
Subject: Budget Amendment - Reinstatement of Waste Management Free Container Exchange Program Budget

Report to: Regional Council

Report date: Thursday, May 20, 2021

Recommendations

1. That a one-time amendment to the previously adopted 2021 Waste Management Operating Budget in the amount of \$111,346 **BE APPROVED** from the Waste Management Stabilization Reserve to fund the reinstatement of the damaged recycling or green bin exchange program and that there be no impact on Niagara Region's 2021 Waste Management Requisition to Local Area Municipalities (LAMs), 2021 tax levy and 2021 property tax rates.

Key Facts

- The purpose of this report is to seek Council's approval to amend the 2021 Waste Management Operating Budget to reinstate budget for the damaged recycling or green bin exchange program utilizing the Waste Management Stabilization Reserve as a one-time funding source for the reinstatement.
- At the Regional Council meeting on April 22, 2021, Council approved a motion to reconsider the approved 2021 Waste Management Operating Budget in order to reinstate the budget for the damaged recycling or green bin exchange program and directed staff to prepare a budget amendment for consideration at the May 20, 2021 Council meeting.
- Use of reserves (and reserve funds) is limited to those approved by Council as part of the annual budget process. Any in-year use of reserves must comply with the Reserve and Reserve Funds Policy C-F-013 and Budget Control By-Law and are considered a budget amendment which requires 10 days' notice prior to council approval as per Public Notice Policy C-RC-004

Financial Considerations

Approval of the amendment included in this report will not impact Niagara Region's

2021 Waste Management Requisition to LAMs, 2021 tax levy or 2021 property tax rates. Residents will not see a change to the waste collection portion of their property tax bill (See Appendix I – Waste Management 2021 Operating Budget Amendment).

The 2021 Waste Management Operating Budget was approved by Budget Review Committee of the Whole on November 26, 2020 and ratified by Regional Council on December 17, 2020.

The 2021 uncommitted balance in the Waste Management Stabilization Reserve is approximately \$2,942,000. The Waste Management Stabilization Reserve is currently being utilized to mitigate waste management operating budget pressures as outlined in CSD 66-2020. The primary budget pressure for 2021 is the new collection contract, which began in October 2020. As use of the Waste Management Stabilization Reserve to fund ongoing initiatives is not a sustainable funding source, staff will present the program as a reinstatement into the base 2022 Waste Management Operating Budget. The cost of reinstating the damaged recycling and green bin exchange program is \$111,346, which is approximately 0.27% of the 2021 Waste Management Requisition. The projected Waste Management Stabilization Reserve balance from 2021 – 2023 with the approval of this budget amendment is noted in Table 1 per below.

Table 1 – Forecasted and Target Balance of Waste Management Stabilization Reserve
(in thousands)

Projected 2021 YE Balance	Projected 2022 YE Balance	Projected 2023 YE Balance	Target Reserve Balance
\$2,831	\$1,953	\$2,577	\$5,937 - \$8,905

All Budget Amendments require notice to be posted on the Regional website 10 days prior to being approved by Council per Public Notice Policy C-RC-004. The item being recommended was provided with proper notice of proposed amendments to the 2021 Waste Management Operating Budget.

The recommendations identified in this report support overall budget flexibility (noted as an area of focus in the S&P report) as well as maintain Council's approved 2021 Net Waste Management Requisition to LAMs.

Analysis

Since 2009, Niagara Region has exchanged broken recycling and green bin containers at no fee to residents. This program has several benefits to residents:

- Encourage participation in curbside diversion programs;
- Decrease the volume of waste to Regional landfills;
- Decrease greenhouse gases generated by the disposal of organic waste in landfills;
- Promote neater, more efficient collection at the curbside through the use of functional containers; and,
- Extend a sense of benefit to residents from the revenues recognized by the Region from the sale of the collected recyclables.

Niagara Region also provides recycling and green bin containers at no fee to homeowners and renters within 12 months of moving into their new home.

As part of the Region's Budget Planning Strategy to help mitigate budget pressures in 2021 and mitigate requisition increases on taxpayers, a number of items were proposed to ensure a reasonable budget increase was presented for 2021. One of these items was Niagara Region's recycling and green bin broken container free exchange program. The program was slated to cease on April 1, 2021.

In 2019, \$338,108 was spent to purchase recycling boxes and green bins. It is estimated that \$111,346, or 33%, was spent to exchange broken containers for residents

Alternatives Reviewed

Council directed staff to prepare the required budget amendment for this program using the Waste Management Stabilization reserve to fund the program for 2021. An increase to the net Waste Management Requisition is not practical as tax rate by-laws have been approved and are ready to be billed by the LAMs.

Relationship to Council Strategic Priorities

The free container exchange program supports Council's Strategic Priority of Sustainable and Engaging Government. Provision of free container exchanges strengthens the corporate customer service culture that puts Niagara residents first. The program also strengthens partnerships with LAMs.

Other Pertinent Reports

- CSD 66-2020 – 2021 Budget – Waste Management Services Operating Budget and Requisition

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Appendices

Appendix I - Waste Management 2021 Operating Budget Amendment