



Administrative Report

Office of the General Manager Essex-Windsor Solid Waste Authority

To: Warden Gary McNamara and Members of County Council

From: Eli Maodus
General Manager, Essex-Windsor Solid Waste Authority

Date: **November 18, 2020**

Subject: **Essex-Windsor Solid Waste Authority 2021 Budget**

Process and Purpose

EWSWA Budget Approval Process

Section 5(d) of the 1994 Agreement between the City of Windsor and County of Essex that created the Essex-Windsor Solid Waste Authority states: "The Authority shall report to a regularly scheduled meeting of each of the City and County Councils by the end of each year...and shall submit an operational plan and budget as referred to herein and shall ask for approval from each of the City and County Councils."

Purpose

Therefore, the purpose of this report is to request approval from the County of Essex for:

The **Authority's 2021 budget which includes a 4.1% increase** to what was assessed to Windsor and the 7 County municipalities for 2020.

Administrative Report

Page 2 of 9

November 18, 2020

2021 EWSWA Budget

Prior and projected increases:

2017	0%
2018	2.0% (Year 1 of the Balanced Budget Objective)
2019	4.1% (Year 2 of the Balanced Budget Objective)
2020	4.1% (Year 3 of the Balanced Budget Objective)
2021	4.1% (Year 4 of the Balanced Budget Objective)
2022-26	4.1% (For each of those 5 years)
2027	0.0% (2027 being Year 10 of the Balanced Budget Objective)

The 2021 increase represents \$235,400 for County of Essex municipalities, which is in addition to the \$5,777,000 that was budgeted to be assessed to those municipalities for 2020. Further, for 2021, the 7 County municipalities are forecasted to be assessed an additional \$25,400 related to the estimated increase in the amount of refuse delivered for disposal from 49,950 tonnes budgeted in 2020 to 50,600 tonnes estimated for 2021.

As a matter of information, the 2021 increase represents \$275,900 for the City of Windsor, which is in addition to the \$6,693,000 that was budgeted to be assessed to Windsor for 2020. Further, for 2021, the City of Windsor is forecasted to be assessed an additional \$70,200 related to the estimated increase in the amount of refuse delivered for disposal from 54,000 tonnes budgeted in 2020 to 55,800 tonnes estimated for 2021.

Background

On November 3, 2020 the Board of the Essex-Windsor Solid Waste Authority met to deliberate the Authority's 2021 budget. After discussion, the budget was approved.

Budget Guidance

In order to guide the EWSWA Board as it deliberated the 2021 draft Budget document, the Board considered a February 2018 recommendation from the CAOs of the City of Windsor and the County of Essex. The recommendation stemmed from a report prepared by the CAOs which served to assist in resolving the matter of the approval of the 2017 and 2018 EWSWA budgets.

The recommendation, as contained within the report, was as follows:

THAT the Board **acknowledge** the built-in budget pressures due to increasing debenture payments and other non-discretionary costs and **commit to working towards** a sustainable, balanced budget over the next ten years while maintaining appropriate reserve funds and avoiding significant spikes in tipping fees.

With 2018 being Year 1 of the 10 year period this means that the objective is to attain a balanced budget by the time of the preparation of the 2027 budget.

The same recommendation was presented both to County Council in February 2018 and Windsor Council in March 2018 as part of their consideration and approval of the Authority's 2018 budget.

15 Year Budget Forecast (attached to this report)

As part of the annual budget preparation process, **a 15 year forecast is prepared. A copy of the forecast is attached to this report.** This forecast shows that in order to have a balanced budget by 2027, the amount assessed annually by the Authority to the City of Windsor and the 7 County municipalities will need to increase 4.1% annually for each budget year for the period 2019-2026.

The outcome of these annual increases is that the Authority's budget will be balanced in the 2027 budget year without the requirement for a contribution from the Rate Stabilization Reserve at that time.

EWSWA Approved Budget Recommendations

The following are the full 2021 budget recommendations approved by the EWSWA Board at its November 3, 2020 meeting.

1. Approve the 2021 **Expenditure and Revenue budget estimate figures** excluding the municipal Total Waste Management Fee (Tip Fee) and the municipal Fixed Cost Assessment.
2. Increase the **Total Waste Management Fee** by \$1.00 per tonne to \$39.00/tonne from \$38.00/tonne. This is the fee assessed to municipalities for each tonne of refuse delivered for disposal. This results in **\$103,950** based on the 2020 municipal tonnage level **plus**

Administrative Report

Page 4 of 9

November 18, 2020

2021 EWSWA Budget

an additional \$95,550 due to an increase in municipal tonnes from 103,950 in 2020 to 106,400 in 2021.

3. Increase the **fixed cost assessment** to Windsor and the 7 County municipalities based on the following chart. Fixed costs are assessed based on population per the 2016 census.

Municipality	2020 Budgeted Fixed Cost Assessment	2021 Budgeted Fixed Cost Assessment	Year Over Year Increase In Fixed Cost Assessment
Windsor	\$4,640,815	\$4,862,678	\$221,863
Amherstburg	\$468,723	\$491,131	\$22,408
Essex	\$436,479	\$457,345	\$20,867
Kingsville	\$460,517	\$482,533	\$22,016
Lakeshore	\$782,294	\$819,693	\$37,399
Lasalle	\$644,878	\$675,708	\$30,830
Leamington	\$589,643	\$617,832	\$28,189
Tecumseh	\$496,351	\$520,080	\$23,729
Total County	\$3,878,885	\$4,064,322	\$185,437
Total	\$8,519,700	\$8,927,000	\$407,300

(The sum of \$103,950 from Recommendation 2 and \$407,300 from Recommendation 3 equates to \$511,250. This represents a 4.1% increase to the 2020 budgeted total municipal assessment of \$12,469,800.)

4. Approve the **Fee Schedule** (see attached).
5. That any resultant surplus/(deficit) from 2020 operations be contributed to, or funded by, the Rate Stabilization Reserve.
6. That any resultant surplus/(deficit) from 2021 operations be contributed to, or funded by, the Rate Stabilization Reserve.

Population and Tonnage

The following table shows the population and tonnage figures that are used to allocate and assess charges to the County municipalities and the City of Windsor in regard to the Fixed Cost Allocation and the Total Waste Management Fee (tipping fee).

Administrative Report

Page 5 of 9

November 18, 2020

2021 EWSWA Budget

Municipality	Population (2016 Census)	Tonnes 2021	Tonnes 2020
Windsor	210,891	55,800	54,000
County	177,720	50,600	49,950
Total	388,611	106,400	103,950

Discussion

Attached to this report are expenditure and revenue schedules showing 2021 budget figures as well as 2020 budget and projection figures. A summary table is presented as follows:

Summary (Excluding Perpetual Care for Landfills 2 and 3)

	2020 Budget	2020 Projection	2021 Budget	2021 vs 2020
<u>EXPENDITURES</u>				
Operating Expenditures	\$26,845,910	\$28,173,270	\$29,079,220	
Capital out of Current	\$55,500	\$34,740	\$95,000	
Total Expenditures	\$26,901,410	\$28,208,010	\$29,174,220	
<u>REVENUE - Non-Municipal</u>				
ICI Tip Fees; Recycling Sales; Blue Box Funding; Other	(\$12,478,080)	(\$14,305,200)	(\$13,515,050)	
Amount Required from Municipalities	\$14,423,330	\$13,902,810	\$15,659,170	
<u>REVENUE - From Municipalities</u>				
Fixed Cost Allocation (Admin+Compensation+Debenture)	(\$8,519,700)	(\$8,519,700)	(\$8,927,000)	
Total Waste Mgt Fee - 2020 103,950 Tonnes as Base:				
(2020 - 103,950 @ \$38) (2021 - 103,950 @ \$39)	(\$3,950,100)	(\$4,174,230)	(\$4,054,050)	
Sub-Total - Revenue from Municipalities	(\$12,469,800)	(\$12,693,930)	(\$12,981,050)	4.10%
Increase in Muni. Tonnes 2021 vs 2020: (2020 - 103,950) (2021 - 106,400) = 2,450 Tonnes @ \$39	-	-	(\$95,550)	
Total Revenue from Municipalities	(\$12,469,800)	(\$12,693,930)	(\$13,076,600)	
(Deficit)	(\$1,953,530)	(\$1,208,880)	(\$2,582,570)	

In order to balance the 2021 budget a (\$2,582,570) contribution from the Authority's Rate Stabilization Reserve will be required. This reserve is used

Administrative Report

Page 6 of 9

November 18, 2020

2021 EWSWA Budget

to smooth out any large increases to the municipal Total Waste Management Fee.

The year over year budgeted deficit increase of (\$629,040) is largely attributable to increases in contracted costs associated with the collection of Blue Box Recyclables in the County municipalities and the processing of all recyclable materials collected from Windsor and the County municipalities in the two recycling centres located in the City of Windsor.

Total Fees Assessed to Municipalities

	2021 Fixed Cost Assessment (Based on population)	2021 Tip Fees (Based on waste delivered for disposal)	2021 Total
Windsor	\$4,862,678	\$2,176,200	\$7,038,878
Amherstburg	\$491,131	\$280,800	\$771,931
Essex	\$457,345	\$230,100	\$687,445
Kingsville	\$482,533	\$220,350	\$702,883
Lakeshore	\$819,693	\$440,700	\$1,260,393
Lasalle	\$675,708	\$315,900	\$991,608
Leamington	\$617,832	\$257,400	\$875,232
Tecumseh	\$520,080	\$228,150	\$748,230
Total County	\$4,064,322	\$1,973,400	\$6,037,722
Total Windsor and County	\$8,927,000	\$4,149,600	\$13,076,600

Administrative Report

Page 7 of 9

November 18, 2020

2021 EWSWA Budget

The following table presents the 2021 budget categorized by program:

Operating Expenditures

\$11,579,000	Waste Diversion Programs - Recycling/Household Chemical Waste/Composting/Public Education
\$6,040,000	Landfill Debenture/Loans (Last payment is in 2031 and will be \$7.8M)
\$3,748,000	Regional Landfill
\$3,215,000	Transfer Stations & Public Drop-Off Depots (Windsor and Kingsville)
\$2,597,000	Landfill Compensation
\$1,995,000	Administration/Committee/Realty/Capital Out of Current
\$29,174,000	Total Operating Expenditures

Revenue

\$7,039,000	City of Windsor - Tip Fees & Fixed Cost Assessment
\$6,038,000	7 County Municipalities - Tip Fees and Fixed Cost Assessment
\$13,077,000	Total Assessment to Windsor and 7 County Municipalities
\$13,515,000	All Other Revenue (Landfill Tipping Fees; Sale of Blue Box Material; Blue Box Funding; Other)
\$26,592,000	Total Revenue
(\$2,582,000)	2021 Budgeted Deficit

Perpetual Care Assessments to closed Landfill #3 and closed Landfill #2 Municipalities

In addition to the assessment amounts shown in the table on the previous pages the following table shows the assessment amounts applicable only to Landfill #3 and Landfill #2 municipalities.

Administrative Report

Page 8 of 9

November 18, 2020

2021 EWSWA Budget

Perpetual Care - Closed Landfill #3

Municipality	Share of Perpetual Care Expenditure	2021 Municipal Assessment	2020 Municipal Assessment	Year Over Year Increased Assessment
Windsor	91.84%	\$594,829	\$563,365	\$31,464
Lakeshore	4.76%	\$38,821	\$35,954	\$2,867
Tecumseh	3.40%	\$27,730	\$25,681	\$2,049
Total	100.00%	\$661,380	\$625,000	\$36,380

Perpetual Care - Closed Landfill #2

Municipality	Share of Perpetual Care Expenditure	2021 Municipal Assessment	2020 Municipal Assessment	Year Over Year Decreased Assessment
Leamington	74.90%	\$149,852	\$204,680	\$54,828
Kingsville	25.10%	\$50,218	\$68,590	\$18,372
Total	100.00%	\$200,070	\$273,270	\$73,200

Historical Municipal Assessments and Total Waste Management Fees

The following table presents (a) budgeted total assessments to the County of Essex & the City of Windsor and (b) per tonne fee figures, for 2021 and the previous 5 years.

Year	Total Assessment to Municipalities	Total Waste Management Fee Per Tonne
2021	\$13,076,600	\$39.00
2020	\$12,469,800	\$38.00
2019	\$11,819,890	\$37.44
2018	\$11,250,070	\$36.44
2017	\$11,013,400	\$36.44
2016	\$11,013,400	\$36.44

Administrative Report

Page 9 of 9

November 18, 2020

2021 EWSWA Budget

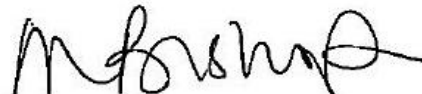
Recommendation

1. **THAT** the Council of the County of Essex approve the 2021 Essex-Windsor Solid Waste Authority budget and a 4.1% increase to the 2020 total municipal assessment of \$12,469,800 based on a fixed cost allocation calculated on population and a Total Waste Management Fee of \$39.00 per tonne fee for refuse delivered for disposal. The total assessment to County of Essex municipalities and to the City of Windsor is to also include the increase in municipal tonnage from 2020 to 2021 being an additional 2,450 tonnes representing \$95,550. The overall 2021 assessment to Windsor and the County municipalities will be \$13,076,600.

Respectfully Submitted



Ilija Maodus
General Manager



Michelle Bishop
Manager, Finance & Administration

Attachments

- Operating Budget Summary Table
- Revenue Summary Table
- Schedule of Fees
- 15 Year Budget Forecast