



The City of Kenora, Ontario, Canada

Solid Waste Budgets
2012

Budget Discussion

Introductory
Information

Budget Overview

Detailed Budget
Schedules

Table of Contents

Introductory Information

Solid Waste Operations	3
Revenue Impacts	3
Existing Solid Waste Infrastructure	4
Operational Restructuring	6

Budget Overview

2012 Budget Highlights	7
Actual and Projected System Funding Available	7

Detailed Budget Schedules

Analysis of System Funding Available – Actual and Projected	Appendix 1
---	------------

Operating Budget

Appendix 2

- Solid Waste Operating Budget
- Garbage Collection Budget Request
- Hazardous Waste Day Budget Request
- Transfer Facility Budget Request
- Kenora Area Landfill Budget Request
- Trilake Landfill Site Budget Request
- Solid Waste Vehicles & Equipment Budget Request
- Solid Waste Supervisor Budget Request

Capital Projections

Appendix 3

- Five Year Capital Projections
- 2012 Capital Projections
- 2013 Capital Projections
- 2014 Capital Projections
- 2015 Capital Projections
- 2016 Capital Projections

Table of Contents

Solid Waste Operations

The City's solid waste operations are responsible for the collection and disposal of solid waste for the City of Kenora. In 2011 the City processed approximately 20,914 tonnes of waste, including recycling. Until November 2009, a significant portion of the City's solid waste was shipped to the Brady Landfill, operated by the City of Winnipeg. The remaining waste was placed in the Kenora Area Landfill. During 2009, it was determined that the Kenora Area Landfill provided a much lower cost alternative. The City's solid waste was redirected to that site commencing November 18, 2009.

The City's current solid waste operations are staffed by a complement of 9 full time employees, 3 part time employees and 2 seasonal students. This does not include staffing related to the recycling operations. The department deploys their staff to other areas of the City, such as the roads department, as required, based on workload demands, resulting in efficiencies within the department where possible.

There are three types of collection within the City – Urban Residential, Rural Residential and Industrial / Commercial / Institutional (ICI). The City currently provides both urban and rural residential collection, operating on a weekly curbside collection schedule. The City provides combined residential garbage and blue box collection, with both streams collected in one truck. Private companies also offer various collection options for residential and commercial customers. The City does not openly compete with these private contractors.

The blue box recycle program is provided at no cost to the residential users, although commercial users are charged a user fee for recycling. Costs for recycling are supported through property taxes and do not impact the City's solid waste budget. In 2011 the Transfer Station shipped 1,498 tonnes of recyclables to Metro recycling. City curbside collection routes collected 428 tonnes or 29% of all recycle materials handled by the department.

Revenue Impacts

The City continues to comply with the Waste Diversion Act and make changes in its solid waste department to provide improvements in solid waste disposal. Ongoing changes to this department will continue while still ensuring the ongoing viability of the operation on a user pay basis. At the same time, Kenora residents are increasing their recycling efforts, resulting in further shifts in volumes through reductions in solid waste activity and increases in residential recycled materials.

Data has been collected to better understand the reduced amounts of refuse placed for curbside collection. Presently the municipal curbside collection operation only collects 10% by weight of residential waste and recycling that is handled through the waste transfer facility. This is in contrast to 100% previously collected in 1999. The curbside collection routes currently average 1,800 pick-ups per cycle, with the average household producing one blue box and one garbage bag per week.

Introductory Information

Solid Waste Operations

Revenue Impacts

Revenue Impacts (Cont.)

The City currently offers the following pick up services for solid waste and blue box:

Solid Waste - 4 Day rotation

This service is offered to all residents of the City, but has seen a steady decrease in the overall number of bags being placed at the curb for collection. The Solid Waste residential curbside collection is performed on a 4 day rotation within the city boundaries with two dual stream waste collection vehicles. In the rural areas of the City, these operations are required to travel significant distances for very low volumes of garbage and recycle collected.

Blue Box - 4 Day rotation

This service is offered to all residents of the City, but has seen a steady increase in the overall number of blue boxes being placed at the curbside. The Blue Box residential curbside collection is performed on the same collection route as the garbage route with same vehicles used for waste collection. Presently the City collects curbside recycling as co-mingled. All recyclables are shipped to Metro recycling in Winnipeg.

ICI

Commercial facilities receive recycling pick-up once per week, through a user pay system. ICI rates have been established for commercial customers dropping off large quantities of recyclables.

The trend of a reduction in solid waste offset by an increase in recycled materials is positive and the City wants to continue to encourage this type of shift from an environmental standpoint. This trend, however, results in a loss of revenue which impacts the bottom line of the solid waste department. Prior to shifting the solid waste disposal to the Kenora Area Landfill, there was some concern that the City may be required to increase tipping fees to adequately maintain solid waste operations as a user pay system. The shift to the Kenora Area Landfill, however, appears to have stabilized the net operations, in the interim. Projected operations, net of anticipated capital spending, over the next five years, indicate a modest but steady increase in reserves related to the solid waste utility.

Existing Solid Waste Infrastructure

Major infrastructure related to the City's solid waste operations includes the Kenora Area Landfill (put into operation in 2000) and the Kenora Area Solid Waste Transfer Station. The City operates both these facilities under a Certificate of Approval (C of A) from the Ministry of Environment. The C of A for each site imposes stringent standards for the operations of each facility.

In addition to the Kenora Area Landfill and Kenora Area Solid Waste Transfer Station, the City continues to monitor the closed Tri-Municipal Landfill site, related to a post-closure plan. Costs related to this post-closure care will continue for a minimum of twenty-five years following the closure of the site in 2000.

A detailed analysis related to the existing solid waste infrastructure, excluding vehicles and equipment, as well as expected useful life has been included at the top of the following page. This analysis shows the estimated annualized cost of capital for the solid waste operations, including the Kenora Area Landfill.

Introductory Information

Revenue Impacts (Cont.)

Existing Solid Waste Infrastructure

City of Kenora
Solid Waste Operations
Estimated Future Annualized Capital Needs
Jones Road Landfill Option Implemented

(in thousands of dollars)

	Replacement Cost	Useful Life	Annualized Cost
Major Capital Assets			
Transfer Facility	\$ 1,000	50	\$ 20
Landfill Site	5,000	40	125
Closure Costs for Old Site	1,000	40	25
	\$ 7,000		\$ 170

The remaining useful life of the Kenora Area Landfill site is directly related to the volume of waste hauled into it. With the diversion of the City's solid waste to this site, the anticipated remaining life of the site is projected at 35 years.

Based on current requirements, any future City landfill site would be an engineered site with leachate containment and a sewage treatment facility to deal with the leachate. This type of site will be easier to find, but more costly to build and operate. Anticipated costs related to the development of a future site are \$5 million. Additionally, there would be closure costs related to the existing site. While closure costs for the site will be done in phases as the site is filled, final cost for closure is estimated at \$1 million for clay cover and vegetation.

Operational Restructuring

The following operational changes were made in 2011 in order to improve the overall operational efficiencies of the City Transfer Facility:

- ❑ New clearer and informative signage to further move the public safely through the site.
- ❑ Completed construction of disposal area to the rear of the site to allow the public to dispose of construction & demolition material directly into bins for haulage to the Kenora Area Landfill site.
- ❑ Completed the modifications to the recycle building to minimize onsite handling.
- ❑ New WEEE collection on site to remove waste electrical & electronic equipment from the waste stream.
- ❑ Purchased new rock wagon for use of moving cover material at the Jones Road Landfill site.

The City will continue to review its solid waste and recycling operations on an ongoing basis, with the intent of implementing changes that would continue to improve the overall efficiencies of these operations.

Introductory Information

Operational
Restructuring

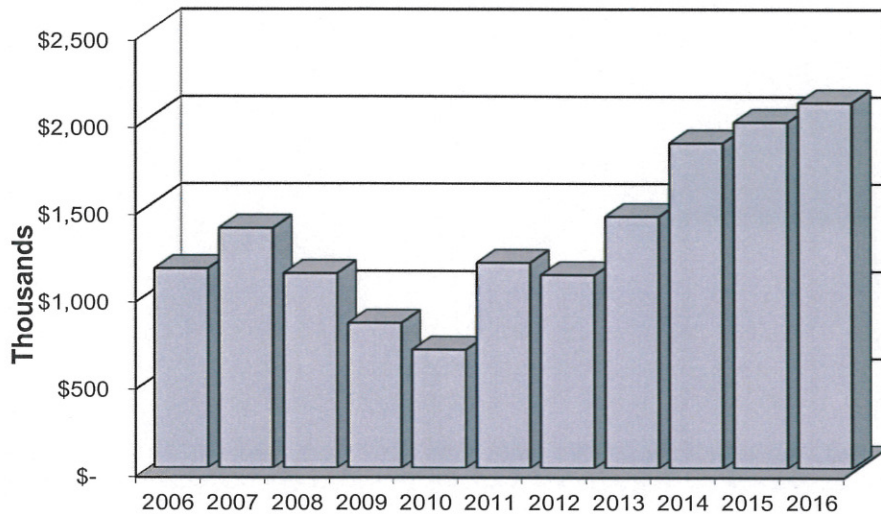
2012 Budget Highlights

The 2012 operating budget projects a net surplus from operations of \$526,884. A chart outlining proposed system capital expenditures over the next five years has been included on this page to the right for reference purposes.

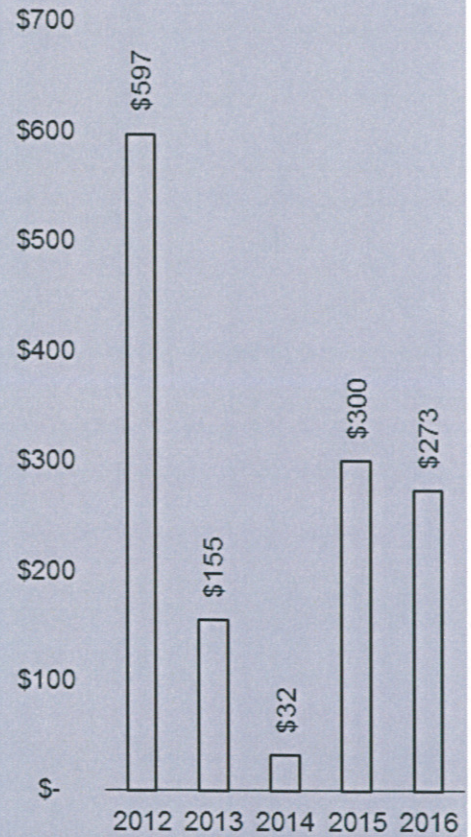
Actual and Projected System Funding Available

With the shift of solid waste disposal at the Kenora Area Landfill, the City has experienced a stabilizing of the solid waste reserves. There was a continued reduction in the reserves in 2010, largely as a result of capital expenditures incurred for operational improvements. Following 2012, the City is projecting regular growth in the solid waste reserves.

The following table outlines the actual solid waste accumulated reserves over the past six years, and projected accumulated system funding over the next five-year period. The analysis included in Appendix 1 provides this information in greater detail.



Projected Capital Solid Waste Expenditures (in thousands of dollars)



Budget Overview

2012 Budget Highlights

Actual and Projected System Funding Available