



TWENTY21
NIAGARA REGION BUDGET

Waste Management Operating Budget & Requisition

November 26, 2020

2021 Waste Management Operating Budget

Key Themes

Budget Strategy Responsive to COVID-19 Impacts

- Budget planning strategy of 2% in base expenditures for 2021
- however cost service delivery and new collection contract effective Oct 2020 requires 3.99% increase for 2021.

Balancing Affordability, Sustainability and Transparency

- Waste Stabilization Reserve used to mitigate increases over 2021 & 2022 (and 2020)
- 2023 provides for contract costs with sustainable funding

2021 Waste Management Operating Budget & Requisition

What we're going to
cover:

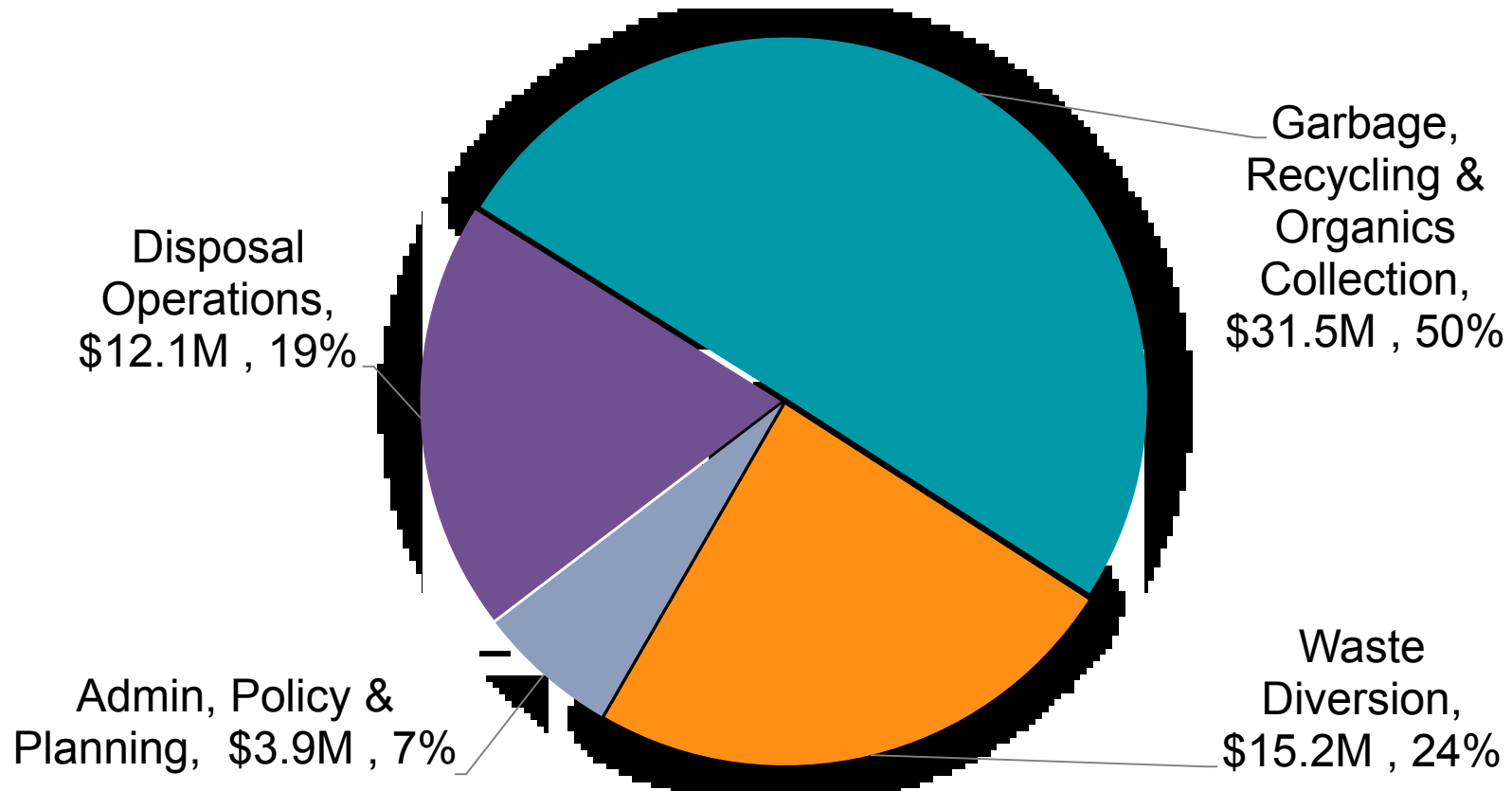
- Operating Budget Summary
- Requisition to Municipalities
- Risks and Opportunities
- Next Steps

2021 Budget Process

- ✓ Budget planning strategy set at 2%
- ✓ Staff developed budget that:
 - Manages existing service levels & contracts (first full year)
 - Mitigates impact on property owners
- ✓ Rate Workshop provided education and information
- ✓ BRC approval required

2021 Waste Management Operating Budget

Where does the money go? Gross Budget = \$63M



Discretionary spending less than 3%

2021 Budget Pressures & Mitigations

Accommodated Within 3.99% Increase

2021 Waste Management Budget Summary	Total \$	Total %
2020 Net Requisition	38,822	
Gross Increase/Pressures	5,938	
Operating Subtotal	44,760	15.3%
Mitigations	(4,263)	
COVID-19	(126)	
Net Operating Increase	1,549	
2021 Net Requisition	40,371	3.99%

2021 Budget Pressures

Increase of \$5.9M on Net Requisition

- External Contract Related (\$7.8 million)
 - Curbside Collection (first full year), Recycling Purchases, Compost Processing
- Revenue (-\$1.8 million)
 - End Market Revenue Increase, RPRA Funding, Bag Tag Revenue
- Miscellaneous Net (-\$0.1 million)
 - Decreased Debt Charges, Removal One-time Stabilization Reserve Funding

2021 Budget Mitigations

Decrease of \$4.4M on Net Requisition

- Stabilization Reserve Funding (\$3.4 million)
 - Mitigate Costs Associated with New Collection Contract
- Eliminate Free Containers Exchange Program (\$0.1 million)
- Program Deferrals (\$0.7 million)
 - Tip Fee Exemption for Charities, Mattress Recycling Program, Diversion of Construction and Demolition Wood Products, Student Positions & Staffing Vacancies
- Safe Restart Funding to mitigate COVID-19 related costs (\$0.1 million)

2021 Waste Management Reserves

Projections Inclusive of uses proposed in 2021 budget

Reserve	Projected 2020 YE Balance	Projected 2021 YE Balance	Projected 2022 YE Balance	Projected 2023 YE Balance	Target Reserve Balance
Waste Capital Reserve	\$2.1	\$2.3	\$0.0	\$0.0	\$7.0
Landfill Liability Reserve	\$10.6	\$9.6	\$8.4	\$8.8	\$61.3
Waste Stabilization Reserve	\$5.1	\$1.7	\$0.8	\$1.4	\$5.7 to \$8.6
Total	\$17.8	\$13.5	\$9.1	\$10.1	\$74-77

Stabilization
Reserve used
to mitigate
annual increase
to 3.99%
(2021) & 9.98%
(2022)

In millions

2021 Waste Management Requisition

Methodology

In place since 2011 (PWA 55-2011 Waste Management Services Financing Study), reflects consultation with LAMs

- Municipal requisition comprised of:
 - Base services allocated on number of residential units in each municipality
 - Enhanced services specific for requesting municipality
- Resident special levy:
 - Determined by the Region for each municipality
 - Charged to property owners based on their property assessed values

2021 Waste Management Requisition

Requisition to municipality

Municipality	2020 Charges (\$000)	2021 Requisition (\$000)	Difference	
			Increase/ (Decrease) (\$000)	% Increase/ (Decrease)
Fort Erie	\$ 2,954	\$ 3,067	\$ 114	3.85%
Grimsby	\$ 2,121	\$ 2,220	\$ 100	4.70%
Lincoln	\$ 1,770	\$ 1,845	\$ 75	4.21%
Niagara Falls	\$ 7,615	\$ 7,915	\$ 300	3.94%
Niagara-on-the-Lake	\$ 1,682	\$ 1,750	\$ 68	4.02%
Pelham	\$ 1,343	\$ 1,400	\$ 58	4.30%
Port Colborne	\$ 1,946	\$ 2,032	\$ 85	4.39%
St. Catharines	\$ 11,816	\$ 12,254	\$ 437	3.70%
Thorold	\$ 1,642	\$ 1,728	\$ 85	5.19%
Wainfleet	\$ 601	\$ 622	\$ 22	3.60%
Welland	\$ 4,355	\$ 4,511	\$ 155	3.57%
West Lincoln	\$ 975	\$ 1,026	\$ 51	5.23%
Total	\$ 38,822	\$ 40,371	\$ 1,549	3.99%

Budget increase of 3.99%

Varies based on municipal households and enhanced services

2021 Waste Management Requisition

Cost for typical residential property

Municipality	2020 Final		2021 Draft (Based on 2020 tax policy)		Annual Increase/(Decrease)		Monthly
	CVA	WM taxes	CVA	WM taxes	\$	%	\$
Fort Erie	216,145	\$ 152.17	216,145	\$ 155.39	\$ 3.22	2.12%	\$ 0.27
Grimsby	400,088	\$ 163.11	400,088	\$ 169.99	\$ 6.88	4.22%	\$ 0.57
Lincoln	364,773	\$ 159.96	364,773	\$ 162.30	\$ 2.34	1.46%	\$ 0.19
Niagara Falls	262,988	\$ 139.79	262,988	\$ 143.55	\$ 3.76	2.69%	\$ 0.31
Niagara-on-the-Lake	Based on fixed household amount determined by NOTL.						
Pelham	364,292	\$ 172.61	364,292	\$ 174.93	\$ 2.32	1.35%	\$ 0.19
Port Colborne	207,501	\$ 185.74	207,501	\$ 190.65	\$ 4.91	2.64%	\$ 0.41
St. Catharines	259,643	\$ 172.94	259,643	\$ 178.61	\$ 5.68	3.28%	\$ 0.47
Thorold	228,358	\$ 138.12	228,358	\$ 138.48	\$ 0.36	0.26%	\$ 0.03
Wainfleet	273,324	\$ 159.72	273,324	\$ 163.38	\$ 3.66	2.29%	\$ 0.30
Welland	214,079	\$ 165.85	214,079	\$ 169.26	\$ 3.40	2.05%	\$ 0.28
West Lincoln	323,030	\$ 145.97	323,030	\$ 151.81	\$ 5.83	4.00%	\$ 0.49

Increase ranges from \$0.36 to \$6.88 per year
2020 annual cost per household ranges from \$138 to \$186
2021 annual cost per household ranges from \$138 to \$191

2021 Waste Management Budget

Risks & Opportunities

- Uncertainty around the Waste Free Ontario Act (Risk)
- Counterparty risk related to the waste collection contract for services that represents 49% (Risk)
- Student deferrals will cause decreased public education and outreach(Risk)
- Anticipated improvement to recycling commodity prices (Opportunity)
- Opportunities being explored in Waste Management Strategy (Opportunity)

Next Steps

Approval & Requisition

- Discussion, review and approval of CSD 66-2020 today
- Council approval of budget and requisitions by-laws on December 17, 2020
- Communication of budget approval to LAMs
- Set 2021 Waste Management Tax Rates
 - Set for each LAM based on approved requisitions
 - Rates built on 2021 tax policy decisions as approved by Council (April 2021)



Questions?

