



PEACE RIVER REGIONAL DISTRICT

# Financial Sustainability for Solid Waste

diverse. vast. abundant.



## Key Objectives

- Proposed Solid Waste Budget Meeting Dates
- Recap 2020 Solid Waste Approved Budget
- 2021 Solid Waste Budget
- Funding Options
- Proposed Requisition Increase
- Proposed Tipping Fee Increase
- Proposed Requisition/Tipping Fee Increase
- Proposed 2021 Funding Structure
- Proposed 5 year plan
- Past Solid Waste Data



## Proposed 2021 Solid Waste Budget Calendar

December 3, 2020 - Set Direction

January 7, 2020 - Supplemental Request Review

January 15, 2021 - Complete SW budget Version 1 Review (resolution needed)

February 7, 2021 - SW budget 2 (if changes were required)

February 17, 2021 - SW budget reviewed at special budget meeting



## 2020 SW Budget Recap

2020 Operations	
Operational Expenses	\$12,311,950
Requisition	-\$6,427,004
Tipping Fees	-\$4,107,807
Surplus	-\$1,033,000
Grants & Other	-\$979,114

2020 Capital	
New Capital Projects	\$3,930,723
Carry Forward (CF) Capital	\$2,406,000
Capital Requisition	-\$1,109,079
Capital Reserves - New	-\$2,821,644
Capital Reserves – CF	-\$2,406,000

The total Solid Waste Program cost in 2020 was \$16,242,673 (excluding Carry Forward Capital)

The total Solid Waste Program requisition in 2020 was \$7,536,083

The 2020 SW budget used \$3,854,644 of surplus/reserve to maintain the 2019 tax rate of \$0.2883/assessed \$1,000



## Anticipated 2021 SW Budget

2021 Operations	
Operational Expenses	\$11,700,000
Requisition	-\$?
Tipping Fees	-\$?
Surplus	-\$?
Grants & Other	-\$?

2021 Capital	
New Capital Projects	\$4,000,000
Carry Forward (CF) Capital	\$2,237,000
Capital Requisition	-\$?
Capital Reserves - New	-\$0
Capita Reserves – CF	-\$2,237,000

The total anticipated SW Program for 2021 is approximately \$15,700,000 (excluding Carry Forward Capital)

This has a reduction in operational budget of approximately \$600,000 compared to 2020 (New Landfill Operator Contract)



## How to fund SW moving forward

The Solid Waste Reserve Balances are anticipated to be as follows by the end of 2020:

Operational	\$1,099,566.79
Capital	\$1,200,000

Staff would like to transition away from use of surplus and reserves to create stability in the 5 year plan, and rebuild our operating and capital reserves.

The surplus/reserve used in 2020 was \$3,854,644. With a contract cost reduction of \$600,000 in 2021 the amount needed to transition from surplus/reserve use is \$2,934,917.

Options for funds are Requisition, Tipping Fees, or a combination of the two.



## Option 1 – Requisition Increase

2021 Operations	
Operational Expenses	\$11,700,000
Requisition	-\$6,471,000
Tipping Fees	-\$4,250,000
Surplus	-\$0
Grants & Other Revenue Sources	-\$979,000

2021 Capital	
New Capital Projects	\$4,000,000
Carry Forward (CF) Capital	\$2,237,000
Capital Requisition	-\$4,000,000
Capital Reserves - New	-\$0
Capita Reserves – CF	-\$2,237,000

Total Requisition: \$10,471,000

This option represents an increase to requisition of \$2,934,917 for 2021

For 2021 the tax rate would be approximately \$0.4006/Assessed \$1,000

This would equal a tax rate increase of \$0.1123/Assessed \$1,000 compared to 2020

A property valued at \$300,000 would see an increase of \$33.69 in taxes for 2021.



## Requisition 5 Year Plan

Operations	2021	2022	2023	2024	2025
Operational Expenses	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000
Requisition	-\$6,471,000	-\$6,471,000	-\$6,471,000	-\$6,471,000	-\$6,471,000
Tipping Fees	-\$4,250,000	-\$4,250,000	-\$4,250,000	-\$4,250,000	-\$4,250,000
Surplus	-\$0	-\$0	-\$0	-\$0	-\$0
Grants & Other Revenue Sources	-\$979,000	-\$979,000	-\$979,000	-\$979,000	-\$979,000
Capital	2021	2022	2023	2024	2025
New Capital Projects	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Carry Forward (CF)	\$2,237,000	\$W	\$X	\$Y	\$Z
Capital Requisition	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000
Capital Reserves - New	-\$0	-\$0	-\$0	-\$0	-\$0
Capital Reserves - CF	-\$2,237,000	\$W	\$X	\$Y	\$Z
Approximate Tax Rate (\$/Assessed \$1,000)	\$0.4006	\$0.4006	\$0.4006	\$0.4006	\$0.4006





## Option 2 –Tipping Fee Increase

2021 Operations	
Operational Expenses	\$11,700,000
Requisition	-\$3,536,083
Tipping Fees	-\$7,184,917
Surplus	-\$0
Grants & Other	-\$979,000

2021 Capital	
New Capital Projects	\$4,000,000
Carry Forward (CF) Capital	\$2,237,000
Capital Requisition	-\$4,000,000
Capital Reserves - New	-\$0
Capita Reserves – CF	-\$2,237,000

Total Requisition: \$7,536,083

This option represents an increase to requisition of \$0 for 2021

Tipping fees would increase by 70%

Residential Household waste would increase from \$55/tonne to \$93.50/tonne

Commercial restricted waste would increase from \$150/tonne to \$255/tonne



## Tipping Fee Increase 5 Year Plan

Operations	2021	2022	2023	2024	2025
Operational Expenses	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000
Requisition	-\$3,536,083	-\$3,536,083	-\$3,536,083	-\$3,536,083	-\$3,536,083
Tipping Fees	-\$7,184,917	-\$7,184,917	-\$7,184,917	-\$7,184,917	-\$7,184,917
Surplus	-\$0	-\$0	-\$0	-\$0	-\$0
Grants & Other Revenue Sources	-\$979,000	-\$979,000	-\$979,000	-\$979,000	-\$979,000

  

Capital	2021	2022	2023	2024	2025
New Capital Projects	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Carry Forward (CF)	\$2,237,000	\$W	\$X	\$Y	\$Z
Capital Requisition	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000
Capital Reserves - New	-\$0	-\$0	-\$0	-\$0	-\$0
Capital Reserves - CF	-\$2,237,000	\$W	\$X	\$Y	\$Z

  

Approximate Tax Rate (\$/Assessed \$1,000)	\$0.2883	\$0.2883	\$0.2883	\$0.2883	\$0.2883
-----------------------------------------------	----------	----------	----------	----------	----------



## Option 3 –Requisition / Tipping Fee Increase

2021 Operations	
Operational Expenses	\$11,700,000
Requisition	-\$5,003,541
Tipping Fees	-\$5,717,459
Surplus	-\$0
Grants & Other Revenue Sources	-\$979,000

2021 Capital	
New Capital Projects	\$4,000,000
Carry Forward (CF) Capital	\$2,237,000
Capital Requisition	-\$4,000,000
Capital Reserves - New	-\$0
Capita Reserves – CF	-\$2,237,000

Total Requisition: \$9,003,541

This option represents an increase to requisition of \$1,467,459 for 2021

For 2021 the tax rate would be approximately \$0.3445/Assessed \$1,000

This would equal a tax rate increase of \$0.0562/Assessed \$1,000

A property valued at \$300,000 would see an increase of \$16.86 in taxes in 2021

Tipping fees would increase by 35%

Residential Household waste would increase from \$55/tonne to \$74.25/tonne

Commercial restricted waste would increase from \$150/tonne to \$202.50/tonne



## Requisition/Tipping Fee 5 Year Plan

Operations	2021	2022	2023	2024	2025
Operational Expenses	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000
Requisition	-\$5,003,541	-\$5,003,541	-\$5,003,541	-\$5,003,541	-\$5,003,541
Tipping Fees	-\$5,717,459	-\$5,717,459	-\$5,717,459	-\$5,717,459	-\$5,717,459
Surplus	-\$0	-\$0	-\$0	-\$0	-\$0
Grants & Other Revenue Sources	-\$979,000	-\$979,000	-\$979,000	-\$979,000	-\$979,000

  

Capital	2021	2022	2023	2024	2025
New Capital Projects	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Carry Forward (CF)	\$2,237,000	\$W	\$X	\$Y	\$Z
Capital Requisition	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000
Capital Reserves - New	-\$0	-\$0	-\$0	-\$0	-\$0
Capital Reserves - CF	-\$2,237,000	\$W	\$X	\$Y	\$Z

  

Approximate Tax Rate (\$/Assessed \$1,000)	\$0.3445	\$0.3445	\$0.3445	\$0.3445	\$0.3445
-----------------------------------------------	----------	----------	----------	----------	----------



## Option 4 – Incremental Increase

Incremental increase in tax rate of \$0.0300/Assessed \$1,000 or next 3 years 2021, 2022, 2023.

Incremental increase in all tipping fees of 6% per year for next 3 years 2021, 2022, 2023.

Decreasing use of Operational Surplus over 3 years

Maintain the current level of service operationally, but reduce New Capital expense by \$1,000,000 in 2021



## Proposed 5 year plan

Operations	2021	2022	2023	2024	2025
Operational Expenses	\$11,700,000	\$11,700,000	\$11,929,476	\$11,929,476	\$11,929,476
Requisition	-\$5,320,275	-\$5,104,467	-\$5,888,658	-\$5,888,658	-\$5,888,658
Tipping Fees	-\$4,505,000	-\$4,775,300	-\$5,061,818	-\$5,061,818	-\$5,061,818
Surplus	-\$895,725	-\$841,233	-\$0	-\$0	-\$0
Grants & Other Revenue Sources	-\$979,000	-\$979,000	-\$979,000	-\$979,000	-\$979,000

  

Capital	2021	2022	2023	2024	2025
New Capital Projects	\$3,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Carry Forward (CF)	\$2,237,000	\$W	\$X	\$Y	\$Z
Capital Requisition	-\$3,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000	-\$4,000,000
Capital Reserves - New	-\$0	-\$0	-\$0	-\$0	-\$0
Capital Reserves - CF	-\$2,237,000	\$W	\$X	\$Y	\$Z

  

Approximate Tax Rate (\$/Assessed \$1,000)	0.3183	0.3483	0.3783	0.3783	0.3783
-----------------------------------------------	--------	--------	--------	--------	--------



# Solid Waste In The Past

## Historical Expenses

	2015	2016	2017	2018	2019	2020	Average
Operational Expenses	\$ 9,522,030.00	\$ 10,663,772.00	\$ 9,663,103.00	\$ 10,801,167.00	\$ 11,330,672.00	\$ 12,311,950.00	\$ 10,396,148.80
New Capital Expenses	\$ 3,128,187.00	\$ 4,248,760.00	\$ 5,730,848.00	\$ 430,968.00	\$ 3,157,739.00	\$ 3,930,723.00	\$ 3,339,300.40
Carry forward Capital						\$ 2,406,000.00	
<b>Total SW Expenses</b>	<b>\$ 12,650,217.00</b>	<b>\$ 14,912,532.00</b>	<b>\$ 15,393,951.00</b>	<b>\$ 11,232,135.00</b>	<b>\$ 14,488,411.00</b>	<b>\$ 18,648,673.00</b>	<b>\$ 13,735,449.20</b>

## Historical Revenues

	2015	2016	2017	2018	2019	2020	Averages
Operational Revenues	Operational Fees	\$ (4,608,335.00)	\$ (3,719,874.00)	\$ (4,711,681.00)	\$ (4,179,447.00)	\$ (4,827,338.00)	\$ (4,409,335.00)
	Operational Requisition	\$ (6,692,453.00)	\$ (7,043,406.00)	\$ (5,750,672.00)	\$ (5,553,068.00)	\$ (4,606,104.00)	\$ (5,929,140.60)
	Operational Surplus	\$ (2,099,892.00)	\$ (2,062,781.00)	\$ (1,404,094.00)	\$ (2,279,656.00)	\$ (1,951,696.00)	\$ (1,959,623.80)
	Operational Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Borrowing	\$ -	\$ -	\$ (4,950,000.00)	\$ -	\$ -	\$ -
	Others	\$ (925,185.00)	\$ (955,568.00)	\$ (1,051,456.00)	\$ (977,356.00)	\$ (986,006.00)	\$ (979,114.20)
	<b>Total Operational Revenues</b>	<b>\$ (14,325,865.00)</b>	<b>\$ (13,781,629.00)</b>	<b>\$ (17,867,903.00)</b>	<b>\$ (12,989,527.00)</b>	<b>\$ (12,371,144.00)</b>	<b>\$ (14,267,213.60)</b>
Capital Revenues	Capital Requisition				\$ (2,314,500.00)	\$ (1,109,079.00)	\$ (2,314,500.00)
	Capital Reserve		\$ (2,535,000.00)		\$ (843,239.00)	\$ (2,821,644.00)	\$ (1,689,119.50)
	Capital Carry Forward					\$ (2,406,000.00)	
	<b>Total Capital Revenues</b>	<b>\$ -</b>	<b>\$ (2,535,000.00)</b>	<b>\$ -</b>	<b>\$ (3,157,739.00)</b>	<b>\$ (6,336,723.00)</b>	<b>\$ (1,138,547.80)</b>
	<b>Total Revenue</b>	<b>\$ (14,325,865.00)</b>	<b>\$ (16,316,629.00)</b>	<b>\$ (17,867,903.00)</b>	<b>\$ (12,989,527.00)</b>	<b>\$ (15,528,883.00)</b>	<b>\$ (15,405,761.40)</b>
	<b>Total Requisition</b>	<b>\$ (6,692,453.00)</b>	<b>\$ (7,043,406.00)</b>	<b>\$ (5,750,672.00)</b>	<b>\$ (5,553,068.00)</b>	<b>\$ (6,920,604.00)</b>	<b>\$ (6,392,040.60)</b>
	<b>\$/Assessed \$1,000</b>	<b>\$ 0.3130</b>	<b>\$ 0.3090</b>	<b>\$ 0.2520</b>	<b>\$ 0.2400</b>	<b>\$ 0.2883</b>	<b>\$ 0.2805</b>