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TO: Chair and Directors
Electoral areas services committee

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. DYSON

RE: 2018 - 2022 Financial Plan – Royston garbage collection service – function 366

Purpose

To provide the Electoral Areas Services Committee with the proposed 2018-2022 financial plan and work plan highlights for the Royston garbage collection service, function 366.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2018-2022 financial plan for Royston garbage collection service, function 366 be approved.

Executive Summary

The Royston garbage collection service is a service provided through contract.

- In 2017, a request for proposal was issued for the collection service, with a contract awarded to Emterra Environmental for a three year term.
- The proposed 2018 annual rate for the Royston garbage and recycling service per household remains \$115.80.
- RecycleBC (formally MMBC) provides incentives for curbside recycling service that provide a \$2.00 monthly discount bringing the annual cost to \$91.80, or \$7.65 monthly.
- In 2018 staff will investigate interest and support for the addition of curbside organics/yard waste collection.

Prepared by:

Concurrence:

Concurrence:

J. Lee

Jesse Lee, B.Sc.
Manager of CSWM
Operations

A. McGifford

Andrew McGifford, CPA, CGA
Senior Manager of CSWM Services

M. Rutten

Marc Rutten, P.Eng
General Manager of
Engineering Services

Policy Analysis


The Royston garbage collection service operates under Comox Valley Regional District (CVRD) Bylaw No. 118 being the “Royston Garbage Collection Service Establishment bylaw no. 118, 2010”. This service provides curbside collection of refuse and recycling for the residents of the service area.

A statement of work agreement was entered into with Recycle BC that provides incentives for curbside recycling service such as that provided in the Royston service area. Effective May 2014, the Royston service was eligible to receive incentive payments to offset the cost of public education and the recycling program. The statement of work agreement term expires with RecycleBC November 29, 2018. Within the agreement there is an option to extend the contract an additional year.

Strategic Plan Connections

The 2012 Comox Strathcona Waste Management Plan outlines strategies to achieve a 70 per cent diversion following implementation of the plan. The Royston curbside refuse collection service, along with all waste management centres within the regional solid waste function, will help to achieve this goal through waste reduction, reuse and recycling initiatives. An evaluation of a curbside yard waste program will be investigated.

Table 1: Financial Plan Highlights

|  | | #366 Royston Refuse | | |
|---|-------------------|---------------------|----------------------|---------------------|
| | | 2017 Budget | 2018 Proposed Budget | Increase (Decrease) |
| Operating | | | | |
| Revenue | | | | |
| Sale Services User Fees | 80,876 | 81,610 | 734 | |
| Other Revenue/Recoveries | 34,798 | 35,120 | 322 | |
| Transfer from Reserve | | 5,380 | 5,380 | |
| Prior Years Surplus | 5,286 | 2,751 | (2,535) | |
| | \$ 120,960 | \$ 124,861 | \$ 3,901 | |
| Expenditures | | | | |
| Operating | 118,960 | 122,369 | 3,409 | |
| Contribution to Reserve | | 492 | 492 | |
| Tsfr Other Functions | 2,000 | 2,000 | - | |
| | \$ 120,960 | \$ 124,861 | \$ 3,901 | |

The entire 2018 - 2022 proposed five year financial plan for Royston garbage collection service – function 366 including the requisition summary and the operating and capital budget, is available through the online budget binder at

http://www.comoxvalleyrd.ca/assets/Department/Documents/Finance/CVRD_2018_2022_Proposed_FP_complete.pdf

Revenue Sources

The Royston garbage collection service is funded through a combination of user fees, surplus funds and incentive payments from MMBC. In 2018 the curbside recycling program received approximately \$35,000 from MMBC for the program. The additional funds from RecycleBC have resulted in the

ability to offer the residents of the service a rebate on the user fees for 2018. The RecycleBC incentive amount has been included in the five year financial plan.

It is recommended pursuant to Bylaw No. 119 Royston garbage collection service that a rebate be issued to the customers of the Royston refuse service for 2018. The 2018 recommended discount per dwelling is \$24.00 for a total of \$21,336 in RecycleBC incentive revenue returned to the Royston customers. For future years an annual discount will be considered pursuant to the recommended criteria in Bylaw No. 119.

The 2018-2022 proposed financial plan is based on 889 dwellings participating in the service. The financial plan reflects an increase in collection contract costs and in tipping fee costs. However, with the additional MMBC incentive revenue described above, a user rate discount is still recommended for 2018.

Personnel

The delivery of this service is provided by contract and is overseen by the Manager of CSWM Operations. No personnel costs are allocated to this service. There is a “transfer other functions” to offset the manager’s time spent on the administration of this service.

Operations

In 2017, a request for proposal was issued for the collection service, with a contract awarded to Emterra Environmental for a three year term expiring September 30, 2020 with the option to renew the contract for an additional two years to a maximum of five years. In 2018 staff will investigate interest and support for the addition of curbside organics/yard waste collection.

The RecycleBC agreement requires that some of the incentive funds be used to offset the cost of public education. The 2018 financial plan has been updated to provide \$2,159 towards the development of a quarterly insert and to meet other public education needs. Utility billings will include a line item reflecting the RecycleBC discount of \$2.00/month as well as a note to explain the discount.

Capital

There is no capital associated with this service

Reserves

In 2011, a future expenditure reserve was established. The balance of this reserve is estimated to be \$67,191 on December 31, 2017. The reserve fund target is to retain a minimum balance of \$25,000 in order to address any legal issues, liabilities and penalties that may arise through service agreements.

Citizen/Public Relations

The proposed 2018 annual rate for the Royston garbage and recycling service per household is \$115.80. As a result of the RecycleBC recycling program it is recommended that a discount of \$24.00 per dwelling be issued for 2018. There are no increases from the 2018 user rates and no budget impacts that require a public communications plan.