

October 28, 2024

CL 15-2024, October 24, 2024
BRCOTW 3-2024, October 17, 2024
CSD 44-2024, October 17, 2024

LOCAL AREA MUNICIPALITIES

SENT ELECTRONICALLY

Waste Management 2025 Operating Budget and Requisition

CSD 44-2024

Regional Council, at its meeting held on October 24, 2024, passed the following recommendation of its Budget Review Committee of the Whole:

That Report CSD 44-2024, dated October 17, 2024, respecting Waste Management 2025 Operating Budget and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Waste Management Services net operating budget increase (inclusive of program changes related to staffing resources for service delivery) of \$416,952 or 0.9% **BE APPROVED**;
2. That \$350,000 **BE TRANSFERRED** from the Waste Management Stabilization Reserve in order to fund one-time costs included in the 2025 Waste Management Services operating budget;
3. That the 2025 Waste Management Services gross operating budget of \$53,029,717 and net budget of \$45,584,715 as per Appendix 1 to Report CSD 44-2024 **BE APPROVED**;
4. That the net budget amount of \$45,584,715 **BE APPORTIONED** between the local area municipalities in accordance with the methodology approved in PWA 55-2011 and outlined in Appendix 2 to Report CSD 44-2024;
5. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
6. That a copy of Report CSD 44-2024 **BE CIRCULATED** to the local area municipalities.

A copy of Report CSD 44-2024 is enclosed for your reference.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie Norio". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Ann-Marie Norio
Regional Clerk

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CLK-C 2024-111

cc: B. Brens, Associate Director, Budget Planning & Strategy
 D. Carnegie, Acting Commissioner/ Treasurer, Corporate Services
 K. Beach, Executive Assistant, Commissioner/ Treasurer, Corporate Services

Subject: Waste Management 2025 Operating Budget and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, October 17, 2024

Recommendations

1. That the Waste Management Services net operating budget increase (inclusive of program changes related to staffing resources for service delivery) of \$416,952 or 0.9% **BE APPROVED**;
2. That \$350,000 **BE TRANSFERRED** from the Waste Management Stabilization Reserve in order to fund one-time costs included in the 2025 Waste Management Services operating budget;
3. That the 2025 Waste Management Services gross operating budget of \$53,029,717 and net budget of \$45,584,715 as per Appendix 1 to Report CSD 44-2024 **BE APPROVED**;
4. That the net budget amount of \$45,584,715 **BE APPORTIONED** between the local area municipalities in accordance with the methodology approved in PWA 55-2011 and outlined in Appendix 2 to Report CSD 44-2024;
5. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
6. That a copy of Report CSD 44-2024 **BE CIRCULATED** to the local area municipalities.

Key Facts

- The proposed Waste Management Services (WMS) net operating budget represents an overall increase of \$416,952, or 0.9% over 2024 as shown in Appendix 1 to Report CSD 44-2024.
- Key drivers to the 2025 budget include inflation, fuel pricing, increased contract pricing, people strategy support, inclusion of supplemental taxes revenue, and an updated reserve strategy.
- Approximately 80% of all services provided by WMS are being executed through external contracts, therefore the budget is subject to inflation volatility.

- Assessment growth for Niagara Region and Area Municipalities has not been finalized; however, estimated assessment growth of 1.5% is included in Appendix 2 to Report CSD 44-2024. The estimate of 1.5% for 2025 results in the net requisition decrease to be approximately 0.6% (0.9% less growth of 1.5%) with an estimated average typical annual residential decrease of \$0.32 per year.
- The net requisition amount has been allocated in accordance with the methodology approved in PWA 55-2011. The impacts by municipality in Appendix 3 to Report CSD 44-2024 are affected by the budget increase, growth in households by municipality and the enhanced services as requested and selected by each Local Area Municipality (LAM).

Financial Considerations

The gross operating expenditures are \$53.0 million, which net of revenues equates to a net requisition of \$45.6 million. This represents approximately \$0.4 million or 0.9% (0.9% for base operating and 0.0% for staffing program changes) increase over the 2024 net requisition as outlined in Appendix 1 to Report CSD 44-2024. A thorough review of operating needs and key contract assumptions has been completed which resulted in a reduction from the 2025 Budget Planning Strategy.

Table 1 – Summary of Proposed WMS Budget (in millions of dollars)

| Waste Management 2025 Budget Summary | 2024 | 2025 | Increase (%) |
|--|---------------|---------------|---------------------|
| Base Operating Expenses Net of Revenues | \$40.6 | \$41.3 | 1.7% |
| Capital Transfers (Note 1) | 4.6 | 4.6 | |
| Transfers from Reserve for One-Time Costs | - | (0.3) | |
| Base Net Budget Requisition | \$45.2 | \$45.6 | 0.9% |
| Program Changes | - | (0.0) | 0.0% |
| Total Net Budget Requisition before Assessment Growth | \$45.2 | \$45.6 | 0.9% |
| Total Net Budget Requisition after Assessment Growth | | | (0.6%) |

Note 1 – Includes the annual base budget transfers to the Landfill Liability Reserve and the Capital Reserve of \$2.4 million and \$1.8 million, respectively.

A schedule providing the budgeted revenues and expenditures for 2024 and 2025 by type of expenditure is included as Appendix 1 to Report CSD 44-2024.

A contributing factor of the budget increase is inflation of the Consumer Price Index (“CPI”) and diesel fuel prices, both of which are components of the cost escalations of contracts administered by WMS. Another contributing factor to the budget increase relates to tenders awarded for operating contracts where increases have a direct impact on WMS operating budget. Further details are outlined in the Analysis section under Base Budget Increases, Pressures and Mitigations.

Through this budget process, staff updated the reserve strategy (last updated in 2018) considering the 2021 Asset Management Plan and updated capital data available on post closure costs of landfills. In late 2023, accounting standards changed to require the Asset Retirement Obligation (ARO) for the landfills to consider the full contaminating lifespans of the landfills instead of being capped at 40 years. As a result, post closure cost estimates were updated for the full post closure contaminating lifespan instead of a rolling 40 years and assumptions refreshed. Staff updated the financial funding model based on this newly available information with the goal of establishing a consistent annual contribution to reserve that would meet the post closure landfill needs over the landfill’s lifespan. This approach ensures the post closure landfill needs can be met while prioritizing annual stability of taxes to the ratepayers. The updated strategy supports the existing annual contribution of \$2.8 million to the Landfill Liability Reserve and aligns with the Average Annual Renewal Investment (AARI) concept for capital reserve needs.

Analysis

Base Budget Increases, Pressures and Mitigations

The 2025 operating and multi-year budgets are impacted by a number of operational challenges such as the EPR transition ending in 2025 and external factors, such as escalating fuel prices, CPI rates, and contracted services.

Approximately 80% of the operating-related costs are in the form of outsourced costs and are subject to contract escalations and conditions. The remaining operating-related costs are associated with program-related purchases, budgeted repairs and maintenance, utilities, labour related costs, program support, consulting, and other administration costs. Of the budgeted operating-related expenditures, approximately 3.0% are considered discretionary.

The pressures in operations that contribute to the operating increases are:

- \$0.2 million net increase in contract costs for organics processing, drop-off depots, household hazardous waste, and collections
- \$0.2 million increase in Niagara Road 12 landfill operations services due to award of a tendered contract approved by Regional Council through PW 21-2024
- \$0.2 million increase in labour related costs to support the people strategy
- \$0.2 million increase in corporate support costs
- \$0.2 million net increase in consulting costs to prepare for future collection contract
- \$0.2 million increase in leachate processing costs due to internal rate increases

The pressures noted above have been partially offset by favourable variances which are comprised of the following:

- \$0.7 million net reduction due to inclusion of supplemental taxes revenue
- \$0.1 million net increase in user fees

Program Changes

Included in the above base budget details are the program change requests to support staffing resources for service delivery outlined below. The net financial impact of these changes is fully offsetting and does not contribute to any budget increase. Business cases for these changes can be found in Appendix 5 to Report CSD 44-2024.

- Capital Coordinator required to support GIS database, asset management program, project deliverables, operational support for 12 closed and 2 open landfill sites - this represents an increase of 1 permanent full-time equivalent (FTE) funded 50% by capital.
- Waste Exemptions Representative required permanently to address the sharply increasing volume of waste exemptions applications (e.g. diapers, medical) that continue to grow annually – this represents an increase of 0.7 permanent FTE and decrease of 0.7 temporary FTE resulting in no net overall impact.
- Internal Allocations reduction from customer service division as a result of one less staffing resource required in the call center due to lower call volumes with the elimination of the blue/grey box program.

One-Time Expenditures

The 2025 Waste Management Services operating budget includes \$0.3 million for a one-time consulting engagement to conduct household waste composition studies which are essential for obtaining accurate data on the types and quantities of waste (garbage and green bin organics) being generated to enable informed decision-making regarding waste diversion strategies, program improvements, and the development of new initiatives. This will be funded by the Waste Management Stabilization Reserve and therefore has no overall impact on the proposed 2025 Waste Management Services net requisition for this one-time expenditure.

Reserve Strategy and Forecast

For 2025, the budget recommends maintaining the annual base budget transfers to the Landfill Liability Reserve and Capital Reserve in the amount of \$2.8 million and \$1.8 million, respectively. With the change to ARO and the updated Landfill Liability Reserve strategy, this reserve is now funded to align with the AARI over the contaminating lifespan of each landfill. The Capital Reserve remains funded to align with the 2021 Asset Management Plan with a 10-year AARI strategy.

As part of Niagara Region's Reserve and Reserve Funds Policy (C-F-013), minimum and maximum funding targets have been established for reserves. For stabilization reserves, such as the Waste Management Stabilization Reserve, the funding target is 10% to 15% of operating expenditures not including debt repayments. Based on the forecasted balance at the end of 2024 of \$8.9 million, the reserve balance will be deemed to be adequately funded based on 2024 operating expenditures.

Appendix 4 to Report CSD 44-2024 shows the forecasted Waste Management Reserve balances.

2025 Waste Management Requisition

The net requisition amount will be allocated to the LAMs in accordance with the methodology approved in PWA 55-2011. As such, base WMS costs will be apportioned based on the 2023 percentage of residential units in each municipality, with the enhanced collection of services and associated disposal costs to be apportioned to the requesting municipalities.

The year-over-year increase in requisition amount by municipality before assessment growth equates to a range of a 0.3% decrease to a 2.4% increase with an average

increase of 0.9% as outlined in Appendix 2 to CSD 44-2024. The net requisition change by municipality after the 1.5% forecasted assessment growth (as of October 3, 2024) equates to a range of a 1.6% decrease to a 1.4% increase with an average decrease of 0.6% as outlined in Appendix 2 to CSD 44-2024. The range is the result of the difference in household growth between LAMs as well as net assessment growth. The WMS levy is collected as a special levy with the Region establishing the tax rates for each municipality (with the exception of Niagara-on-the-Lake).

Appendix 3 to Report CSD 44-2024 provides the impacts of the WMS requisition for 2025 in comparison to 2024 on a cost per typical residential unit basis by area municipality. The 0.6% decrease on the budget net of assessment growth of 1.5% will impact the average annual residential property from a decrease of \$3.00 to an increase of \$2.85 depending on the municipality (average decrease of \$0.32 per year).

Multi-Year Forecast

2025 will be the second of the two years representing the transition period of the extended producer responsibility (EPR) which ends on December 31, 2025. The multi-year forecast to 2027 reflects this impact along with inflation, contract pressures, people strategy, and updated reserve strategies. The forecast reflects annual increases of 5.2% for 2026 and 2.8% for 2027. There are many assumptions and unknowns included in these forecasts, and staff will re-evaluate the long-term budget and reserve strategies with the budget cycle each year. Reports will be brought forward in Q4 2024 to the Public Works Committee and Council for consideration and deliberation as to whether recycling collection from non-eligible sources should continue following the end of the transition period. Financial impacts of this decision will be considered for the 2026 WMS operating budget as part of the annual budgeting process.

The key assumptions affecting the multi-year forecast are as follows:

- 2026
 - Reduced funding of \$0.6 million from Circular Materials Ontario (“CMO”) due to the end of EPR transition period
 - Increased pressures of \$0.7 million for inflation and fuel prices on the collection contract
 - Increased landfill operations contracted service pressures of \$0.5 million
 - Continued investment in the People Strategy of \$0.3 million

- 2027
 - Increased pressures of \$0.7 million for inflation and fuel prices on the collection contract
 - Continued investment in the People Strategy of \$0.2 million

Risk and Opportunities

The proposed budget, like any other budget, has a number of risk and opportunities. However, due to the EPR transition changes, the risks to post 2025 transition have yet to be estimated in the multi-year and will be based on future Council direction. The most significant risk to 2025 is the inflationary pressure of the collection contract, as well as several other contracts managed by WMS containing annual contract cost adjustments related to fuel prices and CPI. If these factors exceed the forecasted amounts, this could result in variances to the proposed budget. However, the adequately funded stabilization reserve would help address any variances that may occur.

Alternatives Reviewed

None.

Relationship to Council Strategic Priorities

The 2025 Waste Management Services proposed budget aligns with Niagara Region's 2023 – 2026 Council Strategic Priorities supporting an Effective Region, a Green and Resilient Region, and an Equitable Region.

Other Pertinent Reports

PWA 55-2011 Waste Management Services Financing Study
(Please contact the Niagara Region if a copy is required)

[PWC-C 24-2021 – Residential Blue Box Program – Final Producer Responsibility Regulation](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=9aa51b17-536f-4a78-a67f-8d4065f60dd1&Agenda=Agenda&lang=English>)

Confidential PW 37-2023 Recycling Collection from Non-Eligible Sources under Blue V Box Regulation (O.Reg 391/21)

[PW 21-2024 – Niagara Road 12 Landfill Site Operations Contract](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=bb190b0b-08e1-49d3-8ff8-b3c82ae14fe6&Agenda=Merged&lang=English>)

[CSD 29-2024 - 2025 Budget Strategy](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=5ea2c44e-e03a-4ef1-91b8-f5f6a188db45&Agenda=Agenda&lang=English>)

Prepared by:

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Commissioner / Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared in consultation with Mackenzie Glenney, Program Financial Specialist and Renee Muzzell, Manager, Program Financial Support and reviewed by Beth Brens, Associate Director, Budget Planning & Strategy, Catherine Habermebl, Director, Waste Management Services and Terry Ricketts, Commissioner, Public Works.

Appendices

Appendix 1 2025 Waste Management Schedule of Revenues and Expenditures by
Object of Expenditure

Appendix 2 Proposed 2025 Requisition by Municipality

Appendix 3 2025 Waste Management Requisition for Typical Residential Property by
Municipality

Appendix 4 2024 to 2027 Forecasted Waste Management Reserve Balances

Appendix 5 2025 Waste Management Services Operating Business Cases

2025 Waste Management Schedule of Revenues and Expenditures by Object of Expenditure

| Object of Expenditure | 2024 WMS Budget Total (\$) | 2025 WMS Budget Base (\$) | 2025 WMS Budget One Time (\$) | 2025 WMS Budget Growth/New Programs (\$) | 2025 WMS Budget Total (\$) | Total Variance (\$) | Total Variance (%) | Notes |
|---|----------------------------|---------------------------|-------------------------------|--|----------------------------|---------------------|--------------------|-------|
| Labour Related Costs | 4,314,865 | 4,485,849 | 0 | 56,130 | 4,541,979 | 227,114 | 5.26% | (1) |
| Administrative | 1,043,566 | 1,155,895 | 350,000 | 0 | 1,505,895 | 462,329 | 44.30% | (2) |
| Operational & Supply | 37,810,488 | 38,228,895 | 0 | 0 | 38,228,895 | 418,407 | 1.11% | (3) |
| Occupancy & Infrastructure | 1,038,272 | 1,133,800 | 0 | 0 | 1,133,800 | 95,528 | 9.20% | |
| Equipment, Vehicles, Technology | 349,731 | 354,680 | 0 | 0 | 354,680 | 4,948 | 1.41% | |
| Partnership, Rebate, Exemption | 238,619 | 235,263 | 0 | 0 | 235,263 | (3,356) | -1.41% | |
| Financial Expenditures | 0 | 153,692 | 0 | 0 | 153,692 | 153,692 | 0.00% | (4) |
| Transfers To Funds | 4,581,105 | 4,602,930 | 0 | 0 | 4,602,930 | 21,825 | 0.48% | |
| Allocation Between Departments | 437,590 | 485,117 | 0 | (73,927) | 411,190 | (26,399) | -6.03% | |
| A_60260AC Allocation Within Departments | | | | | | | | |
| Gross Expenditure Subtotal | 49,814,236 | 50,836,121 | 350,000 | (17,797) | 51,168,324 | 1,354,088 | 2.72% | |
| Taxation | (45,167,763) | (46,416,394) | 0 | 26 | (46,416,368) | (1,248,605) | 2.76% | (4) |
| By-Law Charges and Sales | (5,366,048) | (5,370,931) | 0 | 0 | (5,370,931) | (4,883) | 0.09% | |
| Other Revenue | (1,000,561) | (892,418) | 0 | 0 | (892,418) | 108,143 | -10.81% | |
| Transfer from Funds | 0 | 0 | (350,000) | 0 | (350,000) | (350,000) | 0.00% | (2) |
| Gross Revenue Subtotal | (51,534,372) | (52,679,743) | (350,000) | 26 | (53,029,717) | (1,495,344) | 2.90% | |
| Net revenue before indirect allocations | (1,720,137) | (1,843,622) | 0 | (17,771) | (1,861,393) | (141,256) | 8.21% | |
| Indirect Allocations | 1,720,137 | 1,843,622 | 0 | 17,771 | 1,861,393 | 141,256 | 8.21% | |
| Capital Financing Allocation | 0 | 0 | | | | 0 | #DIV/0! | |
| Allocation Subtotal | 1,720,136 | 1,843,622 | | | | 141,256 | 8.21% | |
| Net revenue after indirect allocations | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | |

| | | | | | | | | |
|-----------------|------|------|-----|-------|------|-------|--|-----|
| FTE - Permanent | 34.0 | 34.0 | 0.0 | 1.7 | 35.7 | 1.7 | | (1) |
| FTE - Temporary | 0.7 | 0.7 | 0.0 | (0.7) | 0.0 | (0.7) | | (1) |
| FTE - Total | 34.7 | 34.7 | 0.0 | 1.0 | 35.7 | 1.0 | | |
| Student | 11.7 | 11.7 | 0.0 | 0.0 | 11.7 | 0.0 | | |

(1) Increase is due to base annual increases to support the people strategy and program change requests related to support staffing resources for service delivery (addition of Capital Coordinator funded 50% by capital and Waste Exemption Representative required permanently when previously temporary).

(2) Increase is primarily due to a one-time consulting engagement to conduct household waste composition studies which are essential for obtaining accurate data on types and quantities of waste being generated to enable informed decision-making regarding waste strategies. This one-time cost is fully offset by the increase in Transfer from Funds as it will be funded by the Waste Management Stabilization Reserve. The additional increase is due to consulting studies to prepare for the future collection contract.

(3) Increase is largely driven by increases in contract costs for landfill operations, drop-off depots, household hazardous waste, and collection services as well as increases to internal leachate processing costs.

(4) Increase in Financial Expenditures is due to budgeting for Waste Management's portion of tax write-offs which is fully offset by the budget for Waste Management's portion of supplemental taxes revenue included in Taxation of \$831,653 for a total net requisition reduction of \$677,961. The remaining increase in Taxation of \$416,952 equates to the increase in the total net requisition.

Proposed 2025 Requisition by Municipality

| Municipality | 2024 Requisition (\$000) | 2025 Proposed Requisition (\$000) | 2024 vs 2025 Increase/(Decrease) (\$000) | 2024 vs 2025 Increase/(Decrease) (%) | Taxable Assessment Growth (%) (Note 1) | Net Increase/(Decrease) (%) |
|---------------------|--------------------------|-----------------------------------|--|--------------------------------------|--|-----------------------------|
| Fort Erie | \$ 3,415 | \$ 3,435 | \$ 20 | 0.6% | -1.4% | -0.8% |
| Grimsby | \$ 2,498 | \$ 2,542 | \$ 44 | 1.7% | -0.3% | 1.4% |
| Lincoln | \$ 2,224 | \$ 2,238 | \$ 14 | 0.6% | -0.2% | 0.4% |
| Niagara Falls | \$ 8,814 | \$ 9,024 | \$ 211 | 2.4% | -1.0% | 1.4% |
| Niagara-on-the-Lake | \$ 1,963 | \$ 1,959 | \$ (4) | -0.2% | -0.7% | -0.9% |
| Pelham | \$ 1,589 | \$ 1,608 | \$ 19 | 1.2% | -1.1% | 0.1% |
| Port Colborne | \$ 2,194 | \$ 2,187 | \$ (7) | -0.3% | -1.3% | -1.6% |
| St. Catharines | \$ 13,423 | \$ 13,431 | \$ 8 | 0.1% | -0.9% | -0.8% |
| Thorold | \$ 2,177 | \$ 2,229 | \$ 52 | 2.4% | -3.3% | -0.9% |
| Wainfleet | \$ 668 | \$ 668 | \$ (0) | 0.0% | -0.1% | -0.1% |
| Welland | \$ 5,062 | \$ 5,121 | \$ 59 | 1.2% | -2.0% | -0.8% |
| West Lincoln | \$ 1,142 | \$ 1,144 | \$ 2 | 0.2% | -0.4% | -0.2% |
| Total | \$ 45,168 | \$ 45,585 | \$ 417 | 0.9% | -1.5% | -0.6% |

Note 1 - Total taxable assessment growth percentage of 1.50% represents Niagara estimated growth for 2024 as of October 3, 2024.

Change in Residential Units - 2025 Budget over 2024 Budget

| Municipality | Residential Units 2024 Budget | Residential Units 2025 Budget | Increase | Increase (%) |
|---------------------|----------------------------------|----------------------------------|------------|--------------|
| Fort Erie | 16,545 | 16,690 | 145 | 0.9% |
| Grimsby | 11,969 | 12,205 | 236 | 2.0% |
| Lincoln | 10,592 | 10,618 | 26 | 0.2% |
| Niagara Falls | 40,200 | 40,379 | 179 | 0.4% |
| Niagara-on-the-Lake | 9,132 | 9,057 | (75) | -0.8% |
| Pelham | 7,535 | 7,657 | 122 | 1.6% |
| Port Colborne | 10,450 | 10,452 | 2 | 0.0% |
| St. Catharines | 62,244 | 61,639 | (605) | -1.0% |
| Thorold | 10,293 | 10,549 | 256 | 2.5% |
| Wainfleet | 3,256 | 3,269 | 13 | 0.4% |
| Welland | 24,645 | 24,918 | 273 | 1.1% |
| West Lincoln | 5,680 | 5,704 | 24 | 0.4% |
| Total | 212,541 | 213,137 | 596 | 0.3% |

Source: Municipal Property Assessment Corporation (MPAC)

Estimated 2025 Requisition For Typical Residential Property by Municipality

| Municipality | 2024 Final CVA (Note 1) | 2024 Final WM Tax Rate | 2024 Final WM Taxes | 2025 Draft CVA (Note 1) | 2025 Draft WM Tax Rate (Note 2) | Estimated 2025 WM Taxes | Annual Increase/ (Decrease) (\$) | Annual Increase/ (Decrease) (%) | Net Monthly Increase/ (Decrease) (\$) |
|------------------------------|-------------------------|------------------------|---------------------|-------------------------|---------------------------------|-------------------------|----------------------------------|---------------------------------|---------------------------------------|
| Fort Erie | 234,434 | 0.00073584 | \$ 172.51 | 234,434 | 0.00073023 | \$ 171.19 | \$ (1.32) | -0.8% | \$ (0.11) |
| Grimsby | 449,251 | 0.00045422 | \$ 204.06 | 449,251 | 0.00046057 | \$ 206.91 | \$ 2.85 | 1.4% | \$ 0.24 |
| Lincoln | 403,747 | 0.00049480 | \$ 199.77 | 403,747 | 0.00049658 | \$ 200.49 | \$ 0.72 | 0.4% | \$ 0.06 |
| Niagara Falls | 283,758 | 0.00058209 | \$ 165.17 | 283,758 | 0.00059003 | \$ 167.43 | \$ 2.25 | 1.4% | \$ 0.19 |
| Niagara-on-the-Lake (Note 3) | | | | | | | | | |
| Pelham | 400,278 | 0.00050702 | \$ 202.95 | 400,278 | 0.00050763 | \$ 203.19 | \$ 0.24 | 0.1% | \$ 0.02 |
| Port Colborne | 200,914 | 0.00095517 | \$ 191.91 | 200,914 | 0.00094025 | \$ 188.91 | \$ (3.00) | -1.6% | \$ (0.25) |
| St. Catharines | 273,999 | 0.00073812 | \$ 202.24 | 273,999 | 0.00073196 | \$ 200.56 | \$ (1.69) | -0.8% | \$ (0.14) |
| Thorold | 279,950 | 0.00063876 | \$ 178.82 | 279,950 | 0.00063349 | \$ 177.35 | \$ (1.48) | -0.8% | \$ (0.12) |
| Wainfleet | 318,887 | 0.00061294 | \$ 195.46 | 318,887 | 0.00061218 | \$ 195.22 | \$ (0.24) | -0.1% | \$ (0.02) |
| Welland | 229,501 | 0.00082338 | \$ 188.97 | 229,501 | 0.00081686 | \$ 187.47 | \$ (1.50) | -0.8% | \$ (0.12) |
| West Lincoln | 385,958 | 0.00049959 | \$ 192.82 | 385,958 | 0.00049849 | \$ 192.40 | \$ (0.42) | -0.2% | \$ (0.04) |

Notes

Note 1 - 2024 and 2025 average CVA for typical household based on average value from 2024 tax policy study.

Note 2 - 2025 draft WM rates based on 2024 tax policy (except discount factors), 2025 draft requisition amounts and 2024 estimated returned roll assessment values.

Note 3 - NOTL charge to residents based on fixed household amount as calculated by NOTL and therefore not included in this analysis.

Forecasted Waste Management Reserve Balances
(in thousands of dollars)

| Waste Management Stabilization Reserve | 2024 | 2025 | 2026 | 2027 |
|---|-----------------|-----------------|-----------------|-----------------|
| Opening Balance | \$ 7,562 | \$ 8,910 | \$ 8,738 | \$ 8,913 |
| Interest Allocation | 189 | 178 | 175 | 178 |
| Forecasted Year-End Surplus Transfe | 1,159 | - | - | - |
| One-Time Costs Funded from Reserve (Note 1) | - | (350) | - | - |
| Closing Balance (Note 2) | \$ 8,910 | \$ 8,738 | \$ 8,913 | \$ 9,092 |

Funding Targets (Note 3)

| | | | | |
|------------------------|----------|----------|----------|----------|
| Minimum Funding Target | \$ 4,690 | \$ 4,837 | \$ 4,996 | \$ 5,146 |
| Maximum Funding Target | \$ 7,035 | \$ 7,256 | \$ 7,494 | \$ 7,719 |

| Waste Management Capital Reserve | 2024 | 2025 | 2026 | 2027 |
|---|------------------|------------------|------------------|------------------|
| Opening Balance | \$ 24,577 | \$ 24,911 | \$ 25,659 | \$ 27,040 |
| Interest Allocation | 439 | 498 | 513 | 541 |
| Base Operating Budget Transfer to Reserve | 1,779 | 1,779 | 1,779 | 1,779 |
| Capital Budget Transfer from Reserve (Note 4) | (1,883) | (1,530) | (911) | (8,012) |
| Closing Balance | \$ 24,911 | \$ 25,659 | \$ 27,040 | \$ 21,348 |

Funding Target

Adequately funded in alignment with 2021 Asset Management Plan

| Landfill Liability Reserve | 2024 | 2025 | 2026 | 2027 |
|---|-----------------|-----------------|-----------------|------------------|
| Opening Balance | \$ 5,398 | \$ 3,908 | \$ 5,370 | \$ 8,302 |
| Interest Allocation | 108 | 78 | 107 | 166 |
| Base Operating Budget Transfer to Reserve | 2,802 | 2,824 | 2,824 | 2,824 |
| Capital Budget Transfer from Reserve (Note 4) | (4,400) | (1,440) | - | (800) |
| Closing Balance | \$ 3,908 | \$ 5,370 | \$ 8,302 | \$ 10,492 |

Funding Target

Adequately funded in Alignment with Average Annual Renewal Investment over the contaminating lifespan of each landfill

Note 1 - 2025 one-time consulting engagement to conduct household waste composition studies which are essential for obtaining accurate data on the types and quantities of waste being generated to enable informed decision-making regarding waste diversion strategies, program improvements, and the development of new initiatives.

Note 2 - 2024 forecasted balance will be impacted by any surplus/deficit relating to 2024 operations. Any surplus/(deficit) will be recommended to be transferred to/(from) the Waste Management Stabilization Reserve as part of the 2024 Year End Results and Transfer Report to be presented to Corporate Services Committee in Q1 2025.

Note 3 - As per Niagara Region's Reserve and Reserve Funds Policy (C-F-013), the funding target for the Waste Management Stabilization Reserve is 10% to 15% of operating expenditures not including debt repayments.

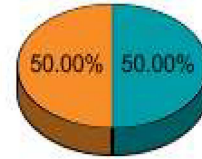
Note 4 - Budgeted transfer from reserve represents transfers out of the Waste Management Capital Reserve in order to fund capital projects.

BC003 - Growth / New Programs - Waste Exemptions Representative

CSD 44 2024
Appendix 5

FTE Scenario Temp To Perm
Department Waste Management Services
Committee Report #
Case Start Date 1/1/25

Effective Region Equitable Region
Green Resilient Region Prosperous Region



Alignment to Council Strategic Priorities

This business case supports Council's 'Equitable Region' and 'Effective Region' strategic priorities by ensuring the Region is inclusive and free of discrimination to those residents requiring collection of additional garbage based on reasonable eligibility criteria; and ensuring that delivered services reflect the needs of residents in an effective manner.

Description

A temporary part-time (0.7 FTE) Waste Exemptions Representative ("WER") for a two-year contract period ending March, 2025, is currently in place. Reporting to the Waste Management Collection & Diversion Program Manager, this role is responsible for supporting the Waste Management Services division with the administration, operating, processing and maintenance of the Region's waste exemption programs. This includes processing requests and renewals for the collection contract including diaper exemptions; medical waste exemptions; daycare exemptions; group home medical waste exemptions and set-out service exemptions. Further, the WER also maintains the garbage tag program for residents and Niagara Region's retail partners.

Business Reasons

Waste Exemptions:

The demand for waste exemptions which are subject to specific eligibility criteria has substantially increased with the start of every-other-week garbage collection in Oct. 2020.

Prior to the curbside service level changes in 2020, the processing and renewal of waste exemptions were handled by multiple staff over the work-from-home COVID-19 period. As a result of a sharp increase in the volume of applications received after the service level changes, a temporary part time role was approved to handle the workload.

In 2019 and 2020, 1,054 and 4,462 waste exemption applications were processed and/or renewed respectively, which represents a 323% increase in workload. The waste exemption program covers various forms of bag limit exemptions and currently includes over 250 special set out service exemptions.

The number of waste exemption applications received has continued to increase. Between Jan. and Apr. 2024, 1,838 applications have been processed and waste exemption applications and renewals are expected to exceed 5,500 by year end which represents a 423% increase from 2019.

Risk Assessment Description: Priority

The various forms of waste exemption and sale of garbage tags are Council approved initiatives and something that eligible/qualified households with the region have become accustomed to, therefore this dedicated role for processing waste exemptions will continue to be a necessity.

The increased volume of work related to waste exemption processing and renewal, and garbage tag sales has increased significantly since 2019. Exemption services have become increasingly important to Niagara region residents. A reduction in the operational and administrative need to support this work is not expected thus supporting the need for the current temporary part-time position to become a permanent part-time position.

Without a dedicated role to perform this work, the related activities will need to be added to other staff's existing duties. Processing backlogs will arise adversely impacting current level of service and difficulties in managing overall workload which can lead to difficulties for staff in completing their primary duties, a back log of overdue work and will adversely impact team morale. Further, it will result in a loss of the routine maintenance and upkeep of these programs, leading to complaints from the public, or the potential for the illegal dumping of the material.

BC003 - Growth / New Programs - Waste Exemptions Representative

CSD 44 2024
Appendix 5

Financial and Staffing Impacts

| Category of Expenditure | 2025 | 2026 | 2027 |
|---------------------------------|-------------|-------------|-------------|
| Labour Related Costs | - | - | - |
| Administrative | - | - | - |
| Operational & Supply | - | - | - |
| Occupancy & Infrastructure | - | - | - |
| Equipment | - | - | - |
| Partnership, Rebate & Exemption | - | - | - |
| Community Assistance | - | - | - |
| Financial Expenditures | - | - | - |
| Transfer To Reserve | - | - | - |
| Gross Expenditure | - | - | - |
| Other Revenue | - | - | - |
| Federal & Provincial Grants | - | - | - |
| By-Law Charges & Sales | - | - | - |
| Transfers From Reserves | - | - | - |
| Gross Revenue | - | - | - |
| Net Tax Levy Impact | - | - | - |
| Permanent FTEs | 1 | - | - |
| Temporary FTEs | (1) | - | - |
| Net FTEs | - | - | - |

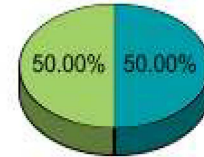
Prepared By: Lucy McGovern
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Position: Program Financial Specialist

Approved By: Terry Ricketts
Position: Commissioner, Public Works

FTE Scenario New FTE
Department Waste Management Services
Committee Report #
Case Start Date 1/1/25

Effective Region Equitable Region
Green Resilient Region Prosperous Region



Alignment to Council Strategic Priorities

This business case supports Council's strategic priorities of being an 'Effective Region' and 'Green Resilient and Region' by ensuring that the Region strives and implements continuous improvement to Waste Management services and programs. Additionally, it ensures that Waste Management infrastructure is in a good state of repair to maintain resilience to the impacts of climate change, meets customer requirements and remains in complies with relevant regulations.

Description

Reporting to the Waste Management Project Manager, the Project Coordinator ("Coordinator") will be responsible for assisting in various day-to-day activities associated with managing capital projects and supporting waste disposal operations. The Coordinator's time will be evenly divided between capital projects and operations and will include the following responsibilities and tasks:

- Maintenance of the GIS asset management database.
- Assist with budgeting, financial processes and other documentation.
- Coordination of project schedule and managing resources to execute project deliverables.
- Responsible for project financial and administrative support, and project specific communication and collaboration.
- Contract Management – supporting Operations to enhance oversight and ensure contractual obligations are met e.g. administration of operating contract database.
- Due Diligence – coordinate due diligence items such as SOPs and Workplace Health and Safety (H&S) management systems.
- Administration of Waste Disposal Operations Workplace Health and Safety Program. Leads operational health and safety initiatives.
- Develops, implements, maintains and updates Standard Operating Procedures (SOPs) as required.
- Manages Tier 3 projects throughout the lifecycle: including initiation, planning, Environmental Assessment, design, construction, commissioning, and close-out.

The Project Coordinator role would be allocated 50% to capital projects and 50% to the operating budget.

Business Reasons

The business reasons for Project Coordinator are as follows:

- Capacity
- GIS/Technology – since 2023 the Waste Management Division has been required to implement and maintain a robust GIS system to track assets; current staff have limited capacity to manage the GIS database, which would be a critical function of the Coordinator.
- Asset Management Office (AMO) – the introduction of a comprehensive corporate asset management program in 2019 / 2020 has significantly added to the workload of the Project Manager. It is estimated that the Project Manager will be required to dedicate approximately 200–250 hours annually (15% of their overall annual work hours) to complete related asset management work. There are on-going long-term deliverables that the Coordinator position would support.
- Projects – Waste Management has one dedicated Project Manager that manages the majority of capital projects, especially projects of a greater complexity and/or value. In 2025, the Project Manager will have 19 active projects that are a mix of tier 2 and 3 projects. As per the Region's Project Management Toolkit, there should be 2 project managers for the number and tier currently being completed by the Project Manager. The addition of the Coordinator will assist the Project Manager to ensure that projects are completed within set timelines and required specifications.
- Site Customers – the number of customers visiting the Region's Residential Drop-off Depots and landfills has increased from 259,000 in 2020 to 324,000 in 2023. The Operations team requires support to assist with the ever-increasing use of the facilities.

Risk Assessment Description: Priority

The potential risks of not having a full-time Project Coordinator include:

- Annual Capital Program – the ability to effectively and efficiently complete the capital program may be compromised
 - o Currently limited to one Project Manager undertaking capital projects which potentially impacts the ability to react to urgent or emergency situations e.g. high voltage line repair
 - o No contingency within capital program e.g. in 2024 hired third party assistance to provide support for an on-going capital project due to workload
- Compliance – potentially lead to issues with both contractual and regulatory compliance
 - o E.g. ensuring corporate H&S policies and regulatory requirements are being met, conduct inspections / monitoring of contracted staff, etc.
- Schedule / Staff Support – project schedules may not be met e.g. capital projects, AMO deliverables, support and workload challenges, etc.
- Capacity – managing the GIS database would be impacted since there is limited capacity within the current Disposal team
 - o There is a developed GIS database however staff resources are required to maintain the database in order to manage assets, provide related deliverables to the AMO and assist with future capital planning
- Lowered Customer Service – inefficiencies and quality issues may result in delays and reduced service quality, negatively impacting customer satisfaction
 - o E.g. will support a good state of repair of sites that the public uses e.g. drop-off depots, naturalization sites

BC004 - Growth / New Programs - Waste Management Capital Coordinator

Financial and Staffing Impacts

CSD 44 2024
Appendix 5

| Category of Expenditure | 2025 | 2026 | 2027 |
|---------------------------------|---------------|---------------|---------------|
| Labour Related Costs | 56,130 | 59,549 | 62,455 |
| Administrative | - | - | - |
| Operational & Supply | - | - | - |
| Occupancy & Infrastructure | - | - | - |
| Equipment | - | - | - |
| Partnership, Rebate & Exemption | - | - | - |
| Community Assistance | - | - | - |
| Financial Expenditures | - | - | - |
| Transfer To Reserve | - | - | - |
| Gross Expenditure | 56,130 | 59,549 | 62,455 |
| Other Revenue | - | - | - |
| Federal & Provincial Grants | - | - | - |
| By-Law Charges & Sales | - | - | - |
| Transfers From Reserves | - | - | - |
| Gross Revenue | - | - | - |
| Net Tax Levy Impact | 56,130 | 59,549 | 62,455 |
| Permanent FTEs | 1 | 1 | 1 |
| Temporary FTEs | - | - | - |
| Net FTEs | 1 | 1 | 1 |

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