



## SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE

Monday, January 24, 2022  
Held Electronically and Transmitted Via the  
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.

### AMENDED AGENDA

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**CALL TO ORDER** 9:30 a.m.

#### AGENDA

1. Adoption of Agenda

#### PRESENTATIONS AND DELEGATIONS

#### REPORTS

2. 2022-2026 Financial Plan at Round 2 *Verbal*  
*Chief Administrative Officer /  
General Manager, Corporate Services / Chief Financial Officer*
3. 2022 Property Assessment Impacts Annex A  
Pages 1-4  
*Budget and Financial Analyst*  
**(Voting – All Directors)**
4. 2021 Service Deficits and Mitigation Annex B  
pp. 5-7  
*Manager, Financial Services*  
**(Voting – All Directors)**
5. Landfill Remediation – Solid Waste Deficit ⇒ **INSERT**  
pp. **7a-7i**  
*General Manager, Infrastructure Services*  
**(Voting – All Directors)**
6. Summary of Proposed Initiatives and Carryforwards at Round 2 Annex C  
pp. 8-33  
Budget - Spreadsheet
7. 2022 Round 2 Budget Proposal [110] General Government Annex D  
pp. 34-36  
*Chief Administrative Officer and Corporate Officer*  
**(Voting – All Directors)**
8. 2022 Round 2 Budget Proposal Various Functions for Snow and Annex E  
pp. 37-38  
Ice Removal Contingency  
*Senior Leadership Team*  
**(Voting – All Directors)**

9. 2022 Round 2 Budget Proposal for Ports Services [345]  
*General Manager, Community Services*  
**(Voting – B, D, E, F)** Annex F  
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10. 2022 Round 2 Budget Proposal [210] Gibsons and District Fire  
Protection  
*Fire Chief*  
**(Voting – E, F, and Gibsons)** Annex G  
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11. 2022 Round 2 Budget Proposal [216] Halfmoon Bay Fire  
Protection  
*Fire Chief*  
**(Voting – All Directors)** Annex H  
pp. 47-50
12. 2022 Round 2 Budget Proposal [222] Sunshine Coast  
Emergency Program  
*Manager, Protective Services*  
**(Voting – All Directors)** Annex I  
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13. Pender Harbour Transfer Station Food Waste Drop-Off Program  
Backgrounder  
*Manager, Solid Waste Services*  
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14. ⇒REPLACE PAGES 2022 Round 2 Budget Proposal [350] Solid  
Waste Services  
*Manager, Solid Waste Services*  
**(Voting – All Directors)** Annex K  
pp. 88-92
15. 2022 Round 2 Budget Proposal [370] Regional Water Service  
*Manager, Utility Services*  
**(Voting – A, B, D, E, F and Sechelt)** Annex L  
pp. 93-95
16. 2022 Round 2 Budget Proposal [366] South Pender Harbour  
Water Service  
*Manager, Utility Services*  
**(Voting – All Directors)** Annex M  
pp. 96-97
17. 2022 Round 2 Budget Proposal [365] North Pender Harbour  
Water Service  
*Manager, Utility Services*  
**(Voting – A and SIGD)** Annex N  
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18. 2022 Round 2 Budget Proposal [381-395] Wastewater  
Treatment Plants  
*Manager, Utility Services*  
**(Voting – A, B, D, E, F)** Annex O  
pp. 100-103

- 19.** Electoral Areas' Grant-in-Aid and Economic Development  
Review of Discretionary Balances for 2022  
*General Manager, Corporate Services / Chief Financial Officer*  
**(Voting – A, B, D, E, F)** Annex P  
pp. 104-110
- 20.** Gibsons and District Public Library - 2022 Revised Budget  
Submission  
**(Voting – All Directors)** Annex Q  
pp. 111-114
- 21.** Pender Harbour and District Chamber of Commerce – 2022  
Special Project Funding Request Options  
*General Manager, Corporate Services / Chief Financial Officer*  
**(Voting - All Directors)** Annex R  
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- 22.** Update to 2022 Municipal Insurance Association (MIA) and  
Reed Stenhouse Inc. (AON) Premiums  
*Manager, Purchasing and Risk Management*  
**(Voting – All Directors)** Annex S  
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## **COMMUNICATIONS**

## **NEW BUSINESS**

## **IN CAMERA**

## **ADJOURNMENT**

**SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT**

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**TO:** Special Corporate and Administrative Services Committee – Round 2 Budget  
January 24, 2022

**AUTHOR:** Remko Rosenboom, General Manager, Infrastructure Services  
Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

**SUBJECT:** **SECHELT LANDFILL REMEDIATION DEFICIT AND SOLID WASTE REVENUE  
REQUIREMENTS**

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**RECOMMENDATION(S)**

**THAT the report titled Sechelt Landfill Remediation Deficit and Solid Waste Revenue Requirements be received for information;**

**AND THAT the contract with Summit Earthworks Inc. for the Sechelt Landfill Drop-off Remediation be increased in the amount of \$226,032 up to \$1,469,296 (plus GST);**

**AND THAT the contract with XCG Consulting Ltd. for Engineering Services for the Detailed Design of the Sechelt Landfill Public Drop-off Area be increased in the amount of \$21,408 up to \$184,565 (plus GST);**

**AND THAT the delegated authorities be authorized to execute both contracts;**

**AND THAT the Sechelt Landfill Drop-Off Remediation budget be increased by \$218,336 to \$2,132,214 (\$153,916 from short-term debt for capital expenditures with the remainder from 2021 operating surplus) for the remediation/construction phase of the project;**

**AND THAT the Sunshine Coast Regional District authorize up to \$1,616,306 to be borrowed, under Section 403 of the *Local Government Act*, from the Municipal Finance Authority, for the purpose of the Sechelt Landfill Drop-off Remediation project;**

**AND THAT the loan be repaid within five years with no rights of renewal;**

**AND THAT the principle (\$297,440) and interest (\$20,399) repayment be amended to reflect the revised loan amount starting in 2022;**

**AND THAT metal recycling revenue of \$160,000 be included in the base budget starting in 2022 and revised annually;**

**AND THAT \$195,546 of 2021 surplus (operating reserves) due to the deferral of the short-term debt payments for the Remediation Project be transferred to the 2022 Budget;**

**AND FURTHER THAT the draft 2022-2026 Financial Plan be amended accordingly.**

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**BACKGROUND**

The Sunshine Coast Regional District (SCRD) Board adopted the following resolution at a special meeting held on August 16, 2021:

223/21 THAT the report titled Contract Sechelt Landfill Drop-Off Remediation Project – Financial Update be received for information;

AND THAT the contract with Summit Earthworks Inc. for the Sechelt Landfill Drop-off Remediation be increased in the amount of \$214,723 up to \$1,243,264 (plus GST);

AND THAT the contract with XCG Consulting Ltd. for Engineering Services for the Detailed Design of the Sechelt Landfill Public Drop-off Area be increased from \$128,157 up to \$163,157 (plus GST) to provide Construction Oversight of the Sechelt Landfill Drop-off Remediation;

AND THAT the delegated authorities be authorized to execute both contracts;

AND THAT the Sechelt Landfill Drop-Off Remediation budget be increased by \$254,723 to \$1,913,878 (\$214,723 from short-term debt and \$40,000 from 2022 taxation) for the remediation/construction phase of the project;

AND THAT the Sunshine Coast Regional District authorize up to \$1,462,390 to be borrowed, under Section 403 of the Local Government Act, from the Municipal Finance Authority, for the purpose of the Sechelt Landfill Drop-off Remediation project;

AND THAT the loan be repaid within five years with no rights of renewal;

AND FURTHER THAT the 2021-2025 Financial Plan be amended accordingly.

A portion of this report is to provide the Board with a status update on the project, including a financial update, and seek direction on next steps.

At the March 11, 2021 Board meeting the following resolution was adopted:

068/21 **Recommendation No. 35** *Regional Solid Waste [350] – 2021 R2 Budget Proposal – Late Item*

THAT the report titled 2021 R2 Budget Proposal for [350] Regional Solid Waste – Late Item be received for information;

AND FURTHER THAT the following budget proposal be deferred to 2022 to allow for more analysis and discussion regarding the funding of the operations of the SCRD solid waste disposal sites and the actual Municipal Solid Waste (MSW) tipping fees variance for 2021:

- Budget Proposal 8 – Increase to Landfill Operations Funding (Base Budget), \$97,500 funded through Taxation.

In addition to reconciling the Landfill Remediation project for 2021, further analyses of the tipping fee revenue and expenditures related to the operations of the Sechelt Landfill and the Pender Harbour Transfer Station has highlighted the need to amend the 2022 Budget.

## **DISCUSSION**

### *Sechelt Landfill Drop-Off Remediation Project*

Since the August 16, 2021 status update to the Board the project has significantly advanced to such that the project is almost fully completed.

Unfortunately, the project has incurred several set-backs that have resulted in a budget shortfall. The primary cause for this is the storm-water management of the site. After the new scale building was installed, the site sustained significant flooding during the significant rain events late September. It became clear that significant additional measures needed to be taken to prevent water from flowing towards the area where the scale and scale building are located and some other areas on site. Addressing these issues required several measures to be taken including additional grading of the site, more fill material to be brought in, additional water diversion structures to be created and sump-pumps to be installed. Since these measures were implemented the site has not had any additional water management issues.

Additional costs to the SCRD resulting from the performance the construction contractor Summit Earthworks Inc. is the secondary reason for the cost overruns. There were construction delays resulting from insufficient project management by the contractor. These delays resulted in a prolonged need for additional container services to operate the temporary drop-off area, additional costs for the engineering consultant, XCG Consulting Ltd, to provide construction oversight and additional SCRD staff time. In addition, there were times that incomplete information was provided to the SCRD that resulted in decisions being made that were different from what would have been made if the correct information was provided. The contract type used for this project includes limited provisions to recover any of these costs from Summit Earthworks Inc.

The third identified cause for the budget shortfall has to do with the SCRD staff capacity. There were several unplanned workload and staffing challenges that impacted the dedicated project management capacity for this project. As a result, the General Manager of Infrastructure Services was required to assume lead project management responsibility for the project in addition to an already substantial workload. Reflecting on the project it can be concluded that projects like this require dedicated project management capacity, ideally with the same project management lead throughout. This has been addressed as part of the 2022 budget submissions.

### *2022 Revenue Requirements*

As part of the 2021 Year-End and 2022-2026 Financial Plan preparation, analysis highlighted several variances in actual revenue sources for both the Pender Harbour Transfer Station and Sechelt Landfill. In order to balance the 2022 Budget and respective Financial Plan for the Regional Solid Waste Service [350], several amendments will need to be made to balance the budgets.

Currently the revised 2021 year-end surplus for Regional Solid Waste is projected at \$263,000. The items which are contributing to the surplus as also a result of the Sechelt Landfill

Remediation project. For example, there was approximately \$140,000 of short-term debt servicing budgeted in 2021 for the Sechelt Landfill Remediation project which was funded through taxation. Due to project delays, this expense was not realized and is contributing to the surplus. There was also \$40,000 budgeted in 2021 for the project to be recovered through 2022 taxation, however, it is recommended that this be funded through the 2021 operational surplus. It is recommended that both of these amounts be re-allocated to the 2022 Budget

With the implementation of residential curbside food waste now in effect for all local governments on the Sunshine Coast, it was known that tonnage and the associated tipping fee revenue from municipal solid waste would decrease. A Budget Proposal was presented as part of the 2021 Budget (Attachment A) to increase the tax subsidy, however, the proposal was not approved. The trend appears to have contributed to lower than expected tipping fee revenue for 2021, therefore, a decrease to the budgeted tipping fees is required. As the District of Sechelt only introduced its program in December 2021, the full impact of that program on the tipping fee revenue can only be determined in Q2 or Q3 2022.

Included in the 2022 Round 2 Budget agenda is a \*New proposal to increase costs for Gypsum Testing and Abatement. Originally, it was expected that the new tipping fee revenue of \$1,000/ton which was enacted in August 2021, would offset the new expenses and potentially generate some surplus for future abatement overhead. However, the trend has been a reduction in tonnage from gypsum. Therefore, it is recommended that the Budget Proposal be amended to be funded through taxation as to not over-state tipping fee revenue and risk the likelihood of a deficit for the service. The adequacy of the tipping-fee, revenue and costs associated with gypsum will be confirmed in Q4 2022.

There were some positive outcomes of the revenue analysis which will reduce the need for tax subsidy for 2022. In 2021, Solid Waste was successful in receiving revenue from recycled metal waste in the amount of approximately \$200,000. With metal commodities reaching all-time highs for 2021, it is recommended that the revenue be included at \$160,000 for 2022. This amount is not currently budgeted and will be included in the 2022 with an annual review of to be done ahead of 2023.

*Financial Implications - Sechelt Landfill remediation project*

Table 1 presents the required amendments to the project Budget.

Table 1 – Sechelt Landfill Drop-off Remediation Project Costs

<b>Project Phase</b>	<b>Approved budget</b>	<b>Amended budget</b>
Initial site assessments	\$15,200	\$15,200
Bin rental and container services	\$408,599	\$408,599
Construction temporary drop-off area	\$27,679	\$27,679
Engineering services	\$129,160	\$184,565
Contractor for remediation/construction phase	\$1,243,264	\$1,469,296
Contingency allowance remediation/construction contract	\$89,976	\$26,875
<b>Total</b>	<b>\$1,913,878</b>	<b>\$2,132,214</b>

As the approved project budget is \$1,913,878, and the project costs are now budgeted at \$2,132,214, the budget shortfall is \$218,336.

The current value of the contract with our construction contractor Summit Earthworks Inc. is to be increased by an amount up to \$226,032. The amended budget would allow it to be increased to \$1,469,296 (plus GST) to reflect the change in activities that was required to complete this project.

Staff also recommend that the existing contract with XCG Consulting Ltd. for Engineering Services for the Detailed Design of Sechelt Landfill Public Drop-off Area be increased from \$163,157 up to \$184,565 (plus GST) to allow for the construction oversight resulting from extension in the construction term.

Of the total \$2,132,214 budget for this project, \$515,898 are operational in nature consisting mainly of bin rentals and container services associated with the temporary drop off facility. A total of \$353,605 in taxation and \$84,000 in operating reserves has been used to fund these expenses to date leaving a shortfall of \$78,293. \$40,000 of this was approved to be funded from 2022 taxation; however, the 2021 operating surplus is expected to be sufficient to cover the entire shortfall.

Staff are recommending that the capital budget shortfall be funded through an increase of \$153,916 to short-term borrowing under Section 403 of the *Local Government Act* (Liability Under Agreement) with the Municipal Finance Authority of BC (MFA).

The contract increase for the engineering construction oversight by XCG Consulting Ltd. can be funded from the project contingency allowance.

The original short-term borrowing was budgeted at 2.00% and the current MFA variable rate is approximately 1%. The revised interest and principal values will be adjusted with the estimated repayment being \$317,839 per year, revised from \$239,925. This amount is funded through taxation.



**Staff Report to Special Corporate and Administrative Services Committee – Jan. 24, 2022  
Sechelt Landfill Remediation Deficit and Solid Waste Revenue Requirements Page 6 of 9**

*Financial Implications-2022 Revenue Requirements*

Based on the revisions recommended above to reconcile 2021 Budget/Actuals and the draft 2022 Budget, the Round 2 Solid Waste Budget (not including Round 2 Budget Proposals) will be amended as follows:

<b>Regional Solid Waste [350]</b>						
<b>Revenues</b>						
	Actuals 2021	Amended Budget 2021	Round 2 Budget 2022	Draft Amended Round 2 Budget	Change	
Tax Requisitions	3,361,137	3,668,016	3,449,790	3,477,706	27,916	
User Fees & Service Charges	2,811,690	2,997,006	2,789,169	2,789,169		
Investment Income	57,255					
Gain on Disposal of Tangible Assets	(96,626)					
Other Revenue	446,834	170,601	200,601	360,601	160,000	
<b>Total Revenues</b>	<b>6,580,290</b>	<b>6,835,623</b>	<b>6,439,560</b>	<b>6,627,476</b>	<b>187,916</b>	
<b>Expenses</b>						
Administration	565,992	565,998	617,092	617,092		
Wages and Benefits	1,242,129	1,209,286	1,333,303	1,333,303		
Operating	3,527,337	4,253,663	3,620,780	3,585,216	35,564	
Debt Charges - Interest				20399	20399	
Amortization of Tangible Capital Assets	48,123	54,261	54,261	54,261		
<b>Total Expenses</b>	<b>5,383,581</b>	<b>6,083,208</b>	<b>5,625,436</b>	<b>5,610,271</b>		
<b>Other</b>						
Capital Expenditures (Excluding Wages)	1,011,466	4,261,400	96,000	96,000		
Proceeds from Long Term Debt		(1,681,400)				
Debt Principal Repayment		126,229	233,061	311,142	78,081	
Transfer to/(from) Reserves	91,501	(353,870)	(410,676)	(40,130)	(370,546)	
Transfer to/(from) Other Funds		(42,883)				
Transfer to/(from) Accumulated Surplus		(50,000)				
Prior Year (Surplus)/Deficit	93,595	247,200	50,000	(195,546)	-145,546	
Unfunded Amortization	(48,123)	(54,261)	(54,261)	(54,261)		
Transfer (to)/from Unfunded Liability	854,073	(1,700,000)	900,000	900,000		
<b>Total Other</b>	<b>952,213</b>	<b>752,415</b>	<b>814,124</b>	<b>1,017,205</b>		
<b>Regional Solid Waste (Surplus)/Deficit:</b>	<b>(244,496)</b>			<b>0</b>		

By making the recommended changes, taxation impacts will be mitigated and tipping fee revenues are being held for 2022 pending more data on actuals. Staff will report back as part of the Q2 and Q3 variance reports for 2022 on items like gypsum, organics and municipal solid waste tonnages.

*Timeline for next steps*

Upon Board approval of the contract and budget amendment, staff will initiate the contract amendments with Summit Earthworks Inc. and XCG Consulting Ltd. for execution.

Staff have improved its terms and conditions for the construction phase of these kind of projects for costs associated with delays in project completion resulting from the inadequate project management by the contractor.

The SCRCD currently has a very significant amount of active capital projects and is still experiencing difficulties in filling positions within the Capital Projects and Utilities Services Divisions to support the management of these projects. If the 2022 Budget Proposal for a Manager, Special Solid Waste Projects would be incorporated in the 2022-2026 Financial Plan it would provide more project management capacity for these kinds of capital projects moving forward.

**STRATEGIC PLAN AND RELATED POLICIES**

N/A

**CONCLUSION**

While the remediation/construction phase of the project is progressing on schedule, additional costs are being incurred which has resulted in a budget shortfall of \$218,336. To address the shortfall resulting from both contract awards, staff recommend that the Sechelt Landfill Drop-off Remediation budget be increased by \$218,336 to \$2,132,214 and be funded through short-term borrowing from the Municipal Finance Authority (\$153,916) with the remainder from 2021 operating surplus

Staff also recommend that the contract with Summit Earthworks Inc. for the Sechelt Landfill Drop-off Remediation be increased in the amount of \$226,032 up to \$1,469,296 (plus GST), and that the contract with XCG Consulting Ltd. for Engineering Services for the Detailed Design be increased from \$1163,157 to up to 184,565 (plus GST).

As part of the 2021 Year-End and 2022-2026 Financial Plan preparation, analysis highlighted several variances in actual revenue sources for both the Pender Harbour Transfer Station and Sechelt Landfill. In order to balance the 2022 Budget and respective Financial Plan for the Regional Solid Waste Service [350], several amendments will need to be made to balance the budgets.

Reviewed by:			
Manager		CFO/Finance	
GM		Legislative	
CAO	X - D. McKinley	Purchasing	

**Attachment A: Deferred 2021 budget proposal [350] Solid Waste**

8	<i>Function Number – Project Name:</i>	[350] – Increase to Landfill Operations Funding
	<i>Rating:</i>	Status Quo Service
	<i>Areas Affected (A-F, Regional, Islands):</i>	Regional
	<i>2021 Funding Required:</i>	\$97,500
	<i>Funding Source(s):</i>	Taxation
	<i>Asset Management Plan Implications:</i>	N/A
	<i>Rationale / Service Impacts:</i>	<p>All local governments on the coast have or are in the process of implementing a residential curbside collection program for food waste.</p> <p>The implementation of these programs is reducing the material tonnages disposed of at the landfill and hence the revenue received from tipping fees for Municipal Solid Waste (MSW).</p> <p>The proposed budget amount did only consider the expected tonnage decreases related to the implementation of the SCRDR organics curbside collection program (“green bin program”) while such program for the District of Sechelt is expected to be initiated sometime in 2021.</p> <p>As no Board direction has been received if the reduction in tipping fees should be offset by increasing taxation (as per this budget proposal) or thru an increase in MSW tipping fees, staff will bring forward a report on this subject to a February 2021 Committee meeting and will update this budget proposal as per the Board direction received at that meeting.</p> <p><u>Update since Round 1</u></p> <p>Staff are recommending the deferral of this budget proposal to 2022 to allow for more analyses and discussion with the Board on the funding of the operations of</p>

		the SCRDR solid waste disposal sites and the actual MSW tipping fees variance for 2021. If such variance would contribute to a deficit for the function as a whole this would need to be funded from 2022 taxation.
	<i>Climate Action Impact</i>	N/A
	<i>Life Cycle Cost Breakdown</i>	Base Budget Increase

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Special Corporate and Administrative Services Committee – Round 2 Budget  
January 24, 2022

**AUTHOR:** Robyn Cooper, Manager, Solid Waste Services

**SUBJECT:** **2022 ROUND 2 BUDGET PROPOSAL FOR SOLID WASTE SERVICES [350]**

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### RECOMMENDATION(S)

**THAT the report titled 2022 Round 2 Budget Proposal for Solid Waste Services [350] be received for information.**

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### BACKGROUND

Following is a summary of the Round 1 2022 Budget meeting recommendations:

- Budget Proposal #1 – Pender Harbour Transfer Station Site Improvements – Phase 1 [350], \$96,000 – Incorporated in Round 1. Funding from Eco Fee Reserves.
- Budget Proposal #2 – Sechelt Landfill Closure/Post Closure Funding [350], \$100,000 – Incorporated in Round 1. Funding from Taxation.
- Budget Proposal #3 – Manager, Special Solid Waste Projects [350], \$67,571 – Incorporated in Round 1. Funding from Taxation and internal recovery.
- Budget Proposal #4 – Waste Reduction Initiatives Program [350], \$7,500 – Incorporated in Round 1. Funding from Taxation.
- Budget Proposal #5 – 2022 WildSafeBC Program Project Initiation [350], \$15,000 – Incorporated in Round 1. Funding from Taxation.
- Budget Proposal #6 – Islands Clean Up Program Initiation [350], \$5,000 – Incorporated in Round 1. Funding from Taxation.
- Budget Proposal #7 - Home Composter Rebate Program [350], \$7,500 - Incorporated in Round 1. Funding from Taxation.

**DISCUSSION**

Staff brought forward a report titled *Pender Harbour Transfer Station Food Waste Drop-off Program Update and Next Steps* to the December 9, 2021 Infrastructure Services Committee meeting and it was recommended that staff prepare a 2022 Round 2 Budget Proposal for a food waste drop-off program at the Pender Harbour Transfer Station. This information has been provided in a supplemental staff report.

**2022 R2 Budget Proposals by Category**

**A- BOARD STRATEGIC AND CORPORATE GOALS**

8	<i>Function Number – Project Name:</i>	<b>***NEW - [350]</b> – Pender Harbour Transfer Station Food Waste Drop-off
	<i>Rating:</i>	Enhancement to Service
	<i>Areas Affected (A-F, Regional, Islands):</i>	All
	<i>2022 Funding Required:</i>	\$27,000  2023 Funding: up to \$54,000 2024 Funding: up to \$27,000
	<i>Funding Source(s):</i>	50% Eco Fee Reserves 50% User fees (tipping fee for Pender Harbour Transfer Station)
	<i>Asset Management Plan Implications:</i>	n/a
	<i>Rationale / Service Impacts:</i>	<p>Providing a food waste drop-off at the Pender Harbour Transfer Station is one of the initiatives of the SCRD’s Regional Organics Diversion Strategy. The food waste drop-off supports the pending landfill disposal regulations for food waste that are currently planned to take effect for July 1, 2022. As well, diverting food waste from landfill, saves valuable landfill space for those materials that do not currently have a diversion option.</p> <p>Staff are proposing to conduct a 2 year pilot. The proposed dates of the pilot are from Q3 2022 to June 30, 2024. This ensures one full year of the program and data collection prior to a decision on the continuation that needs to be made in Q3 2023. Such decision would need to be made in advance of the 2024 budget</p>

		<p>process to avoid a gap in service delivery after June 30, 2024.</p> <p>As the actual annual costs for this pilot will depend on the outcome of the procurement process for this service, Staff are proposing an annual budget of up to \$54,000 as that was the previously considered budget for this program with hauling to Sechelt for processing.</p> <p>In the other electoral areas the collection and processing of food waste is funded from user fees. Given the pilot nature of this project it's not proposed to fund 100% of the costs thru user fees. Instead it's proposed that 50% of the costs to be funded from the Eco-Fee reserves, and 50% is to be collected thru a yet to be established user fee (tipping fee).</p> <p>The pilot program parameters would align with prior Board direction of: residents and small businesses, with a container volume restriction of 50L (No. 284/20).</p> <p>Staff currently expects that a \$5 per container tipping fee would be sufficient to secure the above listed funding amount from tipping fees. The recommendation to establish this tipping fee and initiate the required amendment to Bylaw 405 will be brought forward at the time of contract award.</p>
	<p><i>Climate Action Impact:</i></p>	<p>Composting food waste emits lower GHGs than disposing as garbage in the Sechelt Landfill.</p>
	<p><i>Life Cycle Cost Breakdown:</i></p>	<p>2023 Funding: up to \$54,000                  2024 Funding: up to \$27,000</p>
<p>9</p>	<p><i>Function Number – Project Name:</i></p>	<p><b>AMENDED ***NEW –</b> [350] – Gypsum Testing and Abatement</p>
	<p><i>Rating:</i></p>	<p>Status Quo Service</p>

	<i>Areas Affected (A-F, Regional, Islands):</i>	All
	<i>2022 Funding Required:</i>	<del>\$305,300</del> <b>Decrease to \$125,000</b>
	<i>Funding Source(s):</i>	<del>Tipping Fees</del> <b>Taxation</b>
	<i>Asset Management Plan Implications:</i>	n/a
	<i>Rationale / Service Impacts:</i>	<p>In August 2021, Bylaw 405 was amended to increase the tipping fee for the disposal of Gypsum to \$1,000 per tonne. This increase is in support of ongoing testing of gypsum loads and any required abatement of loads containing asbestos.</p> <p>This budget proposal is intended to have the operating budget for this service to reflect the current expenditures associated with testing and the abatement of two loads of gypsum containing asbestos. These costs are estimated at \$125,000.</p> <p><del>The remainder of the additional revenue received due to the tipping fee increase (\$180,300) is proposed to be transferred to [350] Landfill Operations Operating Reserves should there be more than two loads of gypsum that need to be abated within a given year.</del></p> <p><b>Upon year-end review of the 2021 tipping fee revenue for gypsum received at the Sechelt Landfill and PH Transfer Station from Aug to Dec-2021, tonnage has dropped significantly. Therefore, the value has been reduced to a more conservative estimation to \$125,000.</b></p> <p><b>The funding source has also been changed from tipping fees to taxation. The rationale has been provided in the subsequent staff report (Landfill Remediation – Solid Waste Deficit) in that tipping fee revenues are declining due to Food waste diversion programs coming into effect. 2021 Budget proposal to increase taxation</b></p>



		by \$97,000 was deferred and tipping fee trends are indeed trending downward as expected.
	<i>Climate Action Impact:</i>	n/a
	<i>Life Cycle Cost Breakdown:</i>	Base budget increase: - \$125,000 for Gypsum testing and abatement (\$30,000 PHTS and \$95,000 SL) - \$180,300 Transfer to [350] Landfill Operations Operating Reserves

**Financial Implications**

Five-Year Operating Reserve Plan - Landfill Operating					
	2022	2023	2024	2025	2026
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 5,306	\$ 95,306	\$ 95,306	\$ 95,306	\$ 95,306
Estimated 2022 Surplus*	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Closing Balance in Reserve	\$ 95,306	\$ 95,306	\$ 95,306	\$ 95,306	\$ 95,306

Five-Year Operating Reserve Plan - Eco Fees					
	2022	2023	2024	2025	2026
Item	Amount	Amount	Amount	Amount	Amount
Opening Balance in reserve	\$ 97,385	\$ 42,885	\$ 70,885	\$ 112,385	\$ 167,385
Contributions	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
PHTS Site Improvements Phase 1	-\$ 96,000	\$ -	\$ -	\$ -	\$ -
PHTS Food Waste Drop-off	-\$ 13,500	-\$ 27,000	-\$ 13,500	\$ -	\$ -
Closing Balance in Reserve	\$ 42,885	\$ 70,885	\$ 112,385	\$ 167,385	\$ 222,385

The Eco-fee Operating Reserve is funded from the \$5 per tonne fee charged on municipal solid waste received at Sechelt Landfill and Pender Harbour Transfer Station as per Bylaw 670.

Reviewed by:			
Manager		Finance	X-T. Perreault
GM	X. - R. Rosenboom	Legislative	
CAO	X - D. McKinley	Other	