

Waste Management Services Operating Budget Considerations 2021-2022

Waste Management Planning Steering Committee

June 28, 2021

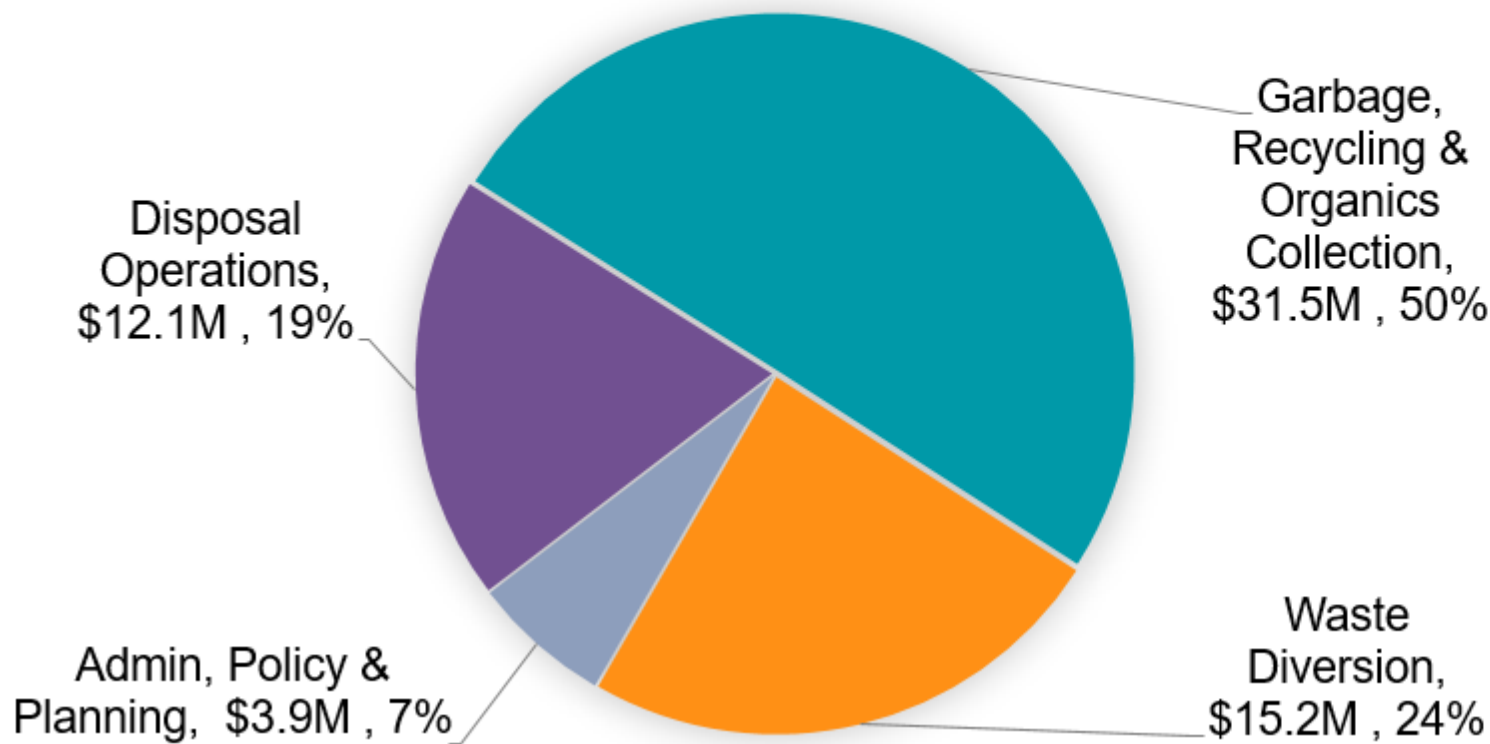
Overview

- ✓ Review of Current Budget Strategy
- ✓ 2021 Budget Mitigations
- ✓ 2022 Budget Pressures & Opportunities
- ✓ Future Budget Considerations
- ✓ WM Reserve Projections
- ✓ 2022 Budget Process and Timetable

Current Operating Budget Strategy

- Staff previously forecasted a 9.8% requisition increase each year for 2020 through to 2022 budget years as presented in November 2019
 - Requisition forecast increased to 9.9% in 2020 and 10.7% for 2021 and 2022 as a result of additional enhanced services as directed by Council
- Increase of 4.5% of the Waste Management Requisition was approved for the 2021 budget year
 - Deviation from budget strategy in response to COVID-19
- Strategy included significant use of the Waste Management Stabilization reserve to mitigate the pressure associated with the new collection contract award

Budget Composition (2021)



2021 Budget Mitigations

- Program Deferral
 - Mattress Recycling Program, Construction and Demolition Wood Recycling Program
- Reduction in Naturalization Site Maintenance and Bird Control
- Elimination of Co-Op Summer Students and 4 interns
- Stabilization Reserve Funding
 - Mitigate costs associated with new collection contract
- Safe Restart Funding to mitigate COVID-19 related costs
- Mitigations Reintroduced by Council
 - Free Container Exchange Program and Tip Fee Exemption for Charities
 - Exchange of damaged bins re-introduced mid year

2022 Budget Pressures

- Humberstone Operations Tender
- Walker Compost Processing
- Resin Prices – Boxes/Carts
- Decrease in Garbage Tag Revenue
- Uptake on Waste Exemption Programs



2022 Budget Pressures Cont'd

- WM Strategic Plan – original budget developed in 2016
- Annual Contract Increases
- HHW Regulations
- Reintroduction of 2021 Mitigations
 - Includes sustainable funding for re-introduction of exchange program for damaged bins during 2021

2022 Budget Opportunities

- Landfill Tipping Fees
- End Market Revenues
- RPRA Funding



Future Budget Considerations

- Blue Box Program Transition
 - Ontario is shifting to a full producer responsibility model for the residential Blue Box Program.
 - Niagara Region has been identified to transition in 2024
- MRF Opportunity Review

Waste Management Reserve Projections

| Reserve | Projected 2021 YE Balance | Projected 2022 YE Balance | Projected 2023 YE Balance | Projected 2024 YE Balance | Target Reserve Balance |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------|
| Waste Capital Reserve | \$ 10.03 | \$ 4.10 | \$ 3.55 | \$ 3.83 | \$7.0 |
| Landfill Liability Reserve | \$ 9.80 | \$ 9.73 | \$ 10.73 | \$ 13.13 | \$61.3 |
| Waste Stabilization Reserve | \$ 4.29 | \$ 3.39 | \$ 3.39 | \$ 3.39 | \$5.7 to \$8.6 |
| Total | \$ 24.12 | \$ 17.22 | \$ 17.67 | \$ 20.35 | \$74-\$77 |

*In millions

2022 Budget Process and Timeline

- At Budget Review Committee of the Whole on June 17th, a budget planning strategy of 9.98% for 2022 was presented
- Approved 2022 Operating Budget Timetable for Rate:

| Meeting Type | Date |
|--------------|-------------------|
| Workshop | October 28, 2021 |
| BRCOTW | November 4, 2021 |
| Council | November 18, 2021 |



Questions?