



**City of  
Peterborough**

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**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**

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## **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.

## **BUDGET AND FINANCIAL IMPLICATIONS**

The assumptions presented in this report will form the basis for the 2016 Draft Budget submission for the Peterborough County/City Waste Management Facility. The final budget forms part of the City budget and is expected to be adopted in December 2015.

## **BACKGROUND**

The 2016 Budget process has started with the goal to have the final budget for the Peterborough County/City Waste Management Facility (the “Landfill”) adopted in December 2015.

The budget for the Landfill forms part of the overall City of Peterborough budget. The Waste Management Committee provides input to the budget process together with staff from both the County and City.

Appendix A provides a list of assumptions used in the preparation of the first Draft of the 2016 Budget. The assumptions consider the actual performance of various elements of the budget factored by what staff can reasonably foresee occurring in the immediate economic environment (i.e. household growth) and more global reaching environments (i.e. price paid for recyclable material).

These assumptions are being made some 6 to 18 months before actually occurring and, accordingly, there is an element of risk and uncertainty involved. Given this long prediction period, staff suggests that a second budget report be submitted to the September meeting of the Committee to allow further discussion and/or comments.

The conservative approach has been used for all assumptions.

### **1. Operating Budget**

Appendix B provides Budget and Actual information from 2013 to 2015 with an estimated 2016 Budget. Comparing the 2015 and 2016 Budgets, it can be seen that:

- Budgeted revenues are up by almost 20%. This is mainly attributable to the proposed increase in the tipping fee for contaminated soil;
- Expenditures are up by almost 8%. This is attributable mainly to the increase in the Site and Weighscale Operator costs.

## 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

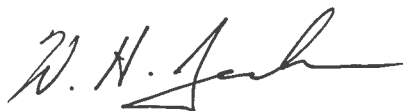
No.	Description	Cost
1	Replace Landfill Co-ordinator's Truck	\$ 35,000
2	Miscellaneous	\$200,000
3	<b>TOTAL</b>	<b>\$235,000</b>

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](mailto: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 Revenues**

### **Tipping Fees**

For 2016, increased tipping fees are proposed for:

- Contaminated Soil from \$20/tonne to \$40/tonne;
- Dry Wall from \$45/tonne to \$90/tonne

### **Rental Properties**

- Slight decrease from 2015 to more closely match actuals.

### **Stewardship Revenues**

- No significant changes.

### **Scrap Metal**

- Assumed increased volume based on estimated 2015 Actual.

### **LFG Agreement**

- Reduction in royalty due to underperformance of generation plant.

### **Certified Emissions Reduction Credits**

- Slight increase based on Cost of Living Index.

## **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.

## Other Contractual Services

- 2015 Actuals lower than 2015 budget but retained 2016 request at the 2015 budget to ensure sufficient funds available for South Fill Area landscaping and other projects that may occur.

# 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
<b>Gross Revenues</b>								
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	
	3,912,404	3,051,467	3,050,425	3,038,391	2,853,400	2,936,150	3,328,900	
<b>Gross Expenditures</b>								
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 Sleering 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	
	3,089,145	3,293,584	3,323,104	3,295,542	3,814,201	3,673,333	4,103,758	
<b>Net Revenues/(Expenses) to Share</b>	823,259	(242,117)	(272,679)	(257,151)	(960,801)	(737,183)	(774,858)	
<b>County Share @ 50%</b>	411,630	(121,059)	(136,340)	(128,576)	(480,401)	(368,592)	(387,429)	