



City of
Peterborough

To: Members of the Waste Management Steering Committee

From: W. H. Jackson, Director of Utility Services

Meeting Date: September 21, 2015

Subject: Report WMC15-013
2016 Draft Budget - Update

Purpose

A report to update the Committee on the 2016 Draft Budget for the Peterborough County/City Waste Management Facility ("Landfill").

Recommendation

That the Waste Management Committee approve the recommendation as outlined in Report WMC15-013 dated September 21, 2015, of the Director of Utility Services as follows:

That the draft 2016 Budget for the Peterborough County/City Waste Management Facility as detailed in Report WMC15-013 dated September 21, 2015 be accepted and recommended for adoption as part of the City of Peterborough budgeting process.

Budget and Financial Implications

The final budget forms part of the City budget and is expected to be adopted in December 2015.

Background

Since the last report (see Appendix A) a number of changes have occurred in the 2016 draft Operating and Capital Landfill budgets as explained below. County and City staff have reviewed the draft budgets and believe they are representative of what is expected to occur in 2016.

1. Operating Budget

The updated draft Operating Budget (Appendix B) has only changed slightly from that shown to the Committee at its meeting of June 22, 2015. Revenue projections have remained the same with minor changes in expenditures as a result of fine tuning of staff salaries/benefits (+\$4,462) and Materials, Property Taxes and Insurance (-\$2,104) for a total change in the proposed budget of +\$2,358.

The 2015 Budget required contributions from each of the County and City of \$480,401. The 2016 draft Budget requires contributions of \$388,608 each or a drop of 19%. The reason for this drop is the increase in revenues mainly from the proposed higher tipping fee for contaminated soil.

2. Capital Budget

The initial draft capital budget included only two items: replacing the Landfill Co-ordinators truck for an estimated \$35,000 and a miscellaneous entry estimated at \$200,000 for a total of \$235,000.

Also identified were the following future projects that were foreseen at the Landfill:

- Construction of Cell 4;
- Installation of gas monitoring wells in Cell 2, 3 and 4;
- Installation of a gas collection system in Cell 3 and 4.

Since the initial budget estimate was presented, a full capital investment analysis of the Landfill was completed with the result shown in Appendix C. Based on this newer analysis, the proposed 2016 Capital Budget has risen to \$525,000. Although this is higher than the June 2015 estimate, it is very significantly (\$4,429,000) lower than the 2015 Capital Budget.


There are some expected high capital expenditures required at the Landfill in the coming years namely 2017, 2018 and 2020. The 2017 and 2018 expenditures are required to eliminate excess soil from the Landfill in anticipation of construction of Cell 4 in 2020. Staff from the County and City are actively looking at ways to reduce the 2017 and 2018 expenditures and the Committee should expect further reports on this matter in the future. The timing of the construction of Cell 4 will be verified prior to issuance of the tender. The actual year of construction will depend on the volume of garbage received at the Landfill and the compaction achieved.

Summary

The 2016 Draft Landfill Budget presented in this report shows both a reduced Operating and Capital budget. The Operating Budget assumes basically a status quo operation in terms of volumes of materials received at the Landfill with increases in costs of activities related to Cost of Living increases and contractual increases as appropriate. The driving force behind the reduced net Operating Budget is the increase in revenues associated with the proposed tipping fee increase for contaminated soil.

The Capital Budget shows a significant reduction but that is expected since the 2015 budget included the construction of Cell 3, expansion of the public drop-off area and a perimeter gas collection system for Cell 2. Some major capital expenditures are forecast however and staff will endeavour to minimize the costs associated with the removal of excess soil from the Landfill site and to ensure the construction of Cell 4 is undertaken at the most appropriate time.

Submitted by,



W. H. Jackson
Director of Utility Services

Contact Name:

W. H. Jackson, P.Eng.

Director of Utility Services

Phone: 705-742-7777 Ext. 1894

Fax: 705-876-4621

E-mail: wjackson@peterborough.ca

Attachments:

- Appendix A: Report UMC15-008 – Draft 2016 Budget for Peterborough County/City Waste Management Facility.
- Appendix B: 2016 Draft Operating Budget Updated to September 21, 2015.
- Appendix C: Capital Budget Analysis for the Life of the Landfill.



**City of
Peterborough**

To: Members of the Waste Management Steering Committee

From: W.H. Jackson, Director of Utility Services

Meeting Date: June 22, 2015

**Subject: Report WMC15-008
First Draft of the 2016 Budget for the Peterborough
County/City Waste Management Facility**

Purpose

A report to present the first draft of the 2016 Budget for the Peterborough County/City Waste Management Facility along with an explanation of the assumptions behind the budget.

Recommendations

That the Waste Management Committee endorse the recommendations as outlined in Report WMC15-008 dated June 22, 2015, of the Director of Utility Services as follows:

- a) That Report WMC15-008 dated June 22, 2015 providing information on the first Draft of the Peterborough County/City Waste Management Facility 2016 Budget and the underlying assumptions made in the preparation of this draft budget be received for information; and
- b) That staff be requested to report further at the September meeting of the Waste Management Committee with any proposed changes and/or updates to the Draft Budget.

2. Capital Budget

The Capital Budget is relatively simple for 2016 inasmuch as the major work related to the Cell 3 construction, gas collection line for Cell 2 and improvements to the Public Drop Off area will all have been completed in 2015. For 2016, only 2 items have been included in the Preliminary Capital Budget as shown in Table No. 1:

Table No. 1: 2016 Preliminary Capital Budget

No.	Description	Cost
1	Replace Landfill Co-ordinator's Truck	\$ 35,000
2	Miscellaneous	\$200,000
3	TOTAL	\$235,000

The miscellaneous item could be eliminated if Committee so desired. Its purpose is to have funds available in case there are unexpected capital works needed at the Landfill. Additionally, this fund could be the start of an accumulation leading, in the not too distant future, to the construction of Cell 4.

Future projects that are foreseen at the Landfill include:

- Construction of Cell 4;
- Installation of gas monitoring wells in Cell 2, 3 and 4;
- Installation of a gas collection system in Cell 3 and 4.

Submitted by,

W. H. Jackson
Director, Utility Services
Phone: 705-742-7777 Ext 1894
Fax: 705-876-4621
E-Mail: wjackson@peterborough.ca

Attachments:

Appendix A: Peterborough County/City Waste Management Facility 2016 Draft Budget Assumptions

Appendix B: Summary of Peterborough County/City Waste Management Facility Activity 2013-2015

Report WMC15-008 - Appendix A

Peterborough County/City Waste Management Facility

2016 Draft Budget Assumptions

Tonnages

ITEM	2015 TONNES		2016 DRAFT BUDGET
	BUDGET	ACTUAL ESTIMATE	
Garbage subject to full tipping fee (1)	16,600	16,600	17,000
Garbage exempt from tipping fee (2)	29,200	29,200	29,500
Contaminated Soil (3)	21,000	25,000	21,500
Asbestos (4)	150	325	200
Recyclables subject to regular tipping fee (5)	5,400	5,600	5,800
Recyclables subject to other tipping fee(6)	600	650	700
Recyclables exempt from tipping fee (7)	600	650	700
Tire Units (8)	2,500	2,500	2,500
Freon Units (9)	560	560	560
Mattresses (10)	10,000	8,500	8,500

Notes

- (1) No significant change anticipated.
- (2) No significant change anticipated.
- (3) Do not expect 2016 to be as much as 2015 actuals. Slight increase over 2015 budget.
- (4) Slight increase in case 2015 actual levels continue.
- (5) Increase in recyclables seems to be steady therefore slight increase for 2016. These are typically construction & demolition materials.
- (6) Increase in recyclables seems to be steady therefore slight increase for 2016. These are typically scrap metal, green waste, drywall, blue box materials, and bulky plastics.
- (7) Increase in recyclables seems to be steady therefore slight increase for 2016. These are WEEE & loads under 100 kg.
- (8) No significant change anticipated.
- (9) No significant change anticipated.
- (10) Original estimated annual total was high therefore 2016 estimates more closely match 2015 actuals New program implemented in September 2014.

Operational Expenses

Salaries, Wages, Benefits, Training and Corporate Administration

- City salaries up by almost 1.5%. No change in allocation of staff to Landfill site;
- County Staff resources allocated to Landfill site assumed same as 2015; and
- Training increased from 2014 to account for new employee(s) at Landfill.

Materials, Property Taxes and Insurance

- Reductions in estimates for items such as light and water, materials and bank charges result in an overall reduction in this area.

Site and Weigh Scale Operator

- 2016 cost based on increase in agreement.

Monitoring Consultants

- Standard costs for yearly reporting.

Leachate Disposal

- Leachate unit disposal costs have remained at 2015 levels. Construction of Cell 3 of North Fill Area will result in almost double the volume of leachate collected with a resultant significant increase in leachate disposal costs.

Landfill Recyclables

- Slight reduction of estimated transportation and processing of landfill recyclables based on lower mattress recoverables.

Shame Agreement and WM Steering Committee

- No change assumed for 2016 other than Cost of Living Index.

Rental Property Expenses

- Expense estimates reduced to reflect anticipated reduced work necessary on rental properties in 2016.

Township Royalty Fees

- No change for 2016 other than Cost of Living Index.

Waste Management Report WMC15-008 - Appendix B

Summary of Landfill Activity 2013 - 2015 and 2016 Budget

	2013		2014		2015		2016	
	Budget	Actual	Budget	Actual	Budget	Estimate	Budget	Budget
Gross Revenues								
Tipping Fees	3,692,250	2,800,105	2,830,425	2,744,374	2,565,400	2,685,650	3,076,900	
Rental Properties	95,000	87,177	100,000	88,490	90,000	80,000	80,000	
Stewardship fees - tires	1,200	2,268	10,000	3,642	3,000	1,500	1,500	
Scrap Metal	40,000	50,618	25,000	58,542	30,000	30,000	30,000	
LFG Agreement	20,000	48,474	20,000	79,640	100,000	75,000	75,000	
Certified Emissions Reduction Credits	63,954	62,825	65,000	63,703	65,000	64,000	65,500	
	<u>3,912,404</u>	<u>3,051,467</u>	<u>3,050,425</u>	<u>3,036,391</u>	<u>2,853,400</u>	<u>2,936,150</u>	<u>3,328,900</u>	
Gross Expenditures								
Salaries, Wages, Benefits, Training & Corporate Admin	300,653	303,721	264,237	295,737	266,648	267,648	263,447	
Materials, Property Taxes and Insurance	176,492	169,984	166,855	158,682	246,923	128,035	145,516	
Site and Weighscale Operator	1,260,000	1,337,508	1,320,012	1,320,641	1,359,630	1,359,650	1,542,431	
Monitoring Consultants	350,000	327,491	450,000	323,541	410,000	450,000	385,000	
Leachate Disposal	250,000	239,169	300,000	243,311	300,000	300,000	560,000	
Landfill Recyclables	250,000	409,649	350,000	470,200	630,000	630,000	600,000	
Shame Agreement and WM Steering Committee	65,000	57,717	65,000	57,386	60,000	60,000	60,000	
Rental Property Expenses	50,000	45,658	20,000	23,909	30,000	10,000	25,000	
Township Royalty Fees	312,000	338,057	312,000	340,003	331,000	333,000	342,364	
Other Contractual Services	75,000	64,630	75,000	62,132	180,000	135,000	180,000	
	<u>3,089,145</u>	<u>3,293,584</u>	<u>3,323,104</u>	<u>3,295,542</u>	<u>3,814,201</u>	<u>3,673,333</u>	<u>4,103,758</u>	
Net Revenues/(Expenses) to Share	823,259	(242,117)	(272,679)	(257,151)	(960,801)	(737,183)	(774,858)	
County Share @ 50%	411,630	(121,059)	(136,340)	(128,576)	(480,401)	(368,592)	(387,429)	

Appendix B

DRAFT 2016 LANDFILL OPERATING BUDGET - REPORT WMC15-013 (SEPTEMBER 21, 2015)

Waste Management

Summary of Landfill Activity 2013 - 2015

	2013	2013	2014	2014	2015	2015	2016
	Budget	Actual	Budget	Actual	Budget	Estimate	Budget
Gross Revenues							
Tipping Fees	3,692,250	2,800,105	2,830,425	2,744,374	2,565,400	2,685,650	3,076,900
Rental Properties	95,000	87,177	100,000	88,490	90,000	80,000	80,000
Stewardship fees - tires	1,200	2,268	10,000	3,642	3,000	1,500	1,500
Scrap Metal	40,000	50,618	25,000	58,542	30,000	30,000	30,000
LFG Agreement	20,000	48,474	20,000	79,640	100,000	75,000	75,000
Certified Emissions Reduction Credits	63,954	62,825	65,000	63,703	65,000	64,000	65,500
	<u>3,912,404</u>	<u>3,051,467</u>	<u>3,050,425</u>	<u>3,038,391</u>	<u>2,853,400</u>	<u>2,936,150</u>	<u>3,328,900</u>
Gross Expenditures							
Salaries, Wages, Benefits, Training & Corporate Admin	300,653	303,721	264,237	295,737	266,648	267,648	267,909
Materials, Property Taxes and Insurance	176,492	169,984	166,855	158,682	246,923	128,035	143,412
Site and Weighscale Operator	1,260,000	1,337,508	1,320,012	1,320,641	1,359,630	1,359,650	1,542,431
Monitoring Consultants	350,000	327,491	450,000	323,541	410,000	450,000	385,000
Leachate Disposal	250,000	239,169	300,000	243,311	300,000	300,000	560,000
Landfill Recyclables	250,000	409,649	350,000	470,200	630,000	630,000	600,000
Shame Agreement and WM Steering Committee	65,000	57,717	65,000	57,386	60,000	60,000	60,000
Rental Property Expenses	50,000	45,658	20,000	23,909	30,000	10,000	25,000
Township Royalty Fees	312,000	338,057	312,000	340,003	331,000	333,000	342,364
Other Contractual Services	75,000	64,630	75,000	62,132	180,000	135,000	180,000
	<u>3,089,145</u>	<u>3,293,584</u>	<u>3,323,104</u>	<u>3,295,542</u>	<u>3,814,201</u>	<u>3,673,333</u>	<u>4,106,116</u>
Net Revenues/(Expenses) to Share	823,259	(242,117)	(272,679)	(257,151)	(960,801)	(737,183)	(777,216)

County Share @ 50% 411,630 (121,059) (136,340) (128,576) (480,401) (368,992) (388,608)

APPENDIX C

DRAFT 2016 LANDFILL CAPITAL BUDGET - REPORT UMC15-013 (SEPTEMBER 21, 2015)

NO.	ITEM	YEAR											TOTAL										
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		2027	2028	2029	2030	2031	2032				
1	Landfill Vehicle	\$35,000																				\$105,000	
2	Final Cover for Cell 2	\$150,000 ¹	\$150,000																				\$300,002
3	Perimeter LFG Collection System in Cell 3	\$100,000	\$240,000																				\$100,000
4	Vertical LFG Collection Wells in Cell 2 (Approx. 50%)	\$240,000 ¹	\$2,160,000 ¹	\$2,160,000 ¹																			\$480,002
5	Haul Soil Off-site																						\$4,320,002
6	Construct Cell 4				\$4,100,000																		\$4,100,000
7	Perimeter LFG Collection System in Cell 4																						\$130,000
8	Final Cover Cell 3																						\$240,006
9	Vertical LFG Collection Wells in Cell 3																						\$460,007
10	Final Cover Cell 4																						\$330,007
11	Vertical LFG Collection Wells in Cell 4																						\$555,011
	TOTAL	\$525,000	\$2,550,000	\$2,160,000	\$0	\$4,100,000	\$130,000	\$0	\$115,000 #	\$410,000	\$80,000	\$0	\$0	\$0	\$0	\$405,000	\$110,000	\$535,000	\$11,120,037				

1. Approximately 50%
2. Approximately 33%
3. On East Side of Cell 3
4. On West Side of Cell 3
5. On East Side of Cell 4
6. On West Side of Cell 4