



City of
Peterborough

To: **Members of Peterborough Regional Liaison Committee**

From: **Cynthia Fletcher**
Commissioner of Infrastructure and Planning Services

Meeting Date: **June 10, 2022**

Subject: **Report IPSESPRLC21-002**
Draft 2022 Budget: Peterborough County/City Waste Management Facility

Purpose

A report to present the initial draft 2022 Budget for the Peterborough County/City Waste Management Facility (PCCWMF).

Recommendation

That the Peterborough Regional Liaison Committee endorse the recommendation as outlined in Report IPSESPRLC21-002 dated June 10, 2021, of the Commissioner of Infrastructure and Planning Services as follows:

That the initial draft Peterborough County/City Waste Management Facility 2022 Budget and presentation be received for information.

Budget and Financial Implications

There are no budget or financial implications in receiving this report.

The assumptions presented in this report will form the basis for the 2022 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 2021.

Background

The 2022 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 2021.

The budget for the Landfill forms part of the overall City of Peterborough budget. Staff from the County and City provide input necessary to develop the budget. The Peterborough Regional Liaison Committee (PRLC) receives the draft budget as part of the overall process.

Appendix A provides a list of rationale used in the preparation of the draft of the 2022 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, state of pandemic, and local economy) and more global reaching environments (i.e. price paid for recyclable material, and other contractual services).

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

A conservative approach has been used for all assumptions.

1. Operating Budget

Appendix B provides Actual and Budget information from 2020 to 2022 with an estimated 2022 Budget. Comparing the 2021 and 2022 Budgets:

- Budgeted revenues are up by almost 34%, the vast majority of which is as a result of the January 1, 2021 increases to tipping fees. Staff will examine this part of the budget in more detail for the next report, to ensure the tipping fee revenue is not overstated. There are currently no fee increases proposed for 2022. However, staff will continue to review revenues, expenses (including contracts and service agreements), markets, and the resultant budget implications with recommendations for fees and future budgets expected late in 2021.

- The expenditures for Leachate Disposal and Township Royalty Fees have been increased to reflect the 2021 and 2022 expectations more accurately.
- The increase in Landfill Recyclables is reflective of new contracts with higher fees.

2. Capital Budget

The Landfill Capital Budget 2021-2032 is presented in Appendix C.

The major item beginning in 2022 and reflected in the budget is the Cell #4 tendering and construction. Cell #4 is required to be constructed in 2022 to be available for uninterrupted waste disposal for the County and City of Peterborough in 2023. Previous budget estimates were developed in 2014, however have been revised by the Engineers completing the preliminary Cell #4 design based on escalation of construction costs, and changes in regulatory requirements.

There are also capital costs associated with the aging infrastructure including receiving area concrete refurbishment, Leachate Force-main preventative maintenance, a landfill truck purchase, and back-up generator replacement.

Summary

This report outlines the initial draft 2022 Budget for the Peterborough County/City Waste Management Facility (PCCWMF) and the rationale used to develop the draft budget. Staff proposes to provide an updated draft budget report to PRLC in September of 2021. This budget will be considered as part of the City's comprehensive budget review, with approval expected in December of 2021.

Submitted by,

Cynthia Fletcher
Commissioner, Infrastructure and Planning Services

Contact Name:

James Istchenko, P.Eng.

Manager, Environmental Services

Phone 705-742-7777; ext. 2624

Toll Free: 1-855-738-3755

E-mail address: jistchenko@peterborough.ca

Attachments

- Appendix A – Peterborough County/City Waste Management Facility 2022 Budget Assumptions
- Appendix B – Summary of Landfill Activity
- Appendix C – Peterborough County/City Waste Management Facility Estimated Capital Budget

Appendix A to Report PRLC21-002

Peterborough County/City Waste Management Facility 2022 Budget Assumptions

Item	2021		2022 Draft Budget Estimates (units)	Notes
	Budget (units)	Actual Estimate (units)		
Garbage subject to full tipping fee (\$125/t)	16,700	16,500	16,700	No significant change anticipated
Garbage flat fee 100kg or less (\$12)	28,500	28,000	28,500	No significant change anticipated
Daily Cover (Contaminated Soil) (\$50/t)	14,000	16,500	15,000	Daily Cover (Contaminated Soil) volumes can be variable depending on projects within the area, the first 5 months of 2021 have been higher than past years, likely due to the early Spring and favourable weather, as well as significant progress on several key projects.
Asbestos (\$245/t)	400	450	440	No significant change anticipated.
Recyclables subject to full tipping fee (\$95/t)	4,925	5,000	4,925	Typically scrap metal, green waste, drywall and blue box materials. Despite the Pandemic, receipts have been steady and consistent with previous years.
Recyclables flat fee 100kg or less (\$7)	1,150	1,100	1,150	Same as above
Freon Units (\$24)	1,125	1,100	1,125	No significant change anticipated.
Mattresses <10units (\$16)	10,800	11,500	11,300	Small load mattress receipts so far in 2021 are higher than past years.
Mattresses >10 units (\$22)	2,700	1,800	2,000	An elevated charge for large Mattress loads (10 or more) was implemented as part of the new fee schedule, and receipts fluctuate based on alternate options and commercial contracts. Expect lower than previous year averages in 2021 and 2022.

Operational Revenues

Tipping Fees

- The Budget estimate is based on maintaining the existing tipping fees, as they were increased January 1, 2021, but a review of fee recommendations is underway for consideration in late 2021.

Rental Properties

- Moderate increase to match cost of living index.

Landfill Recyclables

- Maintain 2022 Budget at 2021 Budget level. There is much competition for scrap metal. Despite increased commodity prices, the cost of processing landfill recyclables such as drywall and construction lumber has increased in recent contracts offsetting revenue gains.

Landfill Gas Agreement

- The Royalty has been decreasing based on the projections in the contract with PUC versus actuals. The previous estimate has been maintained.

Operational Expenses

Salaries, Wages, Benefits, Training and Corporate Administration

- No significant change anticipated from the 2021 budget.

Materials, Property Taxes and Insurance

- Increase to match anticipated insurance and tax costs.

Site and Weigh Scale Operator

- 2022 cost based on final year of contract agreement extension.

Engineering and Monitoring Consultants

- Proposed costs for yearly reporting, and Engineering design work based on established work program and new contract awarded in 2019. The 2022 contract year includes support of several planned projects and the associated activities.

Leachate Disposal

- Leachate disposal costs are lower than 2021 budget expectations due to low snowfall and precipitation. The 2021 actuals may increase later in the year, so recommend maintaining estimates in 2022 budget.

Landfill Recyclables

- Steady growth has been observed in this area, and increasing market challenges, reflected through contract renewals are influencing disposal costs. These diversion efforts although costly are important to protecting landfill capacity.

Shame Agreement and WM Steering Committee

- Additional Engineering investigations and reporting are anticipated in 2021 and 2022 (reflected in Monitoring and Consulting budget).

Rental Property Expenses

- Expenses have been steady, and budget for continued support.

Township Royalty Fees

- Royalty payments anticipated to increase in 2022 budget with increased receipts including contaminated soil from construction projects, and cost of living index.

Other Contractual Services

- An increase is proposed to support wet well repairs, force main and receiving area preventative maintenance and upgrades.

Appendix B to Report PRLC21-002

Summary of Landfill Activity

	2020 Budget	2020 final	2021 Budget	2021 Estimate	2022 Budget
Gross Revenues					
Tipping Fees	3,495,000	3,242,377	4,405,000	4,050,000	4,405,000
Rental Properties	93,000	88,986	93,000	93,000	93,000
Stewardship fees - tires	12,000	5,477	-	-	-
Scrap Metal	35,000	67,787	35,000	55,000	45,000
LFG Agreement	20,000	-	15,000	10,000	10,000
Certified Emissions Reduction Credits	-				
	3,655,000	3,404,627	4,548,000	4,208,000	4,553,000
Gross Expenditures					
Salaries, Wages, Benefits, Training & Corporate Admin	315,771	280,245	315,427	315,000	336,452
Materials, Property Taxes and Insurance	172,555	178,280	181,482	181,000	196,821
Site and Weighscale Operator	1,596,881	1,596,881	1,759,800	1,759,800	1,840,375
Monitoring Consultants	487,000	274,806	461,555	440,000	586,550
Leachate Disposal	400,000	209,509	410,000	320,000	420,000
Landfill Recyclables	1,150,000	733,165	1,150,000	1,040,000	1,220,000
Shame Agreement and WM Steering Committee	57,000	56,280	57,000	57,000	57,000
Rental Property Expenses	18,000	1,406	20,000	15,000	20,000
Township Royalty Fees	300,000	351,512	340,000	375,000	400,000
Other Contractual Services	100,000	177,583	140,000	150,000	150,000
	4,597,207	3,859,667	4,835,264	4,652,800	5,227,198
Net Revenues/(Expenses) to Share	(942,207)	(455,040)	(287,264)	(444,800)	(674,198)
County Share @ 50%	(471,104)	(227,520)	(143,632)	(222,400)	(337,099)

Appendix C to Report IPSESPRLC21-002

PETERBOROUGH COUNTY/CITY WASTE MANAGEMENT FACILITY ESTIMATED CAPITAL BUDGET														
NO.	ITEM													
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTAL
a	Final Cover for Cell 2	\$110,000												\$110,000
b	PCCWMF upgrades, repairs, capital purchases	\$228,000	\$365,000	\$200,000	\$505,000									\$1,298,000
c	Design Cell 4	\$64,000	\$220,000											\$284,000
d	Construct Cell 4	\$3,300,000 ⁷	\$3,800,000 ⁷											\$7,100,000
e	Perimeter LFG Collection System in Cell 4				\$400,000									\$750,000
f	Final Cover Cell 3	\$100,000	\$90,000 ²	\$95,000 ²	\$95,000 ²									\$380,000
g	Vertical LFG Collection Wells in Cell 3	\$350,000		\$180,000 ³							\$180,000 ⁴			\$360,000
h	Final Cover Cell 4										\$150,000 ²	155000 ²	160000 ²	\$465,000
i	Vertical LFG Collection Wells in Cell 3										\$180,000 ⁵		625000 ⁶	\$805,000
j	Neal Drive Odour Control Facility	\$88,000												\$88,000
k	PCCWMF Regulatory Review and Requirements			\$1,670,000	\$1,000,000									\$2,670,000
														\$0
	TOTAL	\$4,240,000	\$4,475,000	\$2,145,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$510,000	\$155,000	\$785,000	\$14,310,000

2. Approximately 25% 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%), Construction Administration, soil management, EIS etc