



Comox Strathcona
Waste Management

2015 – 2019 Preliminary Financial Plan

Comox Strathcona
Waste Management Service
Function 391
January 8, 2015

ETHINK REDUCE REUSE RECYCLE

CSWM Financial Planning Process



- ❖ Regional Solid Waste Financial Planning Policy approved by CSWM Board November 3, 2011
- ❖ Policy outlines the principles, process and timing for the CSWM financial plan discussions and approval
- ❖ Policy is attached to the agenda for your reference
- ❖ Proposed consolidated CVRD 2015-2019 Financial Plan presented to the CVRD board on January 27, 2015

CSWM Financial Planning Process



- ❖ Preliminary financial plan presented at the September 18 and November 6, 2014 meetings for discussion
- ❖ Preliminary financial plan from November 6, 2014 provided today for information and orientation purposes
- ❖ Proposed CSWM financial plan is part of the consolidated CVRD 2015-2019 Financial Plan

CSWM Financial Planning Process



- ❖ Service by service 2015-2019 financial plan published on the CVRD website mid January 2015
- ❖ CSWM service financial plan is published as part of the CVRD financial plan & will be presented to the CSWM Board February 12, 2015
- ❖ CSWM Board considers and approves the CSWM service financial plan

Financial Plan Approval Process



- ❖ At March 24/31, 2015 CVRD board meetings, financial plan bylaw presented for 1st, 2nd, 3rd readings and then adoption
- ❖ Statutory deadline March 31st
- ❖ As per CSWM FP policy - Only changes of an administrative error nature are made subsequent to the CSWM board approval

Financial Plan Approval Process (as per FP policy)



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Budget Type	Content	Presentation	Status
Preliminary 1	Budget summary & details	Sept 18, 2014	Green
	Four years of comparative actuals	Sept 18, 2014	Green
Preliminary 2	Budget summary & details	Nov 6, 2014	Green
	Four years of comparative actuals	Nov 6, 2014	Green
Preliminary 2	Budget summary & details	Jan 8, 2015	Yellow
Proposed	Budget summary & details	Feb 12, 2015	Red
Recommended	Budget summary & details	Mar 12, 2015	Red
Adopted (CVRD)	Budget summary	Mar 24/31, 2015	Red



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Thank-you

Questions?

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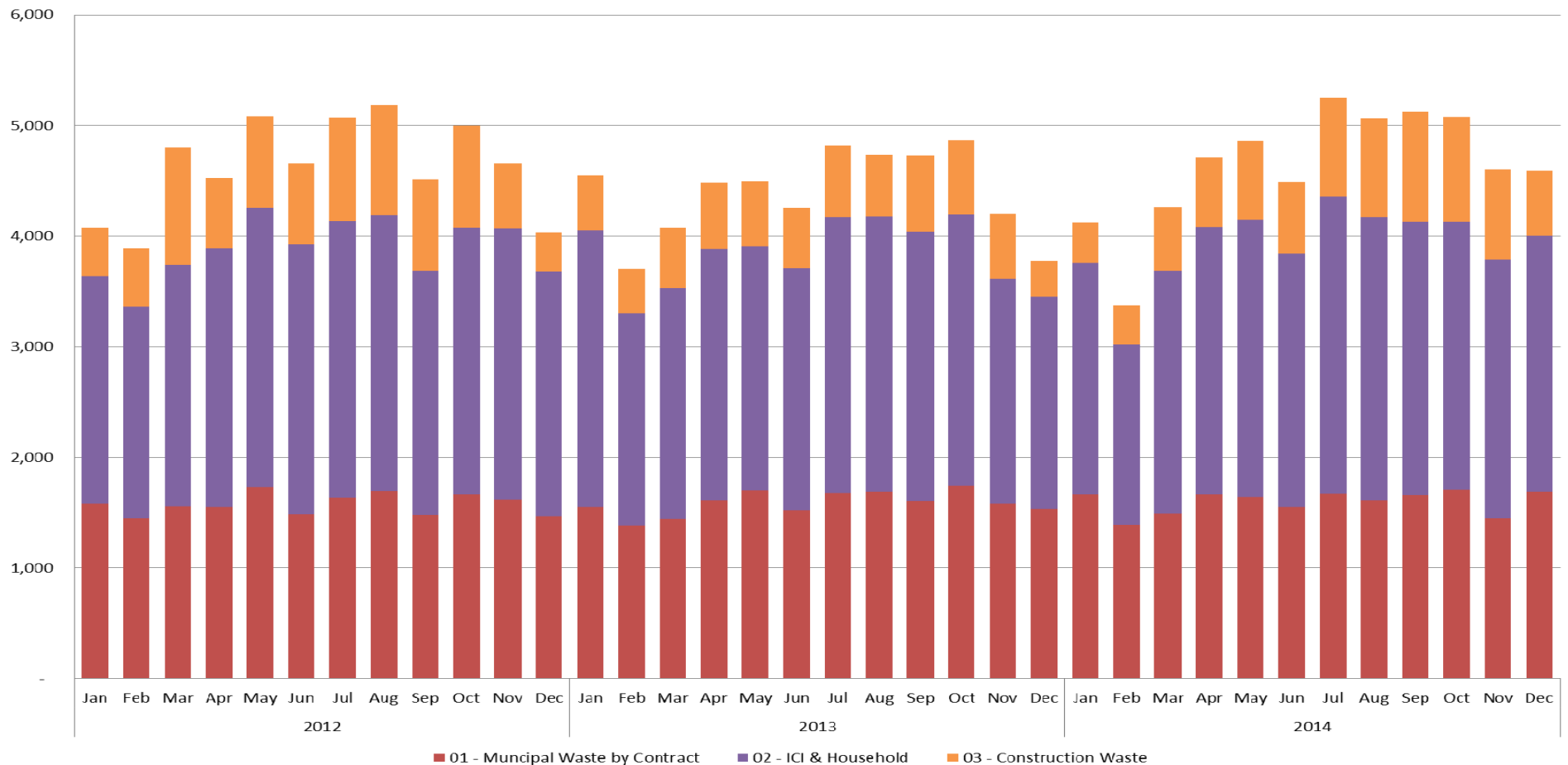


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REVENUES: 2014 actual tonnages shown for graph 1 are slightly below projected 2014 budget values by less than 5%.

Graph 1. 2012 – 2015 actual tonnages for the three major landfill wastes.

Monthly Tonnages



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Tipping Fee Schedule:

- Table 1 below is proposed tipping fee schedule for the next five years;
- Tipping fees increases are not included beyond 2015 due to “waste flow control” control issues;
- Tipping fee bylaw 170 changes include changes seen in Table 1 for 2015 and 2016; and
- Tipping fee increases for both years are proposed for January 1st;

Table 1. Tipping fee schedule for municipal solid waste and construction & demolition debris for 2015 – 2019 preliminary financial plan.

Year	January 1 st 2015	January 1 st 2016
MSW tipping fee	\$120/tonne	\$130/tonne
C&D tipping fee	\$120/tonne	\$130/tonne

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PERSONNEL:

No staffing changes are planned for the 2015 budget.

OPERATIONS:

In 2014, variance highlights projected for 2014 using actual data from January 1st 2014 through October 31st 2014 include:

- Legal fees – object code 381 which shows variance of over \$20,000 mainly related to reviews of construction project issues, host community agreements and landfill closures.
- Under recycling diversion initiatives – object code 303 for Household disposal costs are projected to exceed budgeted 2014 costs.

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CAPITAL:

Table 3. Highlights of completed SWMP capital works in 2014.

CS SWMP Contract Description	Issued	Final Completion	Issued Cost	Contract Variation
CR Ph1 Closure Works:				
1. Waste relocation contract	Sep-13	June	\$ 315,907.71	\$ 44,560.71
2. Embankment excavation contract	Sep-13	December	\$ 275,675.00	\$ -
3. Ph1 closure along Argonaut/Wall	Mar-14	December	\$ 3,170,000.00	\$ 288,954.09
4. Construction PM, CQA, QC	Jun-13	December	\$ 491,000.00	\$ (143,096.00)
Remote LF Closure Works:				
1. Tahsis Ph1 LF closure	May-14	October	\$ 278,400.19	\$ (2,446.43)
2. Zeballos Ph1 LF closure	May-14	October	\$ 182,136.12	\$ 3,438.23
3. Construction PM, CQA, QC	July-14	December	\$ 111,516.00	\$ (32,940.94)
Total			\$ 4,824,635.02	\$ 158,469.66

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CAPITAL (continued):

Table 4. Highlights of SWMP capital works proposed for 2015.

Description of proposed capital project	2015 Budget
Campbell River landfill closure design - Ph 2	\$ 350,000.00
Comox Valley landfill closure construction - Ph 1	\$ 8,050,000.00
Comox Valley new engineered landfill design	\$ 950,000.00
Comox Valley facility gravel truck replacement	\$ 150,000.00
Comox Valley facility admin office and construction trailer	\$ 120,000.00
Land Purchase - Tahsis and Zeballos transfer stations	\$ 400,000.00
Gold River Phase 1 landfill closure construction	\$ 604,200.00
Total	\$ 10,624,200.00

Funding sources may be adjusted in the 2015 – 2019 proposed financial plan for the above projects to be presented to the CSWM board in February, 2015.

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Revenue Challenges:

- CSWM revenue is mostly based on tipping fees – fee for service model for municipal solid waste
- Capital revenue requirements per the CS SWMP in the next five years are high and then moderate as MOE compliance is met and the new disposal facility is completed.
- The right mix of funding sources for capital is always a question (debt, reserves, operating)

Operating revenue is being used as a funding source for capital projects through debt servicing which is proving a challenge under the current tipping fee revenue model.

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RESERVES:

The preliminary 2015 budget shows reserve contributions of \$150,000.

Table 8. Reserve fund contribution schedule – 2015 – 2019 preliminary financial plan.

Year	2015	2016	2017	2018	2019
Future Expenditure Fund	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Capital Works – Equip. Fund	\$50,000	\$157,632	\$50,000	\$50,000	\$50,000
Landfill Construction Fund	\$0	\$0	\$0	\$0	\$0
Landfill Closure Fund	\$0	\$0	\$0	\$0	\$250,000
TOTAL CONTRIBUTION	\$150,000	\$257,632	\$150,000	\$150,000	\$400,000

Solid waste reserves are underfunded and updated reserve contribution schedule will be brought forward in the 2015 – 2019 Proposed Financial Plan.

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Thank-you

Questions?