



City of
Peterborough

To: Members of the Waste Management Steering Committee

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

Meeting Date: October 16, 2017

Subject: Report WMC17-008
Peterborough County/City Waste Management Facility – 2018
Draft Budget Update

Purpose

A report to update the Committee on the 2018 Draft Budget for the Peterborough County/City Waste Management Facility.

Recommendations

That the Waste Management Committee endorse the recommendations as outlined in Report WMC17-008 dated October 16, 2017, of the Director of Utility Services as follows:

- a) That the Draft 2018 Budget for the Peterborough County/City Waste Management Facility as detailed in Appendices D and E of Report WMC17-008 dated October 16, 2017 be accepted and recommended for adoption as part of the City of Peterborough budgeting process;
- b) That the tipping fee for mattresses and/or box springs be increased from \$11.00/unit to \$20.00/unit for loads greater than 10 units effective January 1, 2018; and
- c) That the tipping fee for appliances requiring Freon removal be increased from \$15.00 to \$20.00/unit effective January 1, 2018.

Budget and Financial Implications

The final budget forms part of the City budget and is expected to be adopted in December 2017.

Background

The Waste Management Committee at its meeting of June 19, 2017 in considering Report WMC17-004 (see Appendix A) adopted the following:

- a) That Report WMC17-004 dated June 19, 2017 providing information on the first Draft of the Peterborough County/City Waste Management Facility 2018 Budget and the underlying assumptions made in the preparation of this draft budget be received for information;
- 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;
- c) That the tipping fee for mattresses and/or box springs be increased to \$20.00/unit for loads greater than 10 units effective January 1, 2018; and
- d) That the tipping fee for appliances requiring Freon removal be increased from \$15.00 to \$20.00/unit effective January 1, 2018.

Since the last report (Appendix A), a number of changes have occurred in the 2018 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 2018.

1. Actions Taken/Other Considerations since the June 19, 2017 Waste Management Committee Meeting

The Waste Management Committee at its meeting of June 19, 2017 requested staff to take action on a couple of issues.

1.1 Increase the Fee for Mattresses and Box Springs

Immediately following the Committee direction of June 19, 2017, to increase the tipping fee for large loads (more than 10 units) of mattresses/box springs from \$11.00/unit to \$20.00/unit a notice (Appendix B) was posted at the weigh scale at the Landfill where everybody would see it as they crossed the scales. During the time the notice was posted, almost 10,000 vehicles passed the weigh scale.

In addition, an advertisement was placed in Peterborough This Week (June 28, 2017) and the Peterborough Examiner (June 29, 2017) (Appendix C). Although the meeting date that the increase was to be considered was changed, no person has enquired about the changes and nobody arrived at City Hall on September 18, 2017 to discuss this issue.

In consideration of the above, staff is of the opinion that the proposed increase fee for loads greater than 10 units for mattresses and box springs should be implemented effective January 1, 2018.

This will have the effect of increasing the revenue at the landfill reducing the net overall Landfill budget by an estimated \$18,000.

1.2 Increase the Fee for Freon Containing Appliances

Immediately following the Committee direction of June 19, 2017, to increase the tipping fee for appliances containing Freon from \$15.00/unit to \$20.00/unit a notice (Appendix B) was posted at the weigh scale at the Landfill where everybody would see it as they crossed the scales. During the time the notice was posted, in the order of 10,000 vehicles pasted the weigh scale.

In addition, an advertisement was placed in Peterborough This Week (June 28, 2017) and the Peterborough Examiner (June 29, 2017) (Appendix C). Although the meeting date that the increase was to be considered was changed, no person has enquired about the changes and nobody arrived at City Hall on September 18, 2017 to discuss this issue.

In consideration of the above, staff is of the opinion that the proposed increase fee for appliances containing Freon should be implemented effective January 1, 2018.

This will have the effect of increasing the revenue at the landfill reducing the net overall Landfill budget by an estimated \$6,000.

2. Changes to 2017 Draft Operating and Capital Budgets

Since June 19, 2017, a number of adjustments have been made to the 2017 draft budget as described below.

2.1 Operating Budget

Appendix E contains the October 16, 2017 draft 2018 Landfill Operating Budget. The estimated gross revenues have been reduced slightly to account for updated tonnage estimates however, if the proposed tipping fees for large loads of mattresses and/or box springs and for appliances containing Freon are

approved, the additional revenue from these increases will bring the total revenue up to that reported in the June 19, 2017 meeting.

Some additional costs have been included in the latest budget estimate. Approximately \$21,000 has been added to hire additional part-time help during the spring, summer and fall months. This additional help will concentrate on the public drop off area because of the increasing activity at this location and to maximize revenue from the recyclable materials collected at the drop off area. The addition of this part-time position will greatly assist in reducing contamination.

The other increases are related to updated electrical costs, money set aside to do preventative maintenance on the Landfill site buildings and an increase in the funds necessary to maintain and upgrade the date processing operation at the Landfill. The total cost estimate for the Landfill has been increased by almost \$66,000 from that reported at the June 19, 2017 Committee meeting.

2.2 Capital Budget

The Capital Budget has not changed from that presented at the June 19, 2017 Committee meeting. Staff are, however, attempting to reduce the cost of removing the excess soil on the site by looking at the possibilities of using the soil within the Landfill area thereby reducing the transportation costs.

Submitted by,

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Attachments:

- Appendix A: Report WMC17-004 First Draft of the 2018 Budget for the Peterborough County/City Waste Management Facility dated June 19, 2017
- Appendix B: Notice of Proposed Tip Fee Increase
- Appendix C: Proposed Tip Fee Increase Advertisement
- Appendix D: 2018 Draft Landfill Operating Budget as of October 17, 2016
- Appendix E: 2018 Draft Landfill Capital Budget as of October 17, 2016