



City of
Peterborough

To: Members of the Waste Management Steering Committee

From: W.H. Jackson,
Commissioner of Infrastructure and Planning Services

Meeting Date: July 30, 2018

Subject: Report WMC18-003
First Draft of the 2019 Budget for the Peterborough
County/City Waste Management Facility

Purpose

A report to present the first draft of the 2019 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 WMC18-003 dated July 30, 2018, of the Commissioner of Infrastructure and Planning Services as follows:

- a) That Report WMC18-003 dated July 30, 2018 providing information on the first draft of the Peterborough County/City Waste Management Facility 2019 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;

Budget and Financial Implications

The assumptions presented in this report will form the basis for the 2019 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 February 2019.

Background

The 2019 Budget process has started with the goal to have the final budget for the Peterborough County/City Waste Management Facility (the "Landfill") adopted in February 2019.

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 2019 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 2017 to 2019 with an estimated 2019 Budget. Comparing the 2018 and 2019 Budgets, it can be seen that:

- Budgeted revenues are up by almost 23%, the vast majority of which is through tipping fees. This is the first draft and staff will examine this part of the budget in more detail to ensure the tipping fee revenue is not overstated. The only fee increase included in the draft 2019 budget is an increase in the fee to drop off mattresses from \$11.00 per mattress or box spring to \$12.00.

The next report on the draft budget should be able to talk more fully on this issue.

- The expenditures for Leachate Disposal and Township Royalty Fees have been reduced to more accurately reflect the 2018 actuals.

- The increase in Landfill Recyclables is reflective of a new contract with higher fees.
- The increase in Rental Property Expenses is the beginning of a more pro-active maintenance program.

2. Capital Budget

The Landfill Capital Budget 2019-2032 is presented in Appendix C.

The major item added to the 2019 budget is the implementation of the Neal Drive Odour Control Facility. The \$700,000 cost includes the construction and construction supervision for this facility.

As with previous years, the major capital cost is the removal of excess soil from the Landfill site. The capital cost shown includes the removal of approximately 20,000 cubic metres of excess soil to a site on Wallace Point as well as the use of approximately 30,000 cubic metres of excess soil on the Landfill site.

Submitted by,



W. H. Jackson, P Eng.
Commissioner of Infrastructure and Planning 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 2019 Draft Budget Assumptions
- Appendix B: Summary of Peterborough County/City Waste Management Facility Activity 2017-2019
- Appendix C: Peterborough County/City Waste Management Facility Estimated Capital Budget (as of July 12, 2018)

Appendix A to Report WMC18-003

Peterborough County/City Waste Management Facility 2019 Draft Budget Assumptions

Item	Note	2018 Tonnes		2019 Draft Budget Estimates
		Budget	Actual Estimate	
Garbage subject to full tipping fee (\$95)	1	15,600	16,500	16,700
Garbage exempt from tipping fee (\$0)	2	28,500	28,000	28,500
Daily Cover (Contaminated Soil) (\$40)	3	12,000	18,000	20,000
Asbestos (\$200)	4	250	570	640
Recyclables subject to full tipping fee (\$95)	5	4,000	4,500	4,925
Recyclables subject to other tipping fee (\$45)	6	825	1100	1150
Recyclables exempt from tipping fee (\$0)	7	600	400	360
Tire Units (\$0)	8	2,500	1,000	1,130
Freon Units (\$15)	9	1,200	1,100	1,125
Mattresses (\$12)	10	12,000	10,500	10,800
Mattresses (\$20)	11		2,500	2700

Notes

- 1/2 No significant change anticipated.
- 3 Daily Cover (Contaminated Soil) volumes can be variable depending on projects within the area.
- 4/5 No significant change anticipated but steady growth has been observed.
- 6 These are typically scrap metal, green waste, drywall and blue box materials. As with 4/5, steady growth has been observed.
- 7 These are WEEE & loads under 100 kg. A downward trend has been observed.
- 8 Tire units were over estimated in the 2018 Budget.
- 9 No significant change anticipated.
- 10 Have matched 2018 budget to 2017 estimated actual.
- 11 A charge for large Mattress loads (10 or more) was implemented in 2018.

Operational Revenues

Tipping Fees

- The Budget estimate is based on maintaining existing tipping fees except for the prior approved increase in the tipping fee for mattresses from \$11/mattress or box spring to \$12 per unit. The majority in the increased estimated tipping fee is from the additional contaminated soil, asbestos and recyclables subject to full tipping fee.

Rental Properties

- Slight increase to match cost of living index.

Stewardship Revenues

- Tire revenue is uncertain. In 2018 we unexpectedly received an estimated \$12,000 and have slightly increased that for 2018.

Scrap Metal

- Maintain 2019 Budget at 2018 Budget level. There is a lot of competition for scrap metal.

LFG Agreement

- Royalty has been significantly reduced to better match actuals.

Certified Emissions Reduction Credits

- Program ended on July, 2017 so no revenue included in 2018 and 2019 Budgets.

Operational Expenses

Salaries, Wages, Benefits, Training and Corporate Administration

- The new Manager of Environmental Services has been included in the Landfill salary allocation replacing the Commissioner of Infrastructure and Planning Services; and
- County Staff resources allocated to Landfill site assumed same as 2018.

Materials, Property Taxes and Insurance

- No major changes are anticipated in this area. Matching 2018 estimated actual with a cost of living increase.

Site and Weigh Scale Operator

- 2019 cost based on agreement.

Monitoring Consultants

- Standard costs for yearly reporting based on established work program and estimate of additional work that may be required. Less design work expected in 2019.

Leachate Disposal

- Leachate unit disposal costs have been updated to more closely match estimated actuals.

Landfill Recyclables

- Steady growth has been observed in this area.

Shame Agreement and WM Steering Committee

- No change assumed for 2019.

Rental Property Expenses

- Expense estimates increased to reflect additional work required in 2018 and for years moving forward. Will be moving to a more pro-active maintenance program.

Township Royalty Fees

- No change for 2019 other than Cost of Living Index and adjustment for volume of waste coming into Landfill.

Other Contractual Services

- No change from 2017 actual costs.

Appendix B to Report WMC18-003

Summary of Landfill Activity 2017 - 2018 and 2019 Budget -- July 12, 2018

	2017 Budget	2017 Estimate	2018 Budget	2018 Estimate	2019 Budget
Gross Revenues					
Tipping Fees	2,895,600	2,365,000	2,750,000	2,850,000	3,497,666
Rental Properties	87,000	87,000	88,000	90,900	92,000
Stewardship fees - tires	10,000	-	-	12,000	15,000
Scrap Metal	35,000	15,000	35,000	35,000	35,000
LFG Agreement	75,000	75,000	75,000	23,000	25,000
Certified Emissions Reduction Credits	38,000	38,000	-	-	-
	<u>3,141,600</u>	<u>2,580,000</u>	<u>2,948,000</u>	<u>3,010,900</u>	<u>3,664,666</u>
Gross Expenditures					
Salaries, Wages, Benefits, Training & Corporate Admin	261,839	261,839	300,000	323,908	323,787
Materials, Property Taxes and Insurance	163,031	169,170	158,670	162,943	167,809
Site and Weighscale Operator	1,442,435	1,442,435	1,485,693	1,485,693	1,530,324
Monitoring Consultants	470,000	470,000	330,000	330,000	330,000
Leachate Disposal	560,000	300,000	560,000	350,000	365,000
Landfill Recyclables	600,000	625,000	650,000	706,341	715,278
Shame Agreement and WM Steering Committee	60,000	60,000	60,000	60,000	60,000
Rental Property Expenses	10,000	5,000	5,000	15,000	18,000
Township Royalty Fees	340,716	290,000	300,000	235,000	240,000
Other Contractual Services	100,000	100,000	100,000	85,000	100,000
	<u>4,006,021</u>	<u>3,723,444</u>	<u>3,949,363</u>	<u>3,753,885</u>	<u>3,850,198</u>
Net Revenues/(Expenses) to Share	(866,421)	(1,143,444)	(1,001,363)	(742,985)	(185,532)
County Share @ 50%	(433,211)	(571,722)	(500,682)	(371,493)	(92,766)

Appendix C to Report WMC18-003

PETERBOROUGH COUNTY/CITY WASTE MANAGEMENT FACILITY ESTIMATED CAPITAL BUDGET -- AS OF JULY 12, 2018																
NO.	ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTAL
a	Final Cover for Cell 2															\$0
b	Haul Soil Off-site	\$1,305,000 ¹	\$1,305,000 ¹													\$2,610,000
c	Design Cell 4		\$35,000													\$35,000
d	Construct Cell 4			\$4,500,000 ⁷												\$4,500,000
e	Perimeter LFG Collection System in Cell 4			\$150,000												\$150,000
f	Final Cover Cell 3				\$80,000 ²	\$95,000 ²	\$95,000 ²									\$280,000
g	Vertical LFG Collection Wells in Cell 3					\$380,000 ³										\$380,000
h	Final Cover Cell 4												\$180,000 ⁴			\$180,000
i	Vertical LFG Collection Wells in Cell 3												\$150,000 ⁵	155,000 ²	160,000 ²	\$465,000
j	Neal Drive Odour Control Facility 7	\$700,000											\$180,000 ⁶		625,000 ⁴	\$805,000
k	Replace Air Release Equipment Along Forcemain	\$70,000														\$70,000
	TOTAL	\$2,075,000	\$1,340,000	\$4,650,000	\$80,000	\$475,000	\$95,000	\$0	\$0	\$0	\$0	\$0	\$510,000	\$155,000	\$785,000	\$10,175,000

- 1. Approximately 50% each year
- 2. Approximately 33% each year
- 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
- 7. Includes Contingency (15%) and Construction Administration

Appendix B to Report WMC18-004

Summary of Landfill Activity 2017 - 2018 and 2019 Budget -- October 1, 2018

	2017 Budget	2017 Estimate	2018 Budget	2018 Estimate	2019 Budget
Gross Revenues					
Tipping Fees	2,896,600	2,365,000	2,750,000	2,850,000	3,450,000
Rental Properties	87,000	87,000	88,000	90,900	92,000
Stewardship fees - tires	10,000	-	-	12,000	15,000
Scrap Metal	35,000	15,000	35,000	35,000	35,000
LFG Agreement	75,000	75,000	75,000	23,000	25,000
Certified Emissions Reduction Credits	38,000	38,000	-	-	-
	3,141,600	2,580,000	2,948,000	3,010,900	3,617,000
Gross Expenditures					
Salaries, Wages, Benefits, Training & Corporate Admin	261,839	261,839	300,000	323,908	324,972
Materials, Property Taxes and Insurance	163,031	169,170	158,670	162,943	158,848
Site and Weighscale Operator	1,442,435	1,442,435	1,485,693	1,485,693	1,530,324
Monitoring Consultants	470,000	470,000	330,000	330,000	330,000
Leachate Disposal	560,000	300,000	560,000	350,000	365,000
Landfill Recyclables	600,000	625,000	650,000	706,341	715,278
Shame Agreement and WM Steering Committee	50,000	60,000	60,000	60,000	60,000
Rental Property Expenses	10,000	5,000	5,000	15,000	18,000
Township Royalty Fees	340,716	290,000	300,000	235,000	240,000
Other Contractual Services	100,000	100,000	100,000	85,000	100,000
	4,008,021	3,723,444	3,949,363	3,753,885	3,842,422
Net Revenues/(Expenses) to Share	(866,421)	(1,143,444)	(1,001,363)	(742,985)	(225,422)
County Share @ 50%	(433,211)	(571,722)	(500,682)	(371,493)	(112,711)

Appendix C to Report WMC18-004

PETERBOROUGH COUNTY/CITY WASTE MANAGEMENT FACILITY ESTIMATED CAPITAL BUDGET -- As of October 1, 2018																	
NO.	ITEM	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTAL	
a	Final Cover for Cell 2	\$1,260,000	\$1,260,000 ¹													\$0	
b	Haul Soil Off-site		\$35,000														\$35,000
c	Design Cell 4			\$4,500,000 ⁷													\$4,500,000
d	Construct Cell 4			\$150,000													\$150,000
e	Penmeter LFG Collection System in Cell 4				\$90,000 ²	\$95,000 ²	\$95,000 ²										\$280,000
f	Final Cover Cell 3																\$560,000
g	Vertical LFG Collection Wells in Cell 3												\$180,000 ⁴				\$180,000
h	Final Cover Cell 4					\$380,000 ³							\$150,000 ²	155,000 ²	160,000 ²		\$465,000
i	Vertical LFG Collection Wells in Cell 3												\$180,000 ⁵		625,000 ⁶		\$805,000
j	Neat Drive Odour Control Facility 7	\$700,000															\$700,000
k	Replace Air Release Equipment Along Forcemain	\$70,000															\$70,000
	TOTAL	\$2,030,000	\$1,295,000	\$4,650,000	\$90,000	\$475,000	\$95,000	\$0	\$0	\$0	\$0	\$0	\$510,000	\$155,000	\$785,000	\$10,085,000	

1. Approximately 50% each year
2. Approximately 33% each year
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
7. Includes Contingency (15%) and Construction Administration