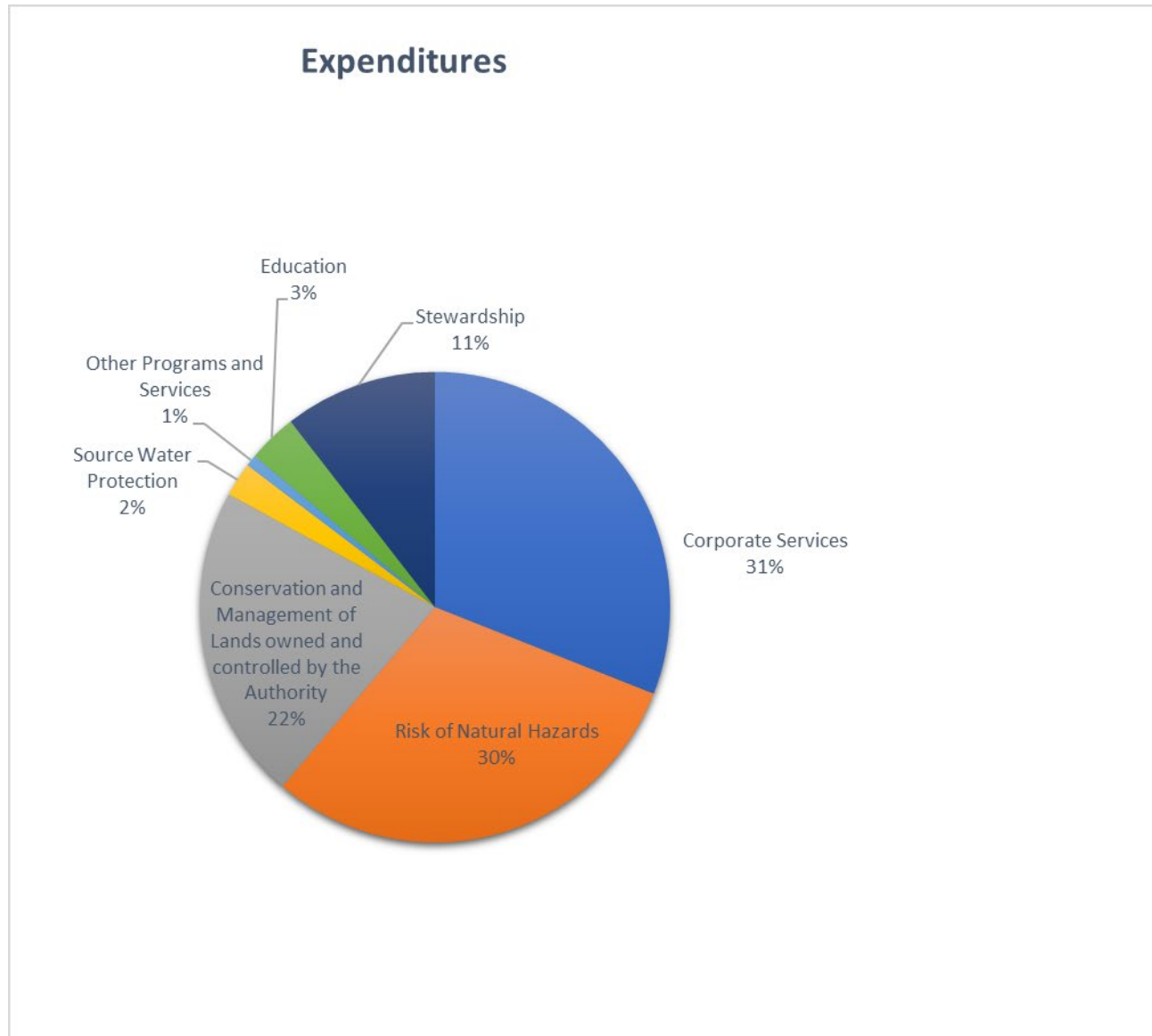
BUDGETED EXPENDITURES

The 2026 Budget is categorized into eight categories as listed below:

Projected Expensed by category include:

- 1) Corporate Services
- 2) Risk of Natural Hazards
- 3) Management, Operations and Maintenance of Authority Owned Lands
- 4) Drinking Water Source Protection
- 5) Other Programs and Services as described in Section 21.1(2) of the Act
- 6) Mapping Services
- 7) Education
- 8) Stewardship

FIGURE 2: 2026 PROJECTED EXPENSES BY PROGRAM



CORPORATE SERVICES

Corporate Services include programs that apply to all programs and services and the general overall management of the organization. In 2026, the Asset Management will be updated (5-year review).

ADMINISTRATION

| Expenditures | \$720,867 | |
|---------------------|------------------|--|
| Annual | \$685,867 | Travel and training (admin staff) |
| | | Wages and benefits (admin staff) |
| | | Insurance |
| | | Professional fees, subscriptions, memberships |
| | | Conservation Ontario levy |
| | | Security monitoring |
| | | Vehicle rental |
| | | Board Member allowance (per diems, travel, meeting expenses) |
| | | Audit fees |
| | | Latonnell Conference |
| | | Legal fees |
| | | Bank fees |
| | | Computer equipment and software |
| | | Photocopying |
| | | Postage |
| | | Stationery and office supplies |
| | | Utilities |
| | | Annual Report |
| | | Telephone |
| | | Northern Ontario Safety Group |
| | | Health and Safety Training |
| One-Time | \$35,000 | AMP Update |
| Revenue | \$720,867 | |
| Grants | \$30,188 | MNR Section 39 |
| Self-Generated | \$326,502 | Interest Revenue \$233,000, SWP Admin Fee \$9,500, Various Revenues \$5,850, Admin Fee for various projects \$78,152 |
| Levy-All | \$235,500 | |
| Reserve | \$30,000 | |
| Prior Year Surplus | \$98,677 | Previous Year Surplus |

COMMUNITY RELATIONS

Community Relations applies to all programs and includes: promoting the Authority; media relations; signage; website; creation of publications (i.e., fact sheets, annual report, etc.) and other materials; and watershed-wide communication and promotion of LRCA and its programs to watershed residents, municipalities, and other agencies. Annually the LRCA produces a calendar, which is fully funded by paid advertising.

| | | |
|---------------------|------------------|---|
| Expenditures | \$123,935 | |
| Annual | \$123,935 | Staff wages |
| | | Vehicle rental |
| | | Advertising |
| | | Training |
| | | Booth rentals |
| | | Promotional items |
| | | Website |
| | | Calendar Expenses (\$6,000) |
| One-Time | | |
| Revenue | \$123,935 | |
| Grants | | |
| Other | \$7,000 | Other Revenue \$1,000, Calendar Revenue \$6,000 |
| Levy-All | \$113,366 | |
| Prior Year Surplus | \$3,569 | Previous Year Surplus |

VEHICLE AND EQUIPMENT PROGRAM

The Vehicle and Equipment Program is utilized to internally charge LRCA programs vehicle related usage costs to self fund all vehicle and equipment costs, including replacement, in the form of a Reserve.

The following table illustrates the 2026 Vehicle and Equipment Program Budget for revenue and expenses, which shows the actual revenue and expenses for the previous three years. The projected surplus at the end of the financial year is to be transferred into the Replacement of Vehicle/Equipment Reserve.

Lakehead Region Conservation Authority 2026 Vehicle and Equipment Budget

| | 2026 BUDGET | 2024 BUDGET |
|--|------------------|------------------|
| Revenue: | | |
| Vehicle rental recoveries | 50,000.00 | 44,570.00 |
| Equipment rental recoveries | 3,000.00 | 3,000.00 |
| | 53,000.00 | 47,570.00 |
| Expenses: | | |
| Insurance | 4,500.00 | 5,000.00 |
| Vehicles: | | |
| Repairs and maintenance | 8,000.00 | 7,000.00 |
| Annual safety check | 1,500.00 | 1,300.00 |
| Licenses | - | - |
| Fuel | 13,000.00 | 12,000.00 |
| Equipment: | | |
| Fuel | 3,500.00 | 2,800.00 |
| Repairs and maintenance | 5,000.00 | 4,500.00 |
| Small Tools | 500.00 | 500.00 |
| | 36,000.00 | 33,100.00 |
| Transfer to V/E Reserve | 17,000.00 | 14,470.00 |
| Reserve for Vehicle/Equipment Replacement | | |
| Budgeted Purchases from Reserves: | | |
| Riding Lawn Mower | 6,500.00 | |
| Trimmer/Brushcutter (2) | 1,400.00 | |
| Leaf Blower | 1,200.00 | |
| All Terrain Vehicle | 22,000.00 | |
| Total | 31,100.00 | |

INFORMATION TECHNOLOGY MANAGEMENT

Information Technology Management is provided to all programs and services. It includes all hardware and software and is managed by the GIS/IT Specialist.

| | | |
|---------------------|-----------------|-------------------------|
| Expenditures | \$48,583 | |
| Annual | \$48,583 | Staff wages |
| | | Accounting Software |
| | | Adobe upgrades |
| | | Bitdefender upgrade |
| | | Office 365 upgrade |
| | | Dalto Alto Cloud Backup |
| | | Computer purchases |
| | | Travel and training |
| One-Time | | |
| Revenue | \$48,583 | |
| Grants | | |
| Other | | |
| Self-Generated | | |
| Levy-All | \$48,583 | |
| Deferred | \$621 | |

CORPORATE GIS

Corporate GIS is provided to all programs and services. It includes the overall management of data and GIS software and is managed by GIS/IT Specialist.

| | | |
|---------------------|-----------------|-----------------|
| Expenditures | \$26,273 | |
| Annual | \$26,273 | Staff wages |
| | | Consulting Fees |
| | | ESRI Software |
| | | Hardware |
| One-Time | | |
| Revenue | \$26,273 | |
| Grants | | |
| Other | | |
| Self-Generated | | |
| Levy-All | \$26,273 | |
| Deferred | | |

3.1 CATEGORY 1: MANDATORY PROGRAMS AND SERVICES

Two summer students (Water Resources Technologist Assistants) will be hired in 2026 for 16-weeks. The Water Resources Technologist Assistants will assist the Planning and Regulations Technician and Environmental Planner with the following program areas:

- PGMN
- PWQMN
- Bathing Beach Sampling/Blue Green Algae Monitoring
- Sea Lamprey Trapping
- Mosquito and Pennock Creek Water Quality Monitoring
- Filing and data management.

3.1.1 RISK OF NATURAL HAZARDS

Mandatory Programs and Services related to the risk of natural hazards.

FLOODPLAIN MAPPING

The Regulatory Floodplain is the approved standard used in a particular watershed to define the limit of the flood plain for regulatory purposes. Adaptive watershed management requires a preventative and proactive approach to address the potential impacts of urbanization and climate change.

The Authority completed various floodplain mapping studies, which are currently used during the administration of the Regulations and for Plan Input and Review purposes. When the studies were completed, partial funding was provided under a variety of government funding programs. The studies were completed between 1979 and 1985, with McVicar Creek updated in 1995.

In recent years, utilizing National Disaster Mitigation Funding, updates to floodplain mapping studies were completed including:

- McIntyre River (2015),
- Neebing River (2018),
- McVicar Creek (2019),
- Kam River (2020),
- Pennock Creek, (2020),
- Mosquito Creek, (2020).

Completed studies are shared with applicable Member Municipalities for use by the engineering departments, for asset management and to be incorporated into their Official Plan and Zoning By-Law.

It is important for the recently updated Watershed hydraulic models to be updated regularly to reflect newly installed/modified infrastructure, such as culverts and bridges, and other changes that are proposed or permitted through the regulations process. Protocols for updating the hydraulic model are needed to ensure that updates are performed efficiently and on a regular schedule with clear communication between the LRCA, Municipality and the Consultant updating the models. A Consultant will be hired to complete updates to the models when required. Any changes to the watersheds allowed through the regulation process, or otherwise identified, will be tracked by LRCA and sent to the Consultant. As the anticipated updates will occur within the City of Thunder Bay, the costs will be part of a sole-benefitting levy to the City of Thunder Bay.

Due to the uncertainty related to the proposed regional consolidation of conservation authorities, the planned \$32,782 sole-benefitting levy from the City of Thunder Bay has been removed from the budget. It will be requested that the City put these funds into a City reserve for future work in this category.

| Expenditures | | |
|--|--|--|
| Annual | | |
| One Time | | |
| Revenue | | |
| Grants | | |
| Other | | |
| Levy, Sole-Benefitting City of Thunder Bay | | |
| Deferred | | |

TECHNICAL STUDIES

Studies, mapping and data collection to understand the risks related to natural hazards including how those risks might be affected by climate change. Development of plans and policies to support the delivery of programs.

In collaboration with Conservation Ontario, the LRCA is funded through Natural Resources Canada (NRCan) to complete a Lakehead Coastal Resilience Management Plan for the Lake Superior shoreline. The multi-year project will be completed between 2024 – 2027. The key priority of the project will be to understand current and future risks and develop adaptive short- and long-term actions that impacted municipalities can use to prepare for, respond to, and recover from the potential impacts of climate change. This will protect people and property as well reduce the economic impact of climate change impacts to municipal and private infrastructure. The expected products and outputs include:

1. Shoreline analysis to document current and future impacts due to climate change from flooding, erosion, wave uprush and extreme weather events;
2. Identify at risk infrastructure; assess value of impacted infrastructure;
3. Where applicable create a plan of retreat of community assets, housing or infrastructure away from hazards;
4. Create best management practices for mitigating and adapting to climate change;
5. Develop innovative solutions;
6. Develop short- and long-term solutions.

| | | |
|---------------------|------------------|---------------------------------------|
| Expenditures | \$305,840 | |
| Annual | \$4,715 | Staff wages |
| One-time | \$301,125 | Consulting Fees |
| Revenue | \$305,840 | |
| Grants | \$240,903 | NRCan |
| Levy-All | \$2,449 | |
| Deferred | \$62,488 | Risk of Natural Hazard deferred funds |

COMMUNICATIONS AND OUTREACH

Promoting public awareness of natural hazards including flooding, drought and erosion including: public events and materials; social media services; website; and media relations.

| | | |
|---------------------|-----------------|-----------------------------------|
| Expenditures | \$20,685 | |
| Annual | \$20,685 | Staff wages Clothing Allowance |
| One-Time | | |
| Revenue | \$20,685 | |
| Grants | | |
| Levy-All | \$19,190 | |
| Deferred | \$1,495 | |

FLOOD FORECASTING AND WARNING

This includes procedures undertaken by the LRCA required to reduce this risk of loss of life and property damage due to flooding through the forecasting of flood events and the issuing of flood messaging (i.e., Watershed Conditions Statements, Flood Watch and Flood Warnings) to prepare those who must respond to the flood event. Additionally, this includes development and implementation of a comprehensive system developed to guide and implement Flood Forecasting and Warning activities, to effectively manage flood control structures and to provide guidance during the response to a flood.

Annual measures include:

- Operation and maintenance of stream flow gauges and precipitation gauges
- Snow surveys
- Spring Melt Meeting with Member Municipalities and applicable agencies
- Maintaining Flood Forecasting and Warning System Manual
- Monitor weather conditions 365 days per year
- Issuance of Flood Messaging as warranted
- Attend the annual Provincial Flood Forecasting Workshop
- Collect streamflow and precipitation data (partnership with Water Survey of Canada)
- Facilitate the CoCoRaHS program (volunteer-based precipitation monitoring program)
- Participate in Ontario Power Generation's Kaministiquia River Dam Safety Emergency Preparedness and Response Plan
- Post flood event meetings and reports

| | | |
|---------------------|-----------------|---|
| Expenditures | \$50,557 | |
| Annual | \$50,557 | Staff wages |
| | | Vehicle rental |
| | | Materials and supplies |
| | | Insurance |
| | | Staff training (Flood Forecasting workshop, WISKI training) |
| | | WISKI software annual maintenance fees |
| | | Computer and office equipment, network repairs |
| | | Boot Allowance |
| | | Clothing Allowance |
| One-Time | | |
| Revenue | \$50,557 | |
| Grants | \$39,571 | Section 39 |
| Other | | |
| Levy-All | \$10,986 | |
| Deferred | | |

DROUGHT AND LOW WATER RESPONSE

In conjunction with the MNR, the Authority administers the Ontario Low Water Response program within the LRCA area of jurisdiction, which is a response plan to minimize the effects of drought. The program includes condition monitoring and analysis and technical support to the Water Response Team representing major water users and decision makers who recommend drought response actions.

| | | |
|---------------------|----------------|-------------------------|
| Expenditures | \$2,909 | |
| Annual | \$2,909 | Staff wages |
| | | Materials and equipment |
| Revenue | \$2,909 | |
| Grants | | |
| Other | | |
| Levy-All | \$2,909 | |
| Deferred | | |

INFRASTRUCTURE: NEEBING-MCINTYRE FLOODWAY

OPERATING

This category includes costs associated with the operation and minor maintenance of flood control structures, the primary purpose of which is to provide protection to life and property. This includes all costs related to the Neebing-McIntyre Floodway. Overall, flood control services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damages and loss of life.

| | | |
|---|------------------|---|
| Expenditures | \$242,940 | |
| Annual | \$242,940 | Annual structural inspections of Neebing Weir and Diversion Structure |
| | | Floodway water level monitoring |
| | | Minor maintenance (tree removal, minor repairs, etc.) |
| | | Hiring of two summer students (16 weeks) to complete Floodway maintenance |
| | | Staff wages |
| | | Vehicle rental |
| | | Materials and supplies |
| | | Insurance |
| | | Administration Fee |
| | | Property Taxes |
| One-Time | | |
| Revenue | \$242,940 | |
| Grants | \$68,681 | Section 39 funding |
| Other | | |
| Self-Generated | \$500 | CLE Land Rental |
| Levy, Sole-Benefiting City of Thunder Bay | | |
| Deferred | \$173,759 | |

CAPITAL

This category includes costs associated with the capital and major maintenance of flood control structures, the primary purpose of which is to provide protection to life and property. This includes all costs related to the Neebing-McIntyre Floodway. Overall, flood control services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damages and loss of life.

The Floodway has provided 41 years of continuous operation since completion in 1984. In 2023, a consultant was hired to update the Neebing-McIntyre Floodway Integrity Study, which is updated every 10 years. The study provided a comprehensive review of the original design assumptions versus the actual observed and predicted performance. The schedule of long-range maintenance will be reviewed as part of the study and will be used to confirm future required funds to maintain the integrity of the Floodway. The data was used to update Asset Management Plan and Operational Plan which were mandated to be completed by December 31, 2024.

Due to the uncertainty related to the proposed regional consolidation of conservation authorities, the planned \$534,713 sole-benefitting levy from the City of Thunder Bay has been removed from the budget. It will be requested that the City put these funds into a City reserve for future work in this category.

| Expenditures | | |
|--|--|--|
| Annual | | Annual Levy to deferred for future use |
| One Time | | |
| Revenue | | |
| Grants | | |
| Deferred | | |
| Levy, Sole-Benefitting City of Thunder Bay | | A constant amount is levied annually, with funds not needed in the given year placed in a deferred fund for future years in order to avoid the highs and lows when major maintenance is required. LRCA staff maintains a timeline for major maintenance required on the Floodway, which is used to calculate required future funds needed in order to provide a consistent and manageable annual levy to the City of Thunder Bay. As the Floodway is an essential part of mitigating the risk to life and property, the LRCA must guarantee funds are available to ensure the integrity of the Floodway is maintained. |

Some of the larger (over \$100,000) major maintenance anticipated to be required in the next 10 years include (based on 2023 Integrity Study):

- 2027 Floodway Channel Dredging – Island Drive to CPR Bridge (\$2,000,000)
- 2028 Balmoral Sediment Trap Dredging (\$900,000)
- 2029 Diversion Channel Lip Dredging (\$450,000)
- 2031 Floodway Channel Dredging – Island Drive to Lake Superior (\$1,500,000)

Major maintenance projects are eligible for Provincial Transfer Payment Water and Erosion Control Infrastructure (WECI) funding which the LRCA applies for the year the work is undertaken; however, the allocation of WEI funds varies year-to-year and is not guaranteed year-to-year; therefore, total costs of major maintenance are used in determining required future funds. Any additional funding obtained through WEI will result in the levy being carried forward for future year's projects and adjusting the long-term projections accordingly.

INFRASTRUCTURE: VICTOR STREET EROSION

OPERATING

This category includes costs associated with the minor maintenance of erosion control structures on City of Thunder Bay owned land on Victor Street and protection of City owned infrastructure along Kam riverbank. The primary purpose of which is to provide protection to life and property. Overall, erosion control services reduce watershed resident's exposure to the threat of property damages and loss of life. This area has historically been managed/monitored on behalf of the City of Thunder Bay.

| | | |
|---|-----------------|----------------------------|
| Expenditures | \$22,873 | |
| Annual | \$22,873 | Slope inspection (2x/year) |
| | | Staff wages |
| One-Time | | |
| Revenue | \$22,873 | |
| Grants | 12,500 | Section 39 Funding |
| Self-Generated | | |
| Levy, Sole-Benefiting City of Thunder Bay | | |
| Levy-All | | |
| Deferred | \$10,373 | |

CAPITAL

This category includes costs associated with the capital and major maintenance of erosion on City of Thunder Bay owned land on Victor Street, the primary purpose of which is to provide protection to life and property. Overall, erosion control services reduce watershed resident's exposure to the threat of property damages and loss of life. The main erosion control structure is the soil nailing completed along Victor Street on City of Thunder Bay land to protect Victor Street and the adjacent infrastructure.

In 2019 the Kaministiquia River Erosion Sites Inventory Report was completed which delineated the 100-year erosion rate along the Kaministiquia River within the City of Thunder Bay. Within the report, it was identified that Victor Street was within the 100-year erosion hazard, based on the completed methodology. A detailed analysis of the area was recommended to look at the risk to Victor Street and adjacent infrastructure, including long-term recommendations related to access and egress to the area. This study was completed in 2020; recommendations will be incorporated into future budgets in consultation with City of Thunder Bay Engineering.

Due to the uncertainty related to the proposed regional consolidation of conservation authorities, the planned \$24,255 sole-benefitting levy from the City of Thunder Bay has been removed from the budget. It will be requested that the City put these funds into a City reserve for future work in this category.

| Expenditures | | |
|--|--|--|
| Annual | | |
| One Time | | |
| Revenue | | |
| Grants | | |
| Levy, Sole-Benefitting City of Thunder Bay | | |
| Levy-All | | |
| Deferred | | |

REVIEW OF PROPOSALS UNDER AN ACT

As a mandatory program, staff will provide input to the review and approval processes under other applicable law (i.e., *Aggregate Resources Act*, *Drainage Act*, *Environmental Assessment Act*, etc.) with comments related to natural hazards, wetlands, watercourses and Section 28 permit requirements.

| | | |
|---------------------|----------------|-------------|
| Expenditures | \$2,501 | |
| Annual | \$2,501 | Staff wages |
| Revenue | | |
| Grants | | |
| Other | | |
| Levy-All | \$2,501 | |
| Deferred | | |

PLAN REVIEW COMMENTS

Conservation Authorities are delegated the responsibility from MNR to comment on all *Planning Act* applications processed by their Member Municipalities as to the applications adherence to Section 5.2 of the Provincial Planning Statement (i.e., natural hazards).

This category includes reviewing comprehensive updates to Member Municipality Official Plans and Zoning By-laws; site specific amendments to Official Plans and Zoning By-laws; subdivision applications; site plan control; consent applications; minor variances, etc. Comprehensive Official Plan and Zoning By-Law reviews are eligible for Section 39 Transfer Payment; however, due to the province under funding core mandate programming, no transfer payment is allocated for this mandated review.

Effective January 1, 2021, the LRCA began charging a Fee for Service for all Plan Review comments. The generated revenue will be used to reduce levy required to administer this delegated program. A few years of revenue will be required to fully predict future years generated revenue, which will fluctuate annually depending on the volume of *Planning Act* applications received by our Member Municipalities.

Effective January 1, 2023, a Minister's Direction as part of the *More Homes Built Faster Act 2022* (Bill 23) was issued to Conservation Authorities to not change fees related to reviewing and commenting on planning applications for the period of January 1, 2023 to December 31, 2023; therefore, fees charged to applicants for planning comments were not changed through the legislated period. The fee freeze was continued in 2024 and 2025. It is unknown whether or not the freezing of fees will be extended into 2026.

| | | |
|---------------------|-----------------|-------------|
| Expenditures | \$92,979 | |
| Annual | \$92,979 | Staff wages |
| | | Training |
| | | Legal Fees |
| One time | | |

| | | |
|----------------|-----------------|--|
| Revenue | \$92,979 | |
| Other | \$24,300 | Canada Summer Jobs \$9,300, Planning Fees Revenue \$15,000 |
| Levy-All | \$45,532 | |
| Deferred | \$23,147 | |

ADMINISTERING AND ENFORCING THE ACT (SECTION 28 DEVELOPMENT REGULATIONS)

The Development Regulations category includes the costs and revenues associated with administering Ontario Regulation 41/24: Prohibited Activities, Exemptions and Permits under the *Conservation Authorities Act*, which includes: permit application review, inspections, permit issuance, enforcement and follow-up. Also, which may include defending appeals and conducting Hearings.

Effective January 1, 2023, a Minister's Direction as part of the *More Homes Built Faster Act* 2022 (Bill 23) was issued to Conservation Authorities to not change fees related to permits issued by Conservation Authorities for the period of January 1, 2023, to December 23, 2023; therefore, fees charged to applicants for development permits were not changed through the legislated period. This freeze was extended in 2024 and 2025. It is unknown whether or not the freezing of fees will be extended into 2026.

| | | |
|---------------------|------------------|--|
| Expenditures | \$219,790 | |
| Annual | \$219,790 | Staff wages |
| | | Training and travel |
| | | Legal Fees |
| | | Engineering Support |
| | | Provincial Offences Officer supplies |
| | | Professional Fees |
| One-Time | | |
| Revenue | \$219,790 | |
| Self-Generated | \$25,000 | Lawyer property inquiries \$4,000, Development Regulation Permit fees \$21,000 |
| Levy-All | \$184,611 | |
| Other | | |
| Deferred | \$10,379 | |

3.1.2 CONSERVATION AND MANAGEMENT OF LANDS OWNED AND CONTROLLED BY THE LRCA

Programs and services related to the conservation and management of lands owned or controlled by the authority.

CONSERVATION AREAS

OPERATING

This includes all expenses and revenue associated operation, and minor maintenance of land owned and/or managed by the Authority. In total, the LRCA owns 2,603 hectares of land, including Conservation Areas, administrative office lands, and management lands.

The Conservation Areas provide an opportunity for the watershed residents for semi-passive activities such as hiking, nature appreciation, photography, fishing, etc. Of the eight Conservation Areas, five provide access to Lake Superior with three being adjacent to Provincially Significant wetlands. Comments on planning applications near Conservation Areas will be provided by the LRCA.

The Bathing Beach monitoring program will continue at Hazelwood Lake and Mission Island Marsh Conservation Areas, which monitors *E. coli* levels in conjunction with the Thunder Bay District Health Unit. Additionally, cyanobacteria (blue-green algae) monitoring will continue at Hazelwood, Mission, Silver Harbour and Hurkett Conservation Areas. Continued testing will solidify LRCA's understanding of cyanobacteria within selected Conservation Areas, while protecting visitors and their pets from Harmful Algal Blooms (HABS). Further, the study will contribute to a greater understanding of how cyanobacteria are influencing the Lakehead Watershed. Continued testing will involve the use of Eurofin's Algal Toxin (Microcystins) Test Strip Kit for Recreational Water and continued Microscopy Work provided by Blue-Green Labs.

In 2024, staff completed the mandatory Conservation Lands Strategy and Land Inventory (due December 31, 2024).

In 2021, pay stations were added to Mission Marsh and Cascades Conservation Areas, and in 2023 a pay station was added at Silver Harbour Conservation Area, in an effort to increase generated revenue. The pay stations at Mission Marsh and Cascades Conservation Areas have resulted in a significant increase in revenue at the respective Conservation Areas. This increase in revenue is anticipated to continue in the years ahead and will be used to off-set required levy to operate the areas and enhance amenities at the area.

In 2025, a consultant was hired to design new wayfinding signage for the Conservation Areas. Signage will be updated per the updated designs as the budget permits. Staff will look for external funding to offset costs with the signage replacement, which may enable more signs to be completed in 2026. Once the designs are completed and the number of signs in each area are established, a long-term plan for the eventual replacement of all signs will be completed.

A consultant will be hired to design an “Urban Conservation Area” to be located at the LRCA Administrative office. This new area will provide amenities for use by staff, staff hosting events, the public, etc. The area will provide a Conservation Area that is accessible by walking and/or public transit as all other areas need to be accessed by a vehicle. Once a plan is designed, external funding can be sought to assist in the construction of the site. The goal is to add features such as a pavilion, AODA trail system through the adjacent wetland and an outdoor classroom area. Work will begin on the area in 2026 as time and funding permits.

| | | |
|---------------------|------------------|--|
| Expenditures | \$404,872 | |
| Annual | \$354,872 | Staff wages |
| | | Clothing allowance |
| | | On-going maintenance |
| | | Garbage removal |
| | | Sanding/salting of parking areas |
| | | Outhouse rentals |
| | | Property Taxes |
| | | Credit Card usage fees |
| One-Time | \$22,000 | Wayfinding Sign Installation |
| | \$30,000 | Design of Urban Conservation Area |
| Transfer to Reserve | | |
| Revenue | \$404,872 | |
| Other | \$20,000 | TD Friends of the Environment, Enbridge |
| Levy-All | \$244,015 | |
| Self-Generated | \$95,000 | Explorer Cards, Pay-Stations, Coin Box Revenue |
| Deferred | \$45,857 | Design of Urban Conservation Area \$30,000 |

CAPITAL

The capital fund is used for major maintenance and capital investment at the Conservation Areas. In 2021, KGS Group updated the LRCA’s Asset Management Plan (AMP), which assessed the current condition, annual maintenance and major repairs required to the Authority’s assets. LRCA staff have analyzed the AMP and prepared a long-term schedule of capital repairs, which has been used to provide a consistent and manageable annual levy. It was identified in the AMP that there are some major repairs

required to ensure the integrity and safety at our Conservation Areas. In addition, other major capital requirements were identified to be completed in the near future to avoid conditions deteriorating. The Conservation Area AMP will be updated in 2026 as part of the overall AMP update.

Annually, \$20,000 is placed in the Hazelwood Dam Reserve to prepare to fund future maintenance of that structure. This has been paused in 2026 due to the proposed regional consolidation of conservation authorities. It will be reassessed after the final consolidation structure is known.

Repairs planned include:

- Replace two concrete vault toilets with one at the Hazelwood beach area.
- Repairs to the privy at Mission Island
- Repairs to asphalt cracks in the trail and parking lot and paint lines at Mission Island
- Decommission old parking lot at Mills Block
- Begin construction of Urban Conservation Area as time and funding permits.

| Expenditures | \$203,624 | |
|---------------------|-------------------|--|
| Annual | | |
| One-Time | \$115,300 | Replacement of outhouse at Hazelwood beach area, Repair outdoor Privy Mission, Parking lot repairs Mission, Decommission old parking lot at Mills Block. |
| Other | \$88,624 | Urban Conservation Area |
| Revenue | \$1155,300 | |
| Grants | | |
| Other | | |
| Levy-All | \$151,324 | |
| Reserve | \$52,300 | |

ADMINISTER SECTION 29 REGULATIONS IN CONSERVATION AREAS

Enforcement and compliance in Conservation Areas, related to Conservation Areas Regulations and Parking by-law enforcement in the City of Thunder Bay and Conservation Area Regulation enforcement in Conservation Areas. APEX will be used to increase enforcement at Cascades and Mission Island Marsh after hours and on weekends.

| | | |
|---------------------|----------------|--|
| Expenditures | \$8,681 | |
| Annual | \$8,681 | Staff wages |
| | | Enforcement Supplies |
| | | Apex after hours and weekend enforcement |
| One-Time | | |
| Revenue | \$8,681 | |
| Grants | | |
| Other | | |
| Levy-All | \$8,681 | |
| Self-Generated | | |
| Deferred | | |

OTHER OWNED LAND

Operation and minor maintenance in other Conservation Authority owned land (i.e., forest management property, floodplain lands, Hope and Memory Garden, etc.). In 2024, staff completed the mandatory Land Inventory (due December 31, 2024).

The Authority owns and maintains one Forest Management property (William's Forest) and has Forest Management Plans on 10 property holdings, which guide the management of the areas as well as reduce property taxes through the Managed Forest Tax Incentive Program (MFTIP) administered by MNR. In 2026, the 10-year update of the Forest Management Plans will be completed.

The Forest Management Reserve is used for activities related to the forest management properties, including maintaining Forest Management Plans and for promoting greening activities. The Reserve is maintained from previous year's revenue for future purchases of forest management properties and forest management related expenditures.

In 2026, some harvesting may be undertaken at Wishart Conservation Area subject to contractor availability and market conditions.

| | | |
|---------------------|-----------------|---|
| Expenditures | \$76,547 | |
| Annual | \$66,547 | Wages |
| | | Property taxes, Office Building maintenance, other land maintenance |
| | | Routine Maintenance |
| One-Time | \$10,000 | 10-year update of Forest Management Plans |
| Revenue | \$76,547 | |
| Grants | | |
| Other | | |

| | | |
|----------------|----------|--|
| Levy-All | \$42,026 | |
| Self-Generated | \$5,156 | |
| Reserve | \$29,365 | |

OFFICE CAPITAL AND OPERATING

This fund is used for long-term capital repairs of the LRCA Administration Facility. In 2021, the Authority updated the Asset Management Plan (AMP) that provides guidance on the long-term maintenance and major capital repairs to maintain the integrity and safety of the building. The AMP was used to plan upgrades and repairs over the next five years. As a result, LRCA staff have completed a long-term plan for the timing of significant repairs, which is used to provide a consistent and manageable annual levy. This levy does not include any additional capital plans; it is only to maintain the building in its current condition. The AMP will be updated in 2026.

| | | |
|---------------------|-----------------|---|
| Expenditures | \$21,000 | |
| Annual | \$ 10,000 | Maintenance of grounds, buildings and equipment |
| | | Emergency repairs as needed |
| One-Time | \$11,000 | Office plumbing repair and storage units in garage. |
| | | |
| Revenue | \$21,000 | |
| Other | | |
| Grants | | |
| Levy-All | \$21,000 | |
| Reserve | | |

3.1.3 SOURCE WATER PROTECTION

This category refers to programs and services related to the Authority's duties, functions and responsibilities as a Source Protection Authority under the *Clean Water Act, 2006*.

The Source Water Protection program commenced in 2005 with 100% funding provided from the MECP with the goal of completion of Source Protection Plans for municipal drinking water systems. Within the Lakehead Watershed, there are only two municipal drinking water systems: City of Thunder Bay Bare Point Water Treatment Plant and the Municipality of Oliver Paipoonge Rosslyn Village Drinking Water System.

The Lakehead Source Protection Plan was approved on January 16, 2013, with an effective date of October 1, 2013. The Source Protection Plan contains a series of policies developed by the Source Protection Committee in consultation with the local community to protect municipal drinking water sources from existing and future drinking water

threats. The Plan describes the actions that must be taken by various implanting bodies to protect surface water and groundwater sources that supply municipal drinking water.

The affected municipalities are responsible to implement the Source Protection Plans and must adhere to the policies including providing annual reports to the Source Protection Authority (i.e., LRCA Board). The Source Protection Authority is then required to assess the municipal annual reports and report annually to the MECP.

The current Agreement provides funding for three years between the LRCA and MECP will expire on March 31, 2027. It provides \$226,007.48 over the period, which funds administration and 0.55 FTE salary and benefits for years 1 and 2 and 0.5 FTE for year 3. The Source Protection Authority (i.e., LRCA Board) is responsible for maintenance of the Source Protection Committee, submission of Annual Reports to MECP, maintenance and retention of data and files (i.e., 15-year retention requirement) related to this program, which began in 2005. There is an expectation by MECP that each Source Protection Authority maintain qualified staff to ensure that the Plan remains current.

If funding is not provided in the future, the cost of the program would be a sole-benefitting levy applicable to the City of Thunder Bay and Oliver Paipoonge.

| Expenditures | \$77,313 | |
|---------------------|-----------------|---|
| Annual | \$77,313 | Staff wages (0.20 FTE Watershed Manager, 0.15 FTE GIS/IT Specialist, 0.1 FTE Administrative Assistant, 0.05 FTE Communications Manager) |
| | | Travel and per diem expenses to attend Chair's meetings |
| | | Source Protection Committee (member per diems, room rental, agenda costs) |
| | | Administration Fee |
| One-Time | | |
| Revenue | \$77,313 | |
| Grants | \$77,313 | MECP Transfer Payment |
| Other | | |
| Levy-All | | |
| Deferred | | |

3.1.4 OTHER PROGRAMS AND SERVICES

PROVINCIAL GROUNDWATER MONITORING NETWORK (PGMN)

The Authority in partnership with the MECP participates in the Provincial Groundwater

Monitoring Program (PGMN) in which LRCA monitors eight groundwater monitoring wells. LRCA staff collect samples and submit them to the MECP laboratory for analysis. Laboratory costs and sample shipping costs are paid by the MECP. The data not only provides data for the LRCA area of jurisdiction, but it is also the only sampling completed in northern Ontario.

| | | |
|---------------------|-----------------|-------------------------|
| Expenditures | \$17,137 | |
| Annual | \$17,137 | Vehicle rental |
| | | Wages |
| | | Materials and equipment |
| One-Time | | |
| Revenue | \$17,137 | |
| Grants | | |
| Other | | |
| Levy-All | \$16,507 | |
| Deferred | \$630 | |

PROVINCIAL WATER QUALITY MONITORING NETWORK (PWQMN)

The Authority in partnership with the MECP participates in the Provincial Water Quality Monitoring Network (PWQMN) program, in which LRCA monitors six surface water locations. LRCA staff collect samples and submit them to the MECP laboratory for analysis. Laboratory costs and sample shipping costs are paid by the MECP. The data not only provides data for the LRCA area of jurisdiction, but it is also the only sampling completed in northern Ontario.

| | | |
|---------------------|----------------|-------------------------|
| Expenditures | \$9,968 | |
| Annual | \$9,968 | Vehicle rental |
| | | Wages |
| | | Materials and equipment |
| One-Time | | |
| Revenue | \$9,968 | |
| Grants | | |
| Other | | |
| Levy-All | \$9,430 | |
| Deferred | \$538 | |

3.2 CATEGORY 2: NON-MANDATORY PROGRAMS AT THE REQUEST OF A MUNICIPALITY

MAPPING SERVICE

The LRCA offers for a fee, a mapping service to our Member Municipalities who choose to participate. LRCA staff maintain the hardware and software required to provide a web-based mapping service that provides mapping capabilities to its users. Additionally, maps are created and updated, by request for a Member Municipality (i.e., Official Plan/Zoning By-Law Comprehensive Updates, etc.). Revenue from this service is used to maintain equipment and supplies related to GIS. The service will continue to be provided, subject to executed Memorandums of Understanding.

| | | |
|---------------------|-----------------|--|
| Expenditures | \$13,681 | |
| Annual | \$13,681 | Staff Wages |
| | | Portion of ESRI License |
| | | Plotter and computer expense |
| One-Time | | |
| Revenue | \$13,681 | |
| Grants | | |
| Other | \$16,000 | Oliver Paipoonge \$12,350, Dorion \$650, Lakehead Rural Planning Board \$3,000 |
| Deferred | (\$2,319) | Surplus to Deferred |

MOSQUITO AND PENNOCK CREEK MONITORING

At the request of the City of Thunder Bay Engineering and Operations Division, LRCA staff are completing surface water sampling along Mosquito Creek (10 sites) and Pennock Creek (2 sites) within the City of Thunder Bay once per month, from June through October. The City of Thunder Bay is interested in tracking water quality within Mosquito Creek and Pennock Creek watersheds within the City. Mosquito Creek and Pennock Creek are both watersheds where residents are serviced by municipal water and private septic systems. A Watershed Assessment for Mosquito Creek was last completed in 2022. Since that time, the City has used LRCA's resources and expertise to continue to collect surface water samples for water quality analysis to continue to track exceedances specifically related to nutrients (nitrates, nitrites, phosphorus) within the watershed. The Category 2 program is funded through direct billing to the City of Thunder Bay Engineering and Operations Division and does not use municipal levy.

| | | |
|---------------------|----------------|--------------------------------------|
| Expenditures | \$8,061 | |
| Annual | \$8,061 | Staff Wages Vehicle and Equipment |
| One-Time | | |
| Revenue | \$8,061 | |
| Grants | | |
| Other | \$8,061 | |
| Deferred | | |

3.3 CATEGORY 3: NON-MANDATORY PROGRAMS

3.3.1 EDUCATION

ENVIRONMENTAL EDUCATION

The Environmental Education program provides curriculum-based educational presentations and field trips to Conservation Areas and within school classrooms. The non-mandatory (i.e., not related to the risk of natural hazards) education program is operated with 100% other funding (no levy). The program covers a wide array of topics including watersheds, various natural heritage, and natural science topics such as birds, trees, aquatics invertebrates, and other topics, many of which are tied directly to Ontario Ministry of Education curriculum expectations. As a private landowner, the LRCA is uniquely positioned to provide meaningful, impactful outdoor education programming utilizing Conservation Areas as “living classrooms”. Watershed stewardship best practices and fostering a sense of wonder and appreciation for the natural world is the goal of the education program, as the best way to inspire people to care about the natural world and the environment is to give them meaningful educational and recreational experiences.

| | | |
|---------------------|-----------------|--|
| Expenditures | \$59,065 | |
| Annual | \$59,065 | Education Coordinator position (39 weeks) Vehicle rental Educational expenses (guest speakers, supplies, safety items, etc.) |
| One-Time | | |
| Revenue | \$58,398 | |
| Grants | \$6,200 | |
| Self-Generated | \$27,198 | Various fundraising (\$10,000), School Program Fees (\$10,198), Living Classroom |

| | | |
|----------|----------|--|
| | | Donations (\$2,000), Catholic School Board Program (\$5,000) |
| Levy-All | | |
| Deferred | \$25,667 | |

NATURE INTERPRETIVE PROGRAMMING

Nature Interpretive Programming is programming developed for execution on LRCA-owned land. Programs and events with nature interpretive programming components within Conservation Areas vary year to year; however, the Dorion Bird Festival is held annually at Hurkett Cove Conservation Area. Nature interpretive programming also includes Watershed Explorer programs (typically funded by the TD Friends of the Environment Fund), guided hikes, workshops, and other non-school-based interpretive programming. Grant revenue is estimated based on previous years applications. Deferred funds will be used in the event external funding is not obtained.

| | | |
|---------------------|-----------------|---|
| Expenditures | \$51,900 | |
| Annual | \$51,900 | Staff Wages |
| | | Fall Mushroom Hike |
| | | Fall Migratory Birding Day (formerly Waterfowl Viewing Day) |
| | | Silver Harbour Day |
| | | TD Programming |
| | | Dorion Bird Festival |
| One-Time | | |
| Revenue | \$51,900 | |
| Grants | \$32,900 | TD Friends of the Environment, (\$14,000), OPG (\$13,000), Enbridge (\$5,900) |
| Self-Generated | \$19,000 | Dorion Bird Festival Ticket Sales, OPG Donation |
| Levy-All | | |

3.3.2 STEWARDSHIP

Stewardship is the planning, promotion, and implementation of management practices that contribute to restoration and protection of our natural resources. LRCA's Stewardship Program aims to promote and encourage stewardship within the Lakehead Watershed. Programs enable private landowners to restore riparian and shoreline area on their property; plant trees on private land; and facilitate stewardship projects on LRCA/municipally owned lands to restore and create wildlife habitat. Examples of on-the-ground projects include invasive species removal, wetland creation, meadow habitat enhancement, and shoreline stabilization. LRCA's Stewardship Program engages over 300 volunteers annually in these activities. Projects vary year to year depending on funding

and need in the watershed. Stewardship projects are funded from various provincial, federal, and private funding sources. No levy is used for the Stewardship Program.

SUPERIOR STEWARDS PROGRAM

The four-year funding agreement with the MNR for the LRCA's Shoreline Protection Program ended in December 2024; however, in 2025, the LRCA successfully received an additional \$40,000 towards a fifth year of the program, carried out in fall 2025. The program focuses on rehabilitating shoreline and riparian zones on private property within the Thunder Bay Area of Concern. The Thunder Bay Area of Concern is a 100-metre buffer along the Lake Superior coast and up Thunder Bay's five main tributaries, defined by ECCC as having experienced significant environmental degradation. The program provides landowners with a shoreline assessment, educational materials, individualized planting plans, up to 100 native plants, and planting implementation support.

Planting native vegetation enhances shoreline and riparian zones, rehabilitates, and maintains healthy shoreline habitat, provides erosion protection, and improves water quality. The objective of the Superior Stewards program is to raise landowner awareness of riparian and shoreline stewardship principles and implement restoration and naturalization through on-the-ground projects. The restoration projects range from terrestrial/aquatic plantings, invasive plant species removal, green infrastructure techniques, species-at-risk habitat enhancement/protection, general habitat enhancement, and/or pollinator habitat creation.

In 2026, additional sources of funding will be sought to continue offering this service to Lakehead Watershed residents. A fee-for-service model will also be explored.

| | | |
|---------------------|-----------------|---|
| Expenditures | \$40,000 | |
| Annual | \$40,000 | Wages and Benefits |
| One-Time | | |
| Revenue | \$40,000 | |
| Grants | \$40,000 | Provincial funding MNR Shoreline Protection |
| Self-Generated | | |
| Levy-All | | |
| Deferred | | |

TREE SEEDLING PROGRAM

In partnership with Hill's Greenhouse, the LRCA administers a Tree Seedling Program, which provides the opportunity for the public to purchase locally grown tree seedlings to plant in the watershed. As of 2025, over 181,250 trees have been accessed through the program. Wages for this program are funded by past generated revenue from harvesting on LRCA owned land. This program's goal is to achieve a no net loss of trees in the overall watershed by providing trees to plant to the public to offset any harvesting on LRCA owned land.

In 2024 and 2025, all tree seedling revenue went towards LRCA's Environmental Education Programming at the request of Hill's Greenhouse, who generously donated 9,900 trees. In 2026, the trees will be purchased from the greenhouse.

| | | |
|---------------------|-----------------|---------------------------|
| Expenditures | \$11,720 | |
| Annual | \$11,720 | Staff wages |
| | | Purchase Tree Seedlings |
| Revenue | \$11,720 | |
| Grants | | |
| Self-Generated | \$6,000 | Tree Seedling Sales |
| Levy-All | | |
| Reserve | \$5,720 | Forest Management Reserve |

PRIVATE LAND STEWARDSHIP

To promote and practice stewardship on LRCA and municipally owned lands, staff apply for funding for a variety of projects annually. Other funding applications will be submitted throughout the year as they become available. The following restoration projects are planned in 2026:

- The Floodway Habitat Corridor will be continued in 2026, with the vision of restoring a five-kilometre stretch of riparian habitat on LRCA owned lands along the Neebing-McIntyre Floodway corridor. The project aims to enhance riparian habitat by planting native vegetation and managing invasive species through volunteer clean-up and planting events. Funding is provided by ECCC Freshwater Ecosystem Initiative in 2026.
- The Indigenous Community Garden, funded by ECCC EcoAction, will be designed and installed with the support of the Thunder Bay Indigenous Friendship Centre, Fort William First Nation, City of Thunder Bay Department of Indigenous Affairs,

local Indigenous artists and Indigenous Elders. The garden will neighbour the Hope and Memory Garden and will restore riparian habitat while fostering relationships.

- Funded by the Invasive Species Centre, the Thunder Bay Regional Phragmites Collaboration is coordinated by LRCA and is composed of 35 stakeholders and groups with the shared vision of a “phrag-free” landscape by 2033. The intent of the Collaborative is to engage interested community groups in the status of Invasive Phragmites in the region, develop an integrated long-term plan for its management, and collaborate on its removal.
- In partnership with Parks Canada Lake Superior National Marine Conservation Area, LRCA will work to gain a better understanding of the extent and potential impacts of Narrowleaf Cattail at Hurkett Cove Conservation Area. The two-year project will result in the development of a management strategy, with the aim of reducing the spread of invasive cattails, impacts on Wild Rice, and subsequent loss of biodiversity at the site. Recommendations will be put forward to project partners in the spring of 2026, with a three-year continuation of the project proposed.
- Pending successful funding from MECP, restoration maintenance of sites rehabilitated as part of the Thunder Bay Habitat Strategy over the past 3 years will be carried out in 2026. This will include invasive species management and additional plantings of native species where applicable at Fisherman’s Park West, Boulevard Wetland, and along the Neebing-McIntyre Floodway.
- Subject to confirmed funding from MECP, an Administrative Controls Protocol for the Northern Wood Preservers Inc. site will be developed with partner agencies to avoid disturbances to naturally recovering contaminated sediments from future developments.

| | | |
|---------------------|------------------|---|
| Expenditures | \$235,550 | |
| Annual | \$235,550 | Staff Wages \$130,500 |
| | | Materials \$93,050 |
| | | Administration Fees \$12,000 |
| One-Time | | |
| Revenue | \$275,550 | |
| Grants | \$8,500 | MECP NWP Admin Controls Protocol |
| | \$49,550 | ECCC Eco Action Indigenous Community Garden |

| | | |
|----------|----------|---|
| | \$77,500 | ECCC GFLEI Floodway Habitat Corridor |
| | \$30,000 | MECP Restoration Maintenance of Current Sites |
| | \$30,000 | Parks Canada |
| | \$40,000 | ISC Phragmites |
| Levy-All | | |
| Deferred | | |

SEEDS FOR CONSERVATION

The Seeds for Conservation program offers native perennials grown from seed sustainably harvested by staff from LRCA Conservation Areas. The plants are grown in the LRCA Greenhouse by the Watershed Stewardship Technician, supported by a Stewardship seasonal staff person. With insufficient access to Northwestern Ontario native species through local nurseries, LRCA's Seeds for Conservation program provides regionally adapted seed and plants for habitat restoration projects, pollinator gardens, rain gardens, and more. It is used by LRCA and community partners such as Fort William First Nation, Ontario Native Women's Association, the City of Thunder Bay, EcoSuperior, Lakehead University and Confederation College. In-person native plant sales and sales through the LRCA webstore have generated additional revenue for this program. In 2026, this initiative will enter into its third year, offering a great support to the growing stewardship program.

| | | |
|---------------------|-----------------|---|
| Expenditures | \$45,000 | |
| Annual | \$45,000 | Staff wages, supplies |
| One-Time | | |
| Revenue | \$45,000 | |
| Grants | | |
| Self-Generated | \$45,000 | Plant sales (sales to public and private land stewardship projects) |

SEA LAMPREY

A contract is executed annually between the LRCA and the Department of Fisheries and Oceans (DFO) for Sea Lamprey Barrier Surveillance, Monitoring and Grounds keeping on the Wolf River. LRCA staff conduct five inspections annually and complete a Barrier Inspection/Maintenance Report.

A contract is executed annually between the LRCA and DFO for Sea Lamprey trapping on the Neebing and McIntyre Rivers. Five days per week for eight to twelve weeks, sea lamprey traps are emptied to conduct mark and release studies, collect biological data, environmental data and complete daily reports to provide data to DFO in order for

population estimates to be undertaken. These estimates are used along with that of other streams to estimate the population in all of Lake Superior. The program is conducted on the permanent trap located on the Neebing River on LRCA land and at Lakehead University on the McIntyre River.

| | | |
|---------------------|-----------------|---|
| Expenditures | \$13,728 | |
| Annual | \$13,728 | Staff wages Vehicle rental |
| One-Time | | |
| Revenue | | |
| Contracts | \$1,886 | DFO Wolf River Inspections |
| | \$11,842 | DFO Neebing and McIntyre River trapping |
| Levy-All | | |
| Deferred | | |

4 RESERVE APPROPRIATIONS

The Authority's Reserve Policy sets goals for the Board Designated Reserves and the terms and conditions for their use. As outlined in the Policy, planned appropriations to and from reserves will be outlined in the Budget Document annually, and will be approved through the budget approval process.

Unplanned appropriations to and from reserves throughout the year will require Board approval, unless they meet the terms outlined in the Reserve Policy.

Reserve shortfalls from the determined "Target Reserve Level" as outlined in the Policy will be outlined in the Budget Document, and if warranted, appropriations to a reserve will be proposed to achieve the Target Reserve Level.

In 2026, due to the uncertainty related to the potential regional consolidation of all conservation authorities, all appropriations to reserves and deferred funds will be paused.

4.1 PERCENTAGE OF TARGET RESERVE LIMIT REACHED

The Reserve Policy indicates that if any reserve category is less than 50% of the targeted reserve, the Board of Directors, in the absence of any extraordinary circumstances, should consider adopting an annual budget that includes a projected surplus sufficient to rebuild the reserve category over a defined period to its targeted reserve level.

| Reserve | Reserve Level as of December 31, 2024 | Reserve Limit | Target Reserve Level | % of Target Reserve Level |
|---|---------------------------------------|---------------|--|---------------------------|
| Operating Capital | \$1,459,479 | \$1,100,000 | \$1,100,000 | 133 |
| Administrative Facility - Maintenance | \$280,651 | | Adequate funds available to complete annual regular maintenance, emergency repairs and major maintenance per the AMP | |
| Administrative Facility - New Facility | \$32,310 | | Adequate funds available to construct a new Administration Facility (previous donations) | |
| Vehicle and Equipment | \$73,081 | \$150,000 | Adequate funds available to purchase required vehicles and equipment | 49 |
| Insurance Deductible | \$32,145 | | \$30,000 | 108 |
| Legal Fees | \$120,402 | | \$100,000 | 107 |
| Conservation Area Major Maintenance Capital | \$353,465 | | As forecasted in Asset Management Plan | |
| Hazelwood Lake Dam | \$80,000 | | \$250,000 | 32 |
| Forest Management | \$127,529 | | | |
| Land Acquisition | \$248,500 | | | |

4.2 2026 PLANNED APPROPRIATIONS TO AND FROM RESERVES

| Reserve | Appropriations to Reserve | Appropriations from Reserves |
|---|----------------------------------|-------------------------------------|
| Operating Capital | | \$30,000 |
| Administrative Facility - Maintenance | | |
| Administrative Facility - New Facility | | |
| Vehicle and Equipment | | \$31,100 |
| Insurance Deductible | | |
| Legal Fees | | |
| Conservation Area Major Maintenance Capital | | \$52,300 |
| Urban Conservation Area | | |
| Forest Management | | \$35,085 |
| Land Acquisition | | |

5 CONCLUSION

The 2026 Budget document details the LRCA's capital and operating plans for the upcoming year. It is the opinion of staff that the current budget is reflective of the Authority's short-term goals and the long-term requirements.

The Budget document provides the details of the budget. The Budget Summary will be used in the consultation with Member Municipalities and will be posted on the LRCA website as required in O. Reg. 402/22. The Final Budget was approved by the Board on November 26, 2025.

6 RECOMMENDATIONS

Recorded Weighted Vote

“THAT: the 2026 Budget levy apportionment as outlined in Version 2.0 of the Lakehead Region Conservation Authority Final Budget be approved **AND FURTHER THAT** a copy of the final budget will be provided to the Minister of Environment, Conservation and Parks and all Member Municipalities.”

Majority Vote:

“THAT: in 2026 the following will be appropriated from the following reserves: Operating Capital Reserve \$30,000; Vehicle and Equipment Reserve \$31,100; Conservation Area Major Maintenance Capital Reserve \$52,300; and Forest Management Reserve \$35,085.”

“THAT: the Lakehead Region Conservation Authority adopts the 2026 Budget Document, Version 2.0 for a total budget of \$3,245,679. “

APPENDIX A:

2026 BUDGET SUMMARY

Figure 3: 2026 Budget Summary

| Lakehead Region Conservation Authority 2026 Budget Version 2.0 | | | | | | | | | | |
|---|-------------------|--|-----------------------|--------------------|-----------|---------------------|-------------------|----------------------|-----------|--------------------|
| Program | Annual Cost | | | | | | | | | Total Cost 2026 |
| | Source of Funding | | | | | | | | | |
| | Levy-All | Sole-Benefiting Levy City of Thunder Bay | Provincial Funding | Federal Funding | Other | | Self Generated | Surplus/ Deferred | Reserve * | |
| | | | | | Donations | Grants and Other | | | | |
| Category 1 Mandatory Programs and Services | | | | | | | | | | |
| Corporate Services | | | | | | | | | | |
| Administration | 235,500 | - | 30,188 | - | - | - | 326,502 | 98,677 | 30,000 | 720,867 |
| Community Relations | 113,366 | - | - | - | - | - | 7,000 | 3,569 | - | 123,935 |
| Vehicle and Equipment Program | - | - | - | - | - | - | 53,000 | - | 14,100 | 67,100 |
| IT | 47,962 | - | - | - | - | - | - | 621 | - | 48,583 |
| Corporate GIS | 26,273 | - | - | - | - | - | - | - | - | 26,273 |
| | 423,101 | - | 30,188 | - | - | - | 386,502 | 102,867 | 44,100 | 986,758 |
| Risk of Natural Hazards | | | | | | | | | | |
| Flood Plain Mapping | - | - | - | - | - | - | - | - | - | - |
| Technical Studies | 2,449 | - | - | 240,903 | - | - | - | 62,488 | - | 305,840 |
| Communications and Outreach | 19,190 | - | - | - | - | - | - | 1,495 | - | 20,685 |
| Flood Forecasting and Warning | 10,986 | - | 39,571 | - | - | - | - | - | - | 50,557 |
| Drought and Low Water Response | 2,909 | - | - | - | - | - | - | - | - | 2,909 |
| Infrastructure: Neebing-McIntyre Floodway | - | - | 68,681 | - | - | - | 500 | 173,759 | - | 242,940 |
| Infrastructure: Victor Street Erosion | - | - | 12,500 | - | - | - | - | 10,373 | - | 22,873 |
| Review of Proposals under Act | 2,321 | - | - | - | - | - | - | 180 | - | 2,501 |
| Plan Review Comments | 45,532 | - | - | 9,300 | - | - | 15,000 | 23,147 | - | 92,979 |
| Administering and Enforcing the Act (Section 28) | 184,411 | - | - | - | - | - | 25,000 | 10,379 | - | 219,790 |
| | 267,798 | - | 120,752 | 250,203 | - | - | 40,500 | 281,821 | - | 961,074 |
| Conservation and Management of Lands owned and controlled by the Authority | | | | | | | | | | |
| Conservation Areas | 244,015 | - | - | - | - | 20,000 | 95,000 | 45,857 | - | 404,872 |
| Conservation Areas Capital | 151,324 | - | - | - | - | - | - | - | 52,300 | 203,624 |
| Administer Section 29 Regulations | 8,681 | - | - | - | - | - | - | - | - | 8,681 |
| Other Owned Land | 63,026 | - | - | - | - | - | 5,156 | - | 29,365 | 97,547 |
| | 467,046 | - | - | - | - | 20,000 | 100,156 | 45,857 | 81,665 | 714,724 |
| Source Water Protection | | | | | | | | | | |
| Source Water Protection | - | - | 77,313 | - | - | - | - | - | - | 77,313 |
| | - | - | 77,313 | - | - | - | - | - | - | 77,313 |
| Other Programs and Services | | | | | | | | | | |
| Provincial Groundwater Monitoring Network (PGMN) | 16,507 | - | - | - | - | - | - | 630 | - | 17,137 |
| Provincial Water Quality Monitoring Network (PWQMN) | 9,430 | - | - | - | - | - | - | 538 | - | 9,968 |
| | 25,937 | - | - | - | - | - | - | - | - | 25,937 |
| Total Category 1 | 1,183,882 | - | 228,253 | 250,203 | - | 20,000 | 527,158 | 431,713 | 125,765 | 2,766,974 |
| Category 2 Non-Mandatory Programs and Services at the request of a Municipality | | | | | | | | | | |
| Mapping Services | - | - | - | - | - | - | 16,000 | 2,319 | - | 13,681 |
| Mosquito and Pennock Creek Monitoring | - | - | - | - | - | 8,061 | - | - | - | 8,061 |
| Total Category 2 | - | - | - | - | - | 8,061 | 16,000 | 2,319 | - | 21,742 |
| Category 3 Non-Mandatory Programs and Services | | | | | | | | | | |
| Education | | | | | | | | | | |
| Environmental Education | - | - | - | - | 17,000.00 | 6,200 | 10,198 | 25,667 | - | 59,065 |
| Nature Interpretive Programming | - | - | - | - | 14,000 | 18,900 | 19,000 | - | - | 51,900 |
| | - | - | - | - | 31,000 | 25,100 | 29,198 | 25,667 | - | 110,965 |
| Stewardship | | | | | | | | | | |
| Superior Stewards Program | - | - | 40,000 | - | - | - | - | - | - | 40,000 |
| Tree Seedling Program | - | - | - | - | - | - | 6,000 | - | 5,720 | 11,720 |
| Seeds for Conservation | - | - | - | - | - | - | 45,000 | - | - | 45,000 |
| Stewardship | - | - | - | - | - | - | - | - | - | - |
| MECP NWP Admin Controls Protocol | - | - | 8,500 | - | - | - | - | - | - | 8,500 |
| ECCC Eco Action Indigenous Community Garden | - | - | - | 49,550 | - | - | - | - | - | 49,550 |
| ECCC GFLEI Floodway Habitat Corridor | - | - | - | 77,500 | - | - | - | - | - | 77,500 |
| MECP Restoration Maintenance of Current Sites | - | - | 30,000 | - | - | - | - | - | - | 30,000 |
| ISC Phragmites | - | - | 40,000 | - | - | - | - | - | - | 40,000 |
| Parks Canada | - | - | 30,000 | - | - | - | - | - | - | 30,000 |
| Wolf River Sea Lamprey | - | - | - | 1,886 | - | - | - | - | - | 1,886 |
| Neebing McIntyre Sea Lamprey | - | - | - | 11,842 | - | - | - | - | - | 11,842 |
| | - | - | 148,500 | 140,778 | - | - | 51,000 | - | 5,720 | 345,998 |
| Total Category 3 | - | - | 148,500 | 140,778 | 31,000 | 25,100 | 80,198 | 25,667 | 5,720 | 456,963 |
| Total | 1,183,882 | - | 376,753 | 390,981 | 31,000 | 53,161 | 623,356 | 455,061 | 131,485 | 3,245,679 |

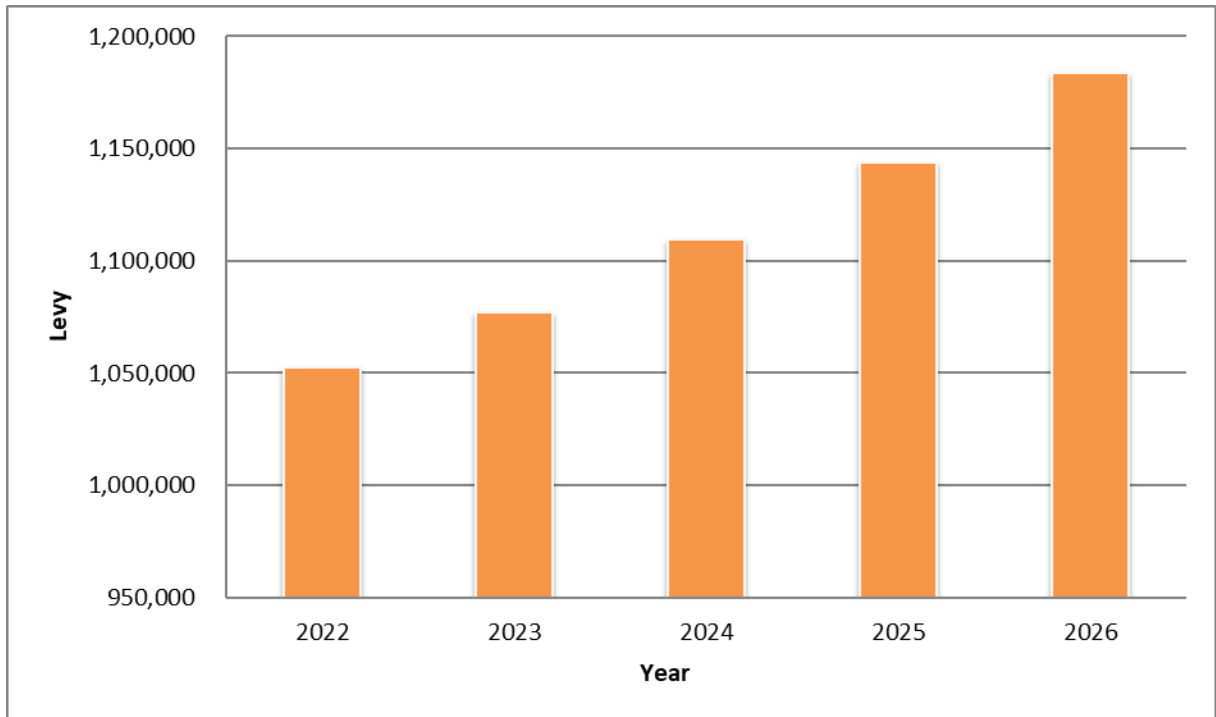
FIGURE 4: LEVY ALL COMPARISON FOR THE PERIOD OF 2022-2026

Figure 4 compares the levy-all fluctuations for the period of 2022-2026. In 2019, the long-standing Section 39 transfer payment was reduced from \$292,380 to \$150,940, which required a mid-year adjustment to the budget and also affected all future budgets. As a result of financial pressures on our Member Municipalities and the effects of COVID-19, 0% levy-all increases were implemented in 2021 and 2022.

Minimal to no increases are feasible in the short term but are not realistic for the long-term operation of the Authority. The 2026 budget requires a 3.50% increase in order to maintain its current level of service, which is consistent with cost-of-living increases.

APPENDIX B: LEVY COST COMPARISON

FIGURE 5: 2026 COMPARED TO 2025 BUDGET LEVY- ALL COMPARISON

| 2026 Total Levy Compared to 2025- All | | | | | | |
|--|-----------------|-------------------------|-----------------|------------------|------------------|-----------------|
| MUNICIPALITY | 2026 CVA | Actual Levy 2026 | 2025 CVA | Levy 2025 | \$ Change | % Change |
| Thunder Bay* | 85.6600% | 1,013,640 | 85.8012% | 979,821 | 33,819 | 3.45% |
| Conmee | 0.4500% | 5,204 | 0.4440% | 5,147 | 57 | 1.10% |
| Dorion | 0.2900% | 3,433 | 0.2879% | 3,317 | 116 | 3.49% |
| Gillies | 0.2500% | 2,960 | 0.2470% | 2,860 | 100 | 3.51% |
| Neebing | 2.2600% | 26,638 | 2.2565% | 25,852 | 786 | 3.04% |
| O'Connor | 0.4800% | 5,684 | 0.4770% | 5,492 | 192 | 3.51% |
| Oliver Paipoonge | 5.6300% | 67,364 | 5.5386% | 64,400 | 2,964 | 4.60% |
| Shuniah | 4.9900% | 58,959 | 4.9477% | 56,966 | 1,993 | 3.50% |
| TOTAL | 100% | 1,183,882 | 100.00% | 1,143,855 | 40,027 | 3.50% |

The following table summarizes the annual levy cost per household, per resident and cost per \$100,000 of assessed value of property. It is noted that the resident numbers represent permanent residents and does not factor in seasonal residents.

Figure 6: Levy Cost

| Municipality | 2026 | Number of Households (2016) | Cost Per Household | Number of Resident | Cost per Resident | Current Value Assessment \$ (2025) | Cost per \$100,000 |
|---------------------|-------------|------------------------------------|---------------------------|---------------------------|--------------------------|---|---------------------------|
| ***Thunder Bay | \$1,817,801 | 57,146 | \$31.81 | 121,621 | \$14.95 | 14,430,693,124 | \$12.60 |
| Conmee | \$5,206 | 327 | \$15.92 | 816 | \$6.38 | 74,184,750 | \$7.02 |
| Dorion | \$3,433 | 128 | \$26.82 | 316 | \$10.86 | 48,682,655 | \$7.05 |
| Gillies | \$2,960 | 201 | \$14.73 | 474 | \$6.24 | 42,491,435 | \$6.97 |
| Neebing | \$26,638 | 1,166 | \$22.85 | 2,055 | \$12.96 | 379,134,045 | \$7.03 |
| O'Connor | \$5,684 | 272 | \$20.90 | 663 | \$8.57 | 81,391,217 | \$6.98 |
| Oliver Paipoonge | \$37,363 | 2,289 | \$16.32 | 5,922 | \$6.31 | 959,038,205 | \$3.90 |
| Shuniah | \$58,959 | 2,130 | \$27.68 | 2,798 | \$21.07 | 838,817,690 | \$7.03 |

***City of Thunder Bay Includes Sole Benefiting Levy

16,854,433,121

APPENDIX C: PASSED RESOLUTIONS



LAKEHEAD REGION

CONSERVATION AUTHORITY

Wednesday, November 26, 2025

Moved by Sheelagh Hendrick

Seconded by Donna Blunt

THAT: the 2026 Budget levy apportionment as outlined in Version 2.0 of the Lakehead Region Conservation Authority Final Budget be approved **AND FURTHER THAT** a copy of the final budget will be provided to the Minister of Environment, Conservation and Parks and all Member Municipalities.

Non-Matching Funds Levy Portion-Weighted Recorded Vote Results

| Municipality | Member | Vote % | Vote |
|------------------|-------------------|--------|--------|
| Conmee | Grant Arnold | 1.54% | Yes |
| Dorion | Robert Beatty | 1.03% | Yes |
| Gillies | Rudy Buitenhuis | 0.88% | Yes |
| Neebing | Brian Kurikka | 7.87% | Yes |
| O'Connor | Jim Vezina | 1.65% | Yes |
| Oliver Paipoonge | Dan Calvert | 19.30% | Yes |
| Shuniah | Donna Blunt | 17.73% | Yes |
| Thunder Bay | Sheelagh Hendrick | 12.50% | Yes |
| Thunder Bay | Trevor Giertuga | 12.50% | absent |
| Thunder Bay | Albert Aiello | 12.50% | absent |
| Thunder Bay | Greg Johnsen | 12.50% | Yes |

Donna Blunt
Chair

Res # 133 /25



LAKEHEAD REGION

CONSERVATION AUTHORITY

Wednesday, November 26, 2025

Moved by Sheela Hendrick

Seconded by John McIntosh

THAT: in 2026 the following will be appropriated from the following reserves: Operating Capital Reserve \$30,000; Vehicle and Equipment Reserve \$31,100; Conservation Area Major Maintenance Capital Reserve \$52,300; and Forest Management Reserve \$35,085.

D. Burt
Chair

Res # 134 /25



LAKEHEAD REGION

CONSERVATION AUTHORITY

Wednesday, November 26, 2025

Moved by Sheelagh Hendrick

Seconded by Ma Calvert

THAT: the Lakehead Region Conservation Authority adopts the 2026 Budget Document, Version 2.0 for a total budget of \$3,245,679.

D Blunt
Chair

Res # 135 /25