

DATE: November 12, 2024

FILE: 1700-02/2025/391-394

TO: Comox Strathcona Waste Management
Advisory Committee

FROM: Marc Rutten, P. Eng.
General Manager of Engineering Services

RE: **DRAFT Report – 2025 to 2029 CSWM Proposed Financial Plan**

Purpose

To present the 2025-2029 proposed Financial Plan and ten-year capital plan for Service 391 Comox Strathcona Waste Management (CSWM).

Recommendation from the Chief Administrative Officer:

THAT the proposed 2025-2029 Financial Plan for the Service 391 Comox Strathcona Waste Management Service be accepted;

AND FURTHER THAT staff be directed to return to the January 30, 2025 meeting with the recommended budget.

Executive Summary

The *Local Government Act* (LGA) section 374 requires regional districts to have a financial plan adopted annually, by bylaw, by March 31.

The CSWM Board has a standing financial planning policy that guides the timing and process for consideration of the CSWM budget. Adjustments to the materials since the previous financial plan process are expected to improve the decision making information received by Directors and reduce the amount of elected official and staff time needed to deliberate and adopt the budget. While the information prepared for the Board remains the same, it has been packaged with improved formats. The following constitutes the Board's budget package and is meant to establish comprehensive information for consideration of the overall financial resources needed to meet operational requirements and achieve strategic direction.

- *Staff Report*: provides higher level information including identification of key challenges and risks. This document is meant to be read in conjunction with the *Service PowerPoint* below.
- *Service PowerPoint*: This document brings an understanding to key planning and financial factors.
- *2025 Proposed Budget Reports*: Provides summary and detail financial information.
- *2024 Third Quarter Budget Reporting*: Includes budget variance reporting and year end projections.

While these documents are attached to the staff report for this cycle, with future budget cycles staff's intent is to publish the budget package on the website, allowing access for improved public engagement and ease of access for elected officials.

Staff will present an overview of the proposed budget after which the Board can proceed to deliberate and direct staff to make changes. Staff will return to the January 30, 2025 meeting with finalized figures and the recommended budget.

The overall 2025 proposed budget includes an operating budget of \$19.0 million (2024 \$19.6 million) and a capital budget of \$2.2 million (2024 \$6.0 million). Operating and capital carry forward projects have not been included within the proposed budget. Considering the nature of the solid waste operations, it is critical to give focus to long term planning. Solid waste management services include intensive capital needs. As identified in 2024, the construction of an additional landfill cell in 2030/31 (2025 projected cost of \$16.7 million) puts significant strain on funding and reserves. In response and to align with best practice fiscal management, tax requisitions are proposed to increase by \$1.0 million in 2025 and then a further \$2.0 million over the following four years. As staff continue with the update to the Solid Waste Management Plan (SWMP) and fiscal policy, the Board can consider the overall funding model including the level of tipping fee funding.

The financial plan has been prepared based on existing services and service levels. The results of the Greenhouse Gas Emissions Reduction Strategy have been incorporated; however, the proposed plan does not include any additions or changes as currently being developed through the SWMP process. 2025 tipping fees are aligned with the September 2023 Board approved Bylaw 720, effective January 1, 2024 and maintained to December 31, 2025.

Staff have progressed with the initiative to create a fiscal sustainability framework including the commencement of a comprehensive utility rate review and drafting

of key financial policies. This work while aligned with the SWMP update, has been considered where possible within the development of the 2025 budget.

The implications to a typical household of the additional proposed \$1 million in taxation are reflected in Appendix A.

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Background/Current Situation

Section 374 of the LGA requires that the financial planning period covered must be a minimum of five years. The proposed budget includes estimated expenditures to provide for priorities, policies and endorsed services. Sufficient funds need to be raised to ensure individual service operating budgets and capital projects remain balanced. The cost of debt servicing for capital projects is included in the operational budgets and must be funded. Best practice financial management includes long-term capital planning and as such, ten-year capital planning is prepared with funding of assets taken into account.

The CSWM Board governs solid waste management services and as a part of that responsibility, approve the annual budget. The CVRD board has administrative responsibility for approving an annual five-year plan and adopting the annual budget bylaw. The Comox Valley Regional District (CVRD) Board has administrative responsibility for approving an annual five-year plan and adopting the annual budget bylaw. The Financial and Capital Expenditure Bylaw provides authority to the CSWM staff to move forward with executing the plan and expending funds.

CSWM works collaboratively with member jurisdictions and others to provide waste collection, transportation and disposal services in a large and diverse area spanning nearly 22,000 km² (2.2 million hectares) with distinct communities in both the CVRD and the Strathcona Regional District.

In 2025, the CSWM service continues to face a complex array of challenges and risks that have financial and operational impacts, which are further intensified by economic and regulatory pressures. The CSWM service continues to focus on improving waste diversion, managing landfill capacity more sustainably, addressing economic and regulatory challenges, exploring access to waste services, preparing for emergent events, and strategically balancing financial resources across waste management priorities.

Strategic Direction

Solid Waste Services initiatives are guided by direction provided in the 2012 SWMP, specifically the following:

1. Actioning identified strategies for regulatory compliance and waste diversion targets.
2. Providing high quality, environmentally and socially responsible solid waste disposal and recycling services at its facilities, in compliance with Ministry of Environment and Climate Change Strategy Operational Certificate/Permit and in accordance with the Asset Management Plan; and
3. Implementing plans and policies to minimize the need for disposal capacity as per the 2012 SWMP through zero waste programs, investigating residual disposal options and community education.

2024 Budget Update and Variance Analysis

Staff have conducted an analysis of revenue, expenses and capital costs. A summary of the Third Quarter Budget Update and Variance results is available as attached. The third quarter results are projecting a 2024 surplus of \$2.20 million. The main budget variances driving this surplus are savings in contracted and general services, excess revenues from tipping fees/recoveries and additional 2023 surplus dollars (\$588,357). An estimated \$440,000 of the \$2.20 million surplus is currently associated with carry forward projects. Any excess over that needed for carry forward work will assist with building up low reserves. Carry forward projects (capital and operating) will be finalized closer to year end and will be incorporated into the recommended budget.

Human Resources

The proposed financial plan includes additional staff resource requirements in 2025 to address the following key necessities:

- Increased Waste Management Operator (0.50 FTE) for the operation and maintenance of the Landfill Gas System, especially at the Campbell River Waste Management Centre (CRWMC).
- Increase Waste Management Operator staffing (0.50 FTE) for the operation and maintenance of the Leachate Treatment Facility.

- Increase Waste Management Attendant (0.75 FTE) to facilitate seasonal peak customer counts at the Comox Valley Waste Management Centre.
- New Site Safety Coordinator (0.33 FTE) to work closely with operations and maintenance staff towards the development and implementation of essential safety requirements and practices.
- Dedicated Financial Planning Analyst (0.50 FTE) to support essential finance work such as quarterly budget and variance analysis, budget preparation, support capital projects as needed and new initiatives (such as those being proposed thorough the SWMP update).

Greenhouse Gas Emissions Reduction Strategy

At the October 31, 2024 meeting, the Board reviewed strategies to reduce corporate greenhouse gas emissions and approved several initiatives as follows:

- The purchase of automated well-heads for the landfill gas system at the CVWMC; Additional operational resources designated for full-time oversight of landfill gas systems at both the Cumberland and Campbell River locations.
- A report on greenhouse gas emissions to be prepared in 2026, tracking reduction strategies and progress compared to the 2022 baseline; and
- The purchase of automated well heads plus consulting support to enhance the landfill gas system at the Campbell River Waste Management Centre .

These initiatives and investments reflect the Board’s commitment to meeting emissions reduction goals and ensuring effective management of landfill gas systems.

Policy Analysis

Budget Development Timeline:

- Proposed Budget (November 2024) – Present to the CSWM Board a five-year span and including prior year-to-date actuals.
- Recommended Budget (January 2025) – Incorporating changes based on Board input, year-end surplus, and project carry forwards.
- Adopted Budget (Before end of March 2025) – Approved as part of the CVRD Annual Financial Plan and Capital Expenditure Program Bylaw.

Options

1. Accept the proposed budget and direct staff to return with finalized figures at the January 30, 2025 meeting.
2. Provide direction for changes to the proposed budget and direct staff to return with adjustments and finalized figures

Financial Factors

Fiscal Sustainability Governance

Staff have identified and continue to progress the need to update the existing policy which involves expanding to include a fiscal sustainability framework. This is essential work for a large utility operation and comes highly recommended as an element of best practice. With significant capital infrastructure involved, attention to financial practices for asset, reserve and debt management are critical to avoid breaks in service delivery and facilitate an equitable, fair and transparent means to raising adequate funds.

Funding Model and Revenue Sources

There are two primary avenues for which revenue is generated: taxation and user fees. When considering a utility operation funding model, it is important to ensure that a portion of revenue comes from a fixed, stable source. Currently approximately 63 per cent of revenue comes from tipping fees. Tipping fees are a variable source of funding and as such, will fluctuate with volumes. While strategic direction for waste diversion garner results, lower levels of revenue will be generated from user fees including tipping fees. Current trends pose a risk to this revenue stream.

Best practice elements of rate review processes will consider the above elements along with other data. Staff have taken initial steps in policy development and have advanced the rate review: compiling and analyzing data and initial modeling with a utility rate modeling software has occurred. This work will continue into 2025, aligned with the SWMP update with results planned for presentation to the board in the second or third quarter. Aligned with the overall assumptions for the 2025 budget cycle, the following has been used to determine portions of funding coming from taxation and tipping fees.

- Tipping fees are set as defined by the board's 2023 bylaw 720 decision, which was effective January 1, 2024 through December 31, 2025.
- In June 2025, the board will once again consider user rates for 2026 to 2027.
- Considering the stage of the SWMP update and the multiple service considerations coming forward and recognizing the need for significant future capital funding requirements, the 2025 budget has been prepared with an aim to move towards higher taxation levels. Essential planning for future capital needs, including the New Landfill project (2030-31), is the primary driver for proposing a \$1.0 million increase to 2025 tax requisitions and a further \$2.0 million increase over the remaining four years.

Expenditures

Operational expenses for 2025 are proposed to increase by \$460,013, although due to the reduced reserve contributions of just over \$1.1 million, the overall budget decreases by \$641,379. With reserve transfer and debt servicing included a total of \$19.0 million in financial resources is proposed. As indicated above this will sustain current operations and support the responsible funding of further capital needs.

	2024 Approved Budget	2025 Proposed Budget
Operating Expenses	\$14,298,052	\$14,758,065
Reserve Transfers		
Transfers to Reserve – FFE	100,000	100,000
Transfer to Reserve – Capital	1,908,549	807,270
Transfer to Reserve – Closure	600,000	600,000
TOTAL RESERVE TRANSFERS	\$2,608,549	\$1,507,157
Debt Servicing	2,736,105	2,736,105
Total Operating Budget	\$19,642,706	\$19,001,327

Reserve and Debt Management

Debt

As of December 31, 2024, outstanding debt will be \$35.9 million. Associated debt servicing is \$2.8 million annually as shown in the table above. Often a ratio to operating revenue is conducted when determining sustainable debt levels. As related to the 2025 proposed budget, debt servicing charges represent 14 per cent of operating revenue. As a guide to best practice, the provincial government mitigates municipal borrowing risk by limiting the liability for servicing cost to twenty-five percent. The Board can determine debt risk mitigation in future policy development.

The proposed financial plan looks to increase contributions to the Capital Works Reserve across seven years in anticipation of the significant New Landfill Cell capital project (\$16.7 million projected cost). The proposed plan looks to apply \$6.2 million in debt to this future project; the remaining funds are proposed to be raised through taxation. The additional proposed debt will result in approximately \$514,733 (20-year term at four per cent), more in required debt servicing.

Reserves

Even with the addition of unallocated surplus funds to CSWM's reserves, the reserves balances are low. The development of fiscal policies will lead to specific strategies for bringing funds to appropriate levels. The proposed financial plan includes incremental increases to reserve transfers with an aim to save enough

funds to cover 63 per cent or \$10.5 million of the estimated \$16.7 million New Landfill Cell capital project.

The attached presentation includes information related to debt and reserves across the ten-year capital planning horizon.

Intergovernmental Factors

Given the broad impact of the solid waste function across all municipalities and electoral areas, close collaboration with local governments is essential. Staff from these local governments participate in the CSWM Advisory Committee, where they review, provide input, and give their concurrence to ensure that their perspectives are fully considered in planning. To keep local government staff well informed of CSWM activities, advisory committee meetings are held before Board meetings to discuss matters of regional importance. This approach fosters transparent communication and strengthens regional alignment on waste management priorities.

Citizen/Public Relations

The CSWM Board's budget will be included within the CVRD budget package which will be delivered and published to the website. Citizens have opportunity to participate in various ways including attending meetings as well as asking questions and providing feedback through the CVRD and CSWM "Engage" website.

Attachments:

- Appendix A – 2025 CSWM Financial Plan PowerPoint Presentation
- Appendix B – 391 to 394 Operating Budget 2025-2029
- Appendix C – 391 Capital Object Summary 2025-2034
- Appendix D – 2024 CSWM Third Quarter Budget Update

2025-2029 Financial Planning

Comox Strathcona Waste Management

November 21, 2024
Proposed Budget

Authority	Waste Management Act
Service Establishment Bylaw	Bylaw 1822, March 1997 Amended by Bylaw 331, November 2014
Service Name	Comox Strathcona Waste Management
Purpose	The collection, removal and disposal of waste and noxious, offensive or unwholesome substances and the regulation, storage and management of municipal solid waste (MSW) and recyclable material, including the regulation of facilities and commercial vehicles used in relation to these matters
Participants	Comox Valley Regional District Strathcona Regional District

Serving Eight Municipal Partners and several unincorporated Rural Areas

Campbell River

Comox

Courtenay

Cumberland

Gold River

Tahsis

Sayward

Zeballos

Eight Electoral Areas

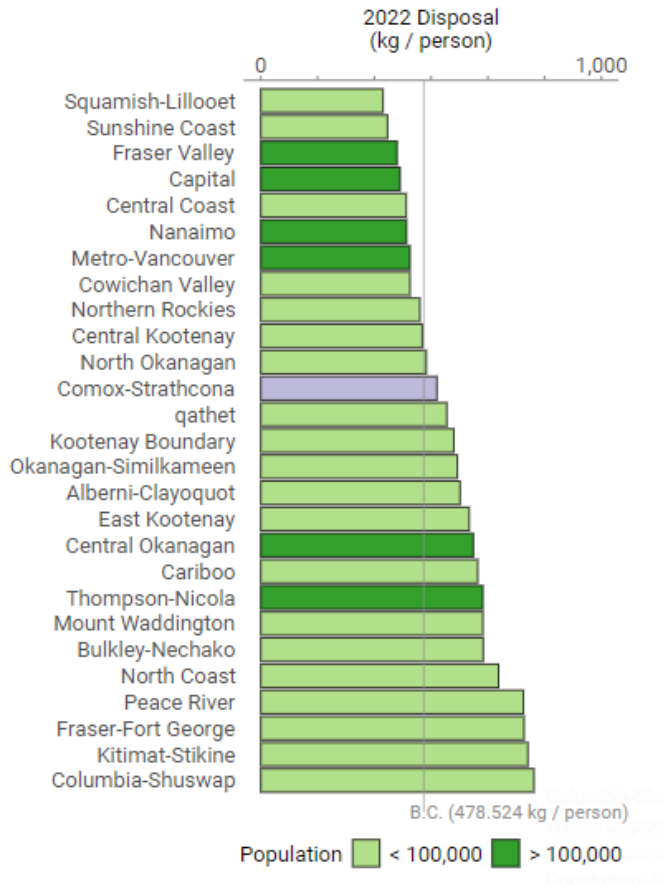


Services and Service Levels

Main Areas of Operations	Metric	Location
Regional Engineered Landfill	1	Cumberland
Waste Management Centers	2	Cumberland, Campbell River
Regional Organics Processing Centre	1	Campbell River
Historical Landfills	3	Zeballos, Tahsis, Gold River
Recycling Depots	2	Quadra Island & Oyster River
Transfer stations and recycling depots	6	Hornby & Cortes Islands, Villages of Gold River, Tahsis, Zeballos, Sayward

Lines of Business

Administration
 Annual Debt Servicing and Capital Contribution
 Capital Upgrades and Asset Management
 Diversion - Organics
 Diversion - Recycling
 Education and Policy
 Environmental and Closure
 Landfill Disposal
 Transfer Station and Remote Landfills
 Unified Transportation



Metrics (2023)

- Disposal Rate = $\frac{\text{total tonnage buried}}{\text{population}}$
- Waste disposed per capita
 - CSWM: 499 kg per capita (2023)
 - BC Average: 478 kg per capita (2022)
 - Ministry Target: 350 kg per capita

Trends, Challenges and Opportunities

1. Waste Diversion and Reduction
2. Increased Traffic, Landfill Capacity and Airspace Management
3. Regulatory Compliance and Escalating Costs
4. High Capital Expenditures vs. Inadequate Reserves
5. Policy and Enforcement Limitations
6. Operational Pressures and Capacity Constraints
7. Infrastructure and Service Gaps
8. Disaster Preparedness and Resilience
9. Education and Community Engagement
10. Function and Resource Allocation
11. SWMP Outcomes – Opportunities for Improvement

2024 Accomplishments

- Greenhouse Gas Emission Reduction
 - Regional organics facility – 1st full year of operation
 - Campbell River flare commissioned
 - Drone methane detection flights
- SWMP renewal – Step 3 (underway)
 - Phase 1 - and in-person engagement in communities to inform strategies
 - municipal council meetings
 - 8 technical studies to inform long list
- Education
 - Landfill and regional organics tours

2024 Third Quarter Budget Update

By Line of Business (?)	2024 Actual to Date	2024 Approved Budget	3 rd Quarter Projection	Variance
391 - CSWM (Revenues)	17,670,277	19,642,706	21,007,365	\$1,364,659
391 - CSWM (Expenses)	14,270,640	17,946,119	17,397,216	548,903
392 - Post Landfill Closure	50,990	172,758	67,987	104,771
393 - Leachate Treatment Plant	302,502	598,042	418,173	179,869
394 - Regional Organics	687,012	925,787	921,016	4,771
Surplus/Deficit				\$2,202,974

Key Variance Items

- Increased revenue [\$686k]
- 2023 Actual Surplus [\$588k]
- Expense Savings [\$838k]
- Projects continuing to 2025 [\$440k]

Strategic Priorities and Initiatives

Type	Initiative	Comment
Board	Objective One - Minimize Waste Generation	
Board	Objective Two - Reduce Greenhouse Gas Emissions	
Board	Objective Three - Environmentally Responsible and Compliant Residual Waste Management	

2025 Work Plan Priorities

Type	Initiative	Comment
Planning	SWMP Step 3(b)	Raising awareness and collecting input on the proposed short list of option Update masterplan
Operations	Landfill Compaction Trials	Compaction of waste to yield airspace/ cost savings
Operations	Scale Software Implementation	Implementation of new Paradigm software
Operations	Disaster Debris Planning	Develop clear protocols for rapid debris management post-disaster, prioritizing public safety and landfill capacity
Operations	Autotuners for CV & CR	automation to improve gas extraction efficiency and reduce manual adjustments
Operations	Onboarding Quadra Depot	Final building, community outreach, and staff training
Operations	Organics Expansion	Measured approach to expansion for Multifamily and select ICI

Human Resources

	2025
Opening FTE Balance	30.93
Addition Request	
Full time - Waste Water and Landfill Gas Operator	1.00
Full time - Health and Safety Coordinator	0.33
Part Time - Financial Planning Analyst	0.50
Temporary /Casual - Waste Management Attendants	0.75
Adjustments	-0.63
Total Change	1.95
Ending FTE Balance	32.88

- Leachate Treatment Plant operations and maintenance
- Landfill gas systems operations and maintenance
- Site safety coordination
- Seasonal support for peak summer traffic
- Dedicated financial planning support

Overall Expenses: 391-394

Year over Year Change	2024 Approved Budget	2025 Proposed Budget	Increase (Decrease)	
			(\$)	(%)
Support Services	\$999,614	\$1,203,017	\$203,403	20.3%
Personnel Costs	3,523,106	3,831,902	308,796	8.8%
Grants to Other Organizations	961,139	714,558	(246,581)	(25.7%)
Materials, Supplies and Utilities	2,609,195	2,785,515	176,320	6.8%
Contract and General Services	5,784,186	6,068,793	284,607	4.9
Transfer to Other Services	25,812	5,280	(20,532)	(79.5%)
Transfer to Reserve – Future Expenditure	100,000	100,000	-	-
Transfer to Reserve – Capital	1,908,549	807,270	(1,101,279)	(57.7%)
Transfer to Reserve – Other	600,000	600,000	-	-
Debt Charges	2,736,105	2,736,105	-	-
Minor Capital	395,000	149,000	(246,000)	(62.3%)
Total	19,642,706	19,001,327	(641,379)	(3.3%)

391 CSWM - Expenses

Year over Year Change	2024 Approved Budget	2025 Proposed Budget	Increase (Decrease) (\$) (%)	
Support Services	\$999,614	\$1,203,017	\$203,403	20.3%
Personnel Costs	3,267,004	3,480,675	213,671	6.5%
Grants to Other Organizations	961,139	714,558	(246,581)	(25.7%)
Materials, Supplies and Utilities	2,159,706	2,319,679	159,973	7.4%
Contract and General Services	4,808,190	4,917,359	109,169	2.3%
Transfer to Other Services	25,812	5,000	(20,812)	(80.6%)
Transfer to Reserve	2,608,549	1,507,157	(1,101,392)	(42.2%)
Debt Charges	2,736,105	2,736,105	-	-
Minor Capital	380,000	98,000	(282,000)	(74.2%)
Total	17,946,119	16,981,550	(964,569)	(5.4%)

Key Notes

- Support services allocation increase driven by level of capital projects
- Grants to others decreases with completion of Cumberland paving project [300K]
- Tipping Fees [+193K]
- A number of large minor capital projects in 2024; unallocated amount cut back [-100K]

392 Post Landfill Closure - Expenses

Year over Year Change

	2024 Approved Budget	2025 Proposed Budget	Increase (Decrease)	
			(\$)	(%)
Personnel Costs	\$75,517	\$119,625	\$44,108	58.4%
Materials, Supplies and Utilities	41,648	51,477	9,829	23.6%
Contract and General Services	55,593	62,921	7,328	13.2%
Transfer to Other Services	-	280	280	100.0%
Total	172,758	234,303	61,545	35.6%

Key Notes

- Training and Development [+3K], Travel [+3K], LFG Materials [+2.9K]
- Flare Repairs [+4.2K], Flare Building Maintenance [+2.5K]

393 Leachate Treatment Plant - Expenses

Year over Year Change

	2024 Approved Budget	2025 Proposed Budget	Increase (Decrease) (\$) (%)	
Personnel Costs	\$155,828	\$203,531	\$47,703	30.6%
Materials, Supplies and Utilities	361,811	327,083	(34,728)	(9.6%)
Contract and General Services	70,403	83,593	13,190	18.7%
Minor Capital	10,000	51,000	41,000	410.0%
Total	598,042	665,207	67,165	11.2%

Key Notes

- Chemicals [-50K], Replacement probes [+8.7K], Safety Equipment [+4.0K]
- Equipment and Machinery Repairs and Contracts [+12K]
- Backup pump [+7K], Tank 1 mixer [+14K], Water line [+10K]

394 Regional Organics - Expenses

Year over Year Change

	2024 Approved Budget	2025 Proposed Budget	Increase (Decrease)	
			(\$)	(%)
Personnel Costs	\$24,757	\$28,071	\$3,314	13.4%
Materials, Supplies and Utilities	46,030	87,276	41,246	89.6%
Contract and General Services	850,000	1,004,920	154,920	18.2%
Minor Capital	5,000	-	(5,000)	(100.0%)
Total	925,787	1,120,267	194,480	21.0%

Key Notes

- Fuel/Lubricants [36K], Hydro [+1.5K], Advertising [-10K]
- Regional Organics contract [+120K]

Revenue

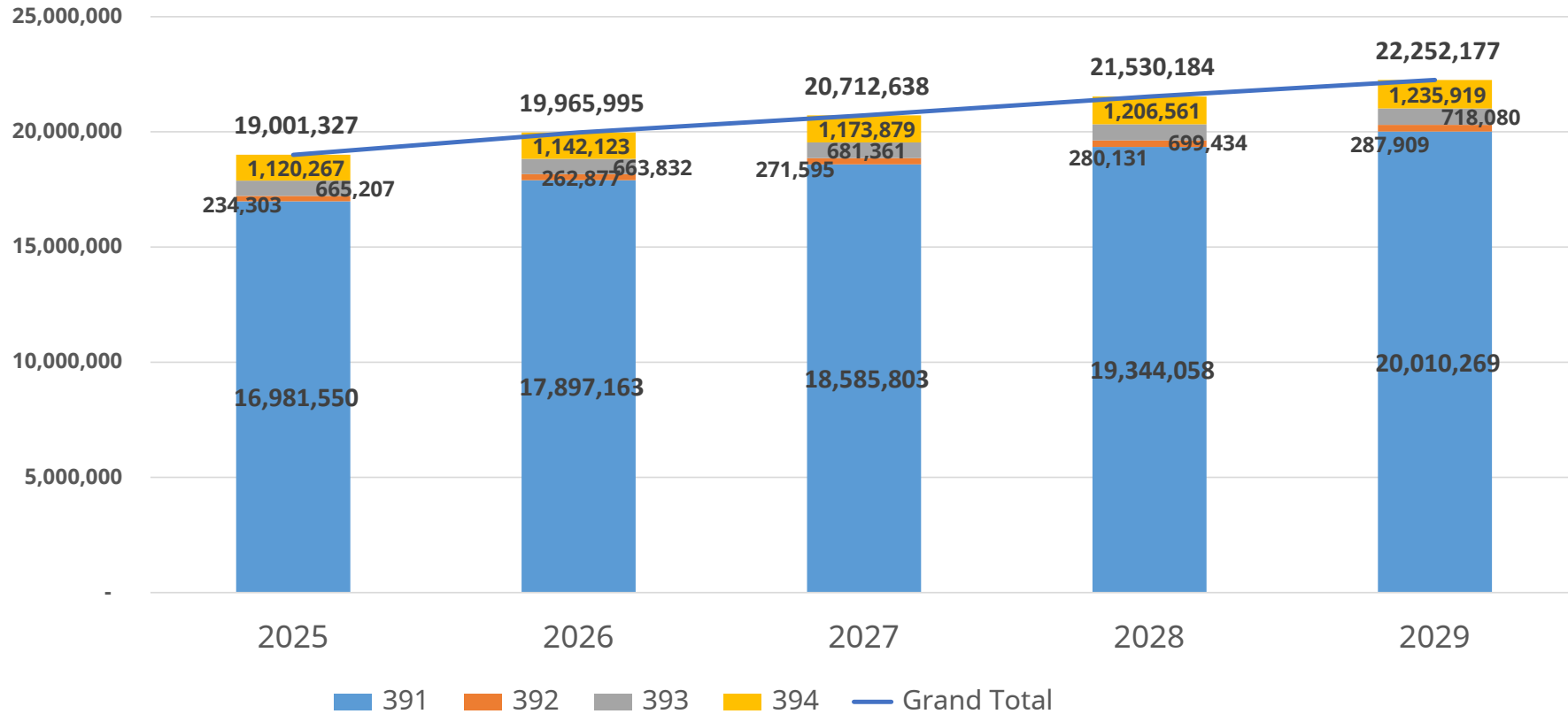
Year over Year Change

	2024 Approved Budget	2025 Proposed Budget	Increase (Decrease) (\$) (%)	
Grants in lieu	\$85,000	\$5,000	(\$80,000)	(94.1%)
Taxation	5,000,000	6,000,000	1,000,000	20.0%
Sale of Services	11,737,768	12,126,327	388,559	3.3%
Prior Year Surplus	2,476,938	-	(2,476,938)	(100.0%)
Recoveries	343,000	870,000	527,000	153.6%
Total	19,642,706	19,001,327	(641,379)	(3.3%)

Key Notes

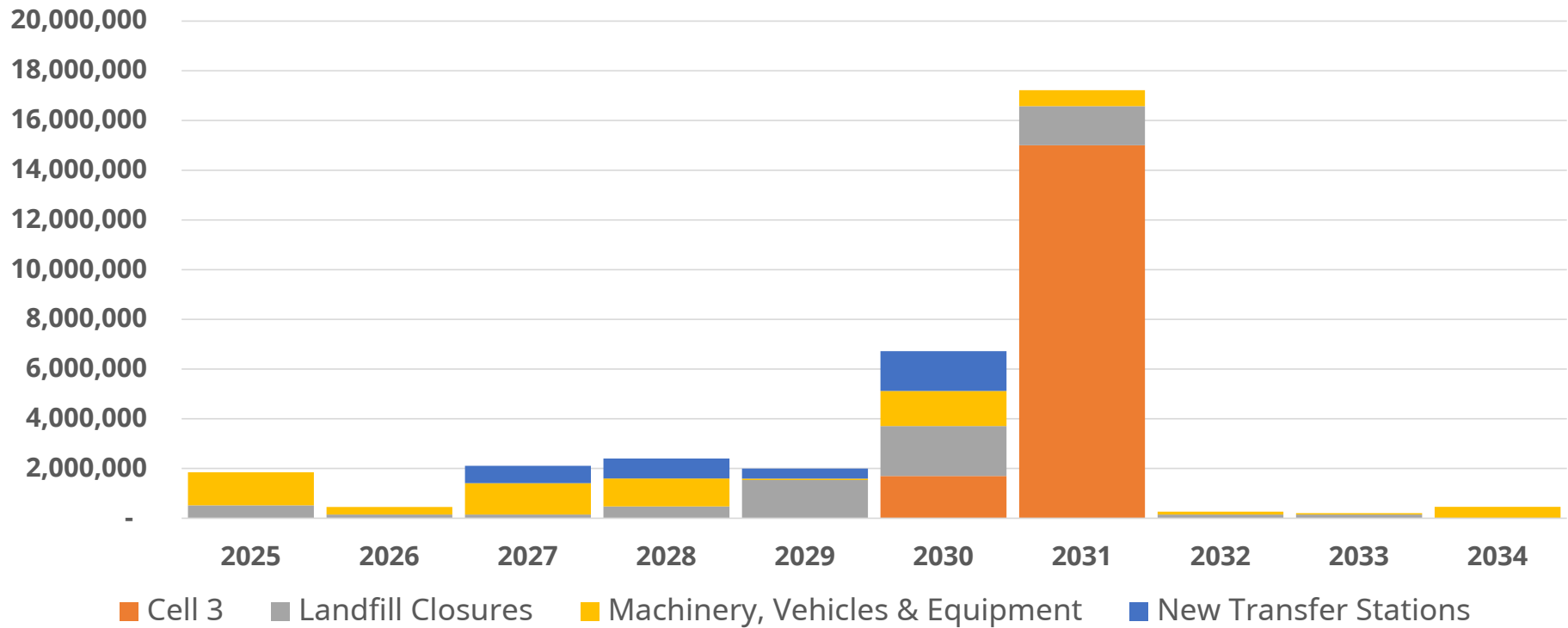
- Requisition increase to build reserves to sustainable level
- Recoveries increased to better reflect actuals in prior years

Operating Budget: 2026-2029 Projections



Comox Strathcona Waste Management 2025-2035 Capital Planning

Ten-year Capital Plan



2025-2029 Capital Plan

	2025	2026	2027	2028	2029
1029 – Annual Capital Projects	\$900,000	-	-	-	-
1048 – CVWMC Landfill Closure	200,000	-	-	-	-
1050 – CVWMC New Landfill	-	-	-	-	-
1051 – CRWMC Closure	200,000	-	-	-	-
1054 - Vehicle and Machinery	825,000	\$60,000	\$1,260,000	\$1,120,000	\$60,000
1077 – Tahsis Transfer Station	-	-	-	-	200,000
1083 – Zeballos Transfer Station	-	-	700,000	800,000	-
1087 – Zeballos Landfill Closure	-	-	-	330,083	957,749
1122 – CVWMC New Engineered Landfill Progressive Closure	121,000	150,000	150,000	150,000	150,000
1132 – Gold River Landfill Closure	-	-	-	-	426,456
1133 – Gold River Transfer Station	-	-	-	-	200,000
1134 – Tahsis Landfill Closure	-	-	-	-	-
1164 – Membrane Filtration	-	245,000	-	-	-
Total	2,246,000	455,000	2,110,000	2,400,083	1,994,205

2030-2034 Long Term Capital Plan

	2030	2031	2032	2033	2034
1029 – Annual Capital Projects	-	-	-	-	-
1048 – CVWMC Landfill Closure	-	-	-	-	-
1050 – CVWMC New Landfill	\$1,700,000	\$15,000,000	-	-	-
1051 – CRWMC Closure	-	-	-	-	-
1054 - Vehicle and Machinery	1,410,000	640,000	120,000	60,000	460,000
1077 – Tahsis Transfer Station	800,000	-	-	-	-
1083 – Zeballos Transfer Station	-	-	-	-	-
1087 – Zeballos Landfill Closure	-	-	-	-	-
1122 – CVWMC New Engineered Landfill Progressive Closure	150,000	150,000	150,000	150,000	-
1132 – Gold River Landfill Closure	1,387,367	-	-	-	-
1133 – Gold River Transfer Station	800,000	-	-	-	-
1134 – Tahsis Landfill Closure	470,860	1,425,580	-	-	-
1164 – Membrane Filtration	-	-	-	-	-
Total	6,718,227	17,215,580	270,000	210,000	460,000

CVWMC Landfill Projections

Table 9: Summary of Available Airspace and Lifespan for Cells 1-6

Cell Identification Number	Available Airspace (m ³)	Estimated Cell Life (Years)		Year Capacity Reached	
		Scenario #1*	Scenario #2**	Scenario #1*	Scenario #2**
Cell 1	470,945 m ³	6.0 years	7.5 years	2022	2024
Cell 2	1,046,472 m ³	8.5 years	12.0 years	2031	2036
Cell 3	1,040,890 m ³	8.0 years	11.5 years	2039	2048
Cell 4	954,748 m ³	7.0 years	10.0 years	2046	2058
Cell 5a	775,124 m ³	5.5 years	8.0 years	2052	2066
Cell 5b	1,302,922 m ³	9.5 years	13.0 years	2056	2071
Cell 6	885,560 m ³	6.0 years	8.5 years	2058 (option 5a) 2062 (option 5b)	2074 (option 5a) 2079 (option 5b)
TOTAL Airspace and Cell Life (Cell 5a)	5,173,739 m ³	41.5 years	57.5 years		
TOTAL Airspace and Cell Life (Cell 5b)	5,701,536 m ³	45.5 years	62.5 years		

*Scenario #1 – Cell life and capacity based on constant status quo disposal rate

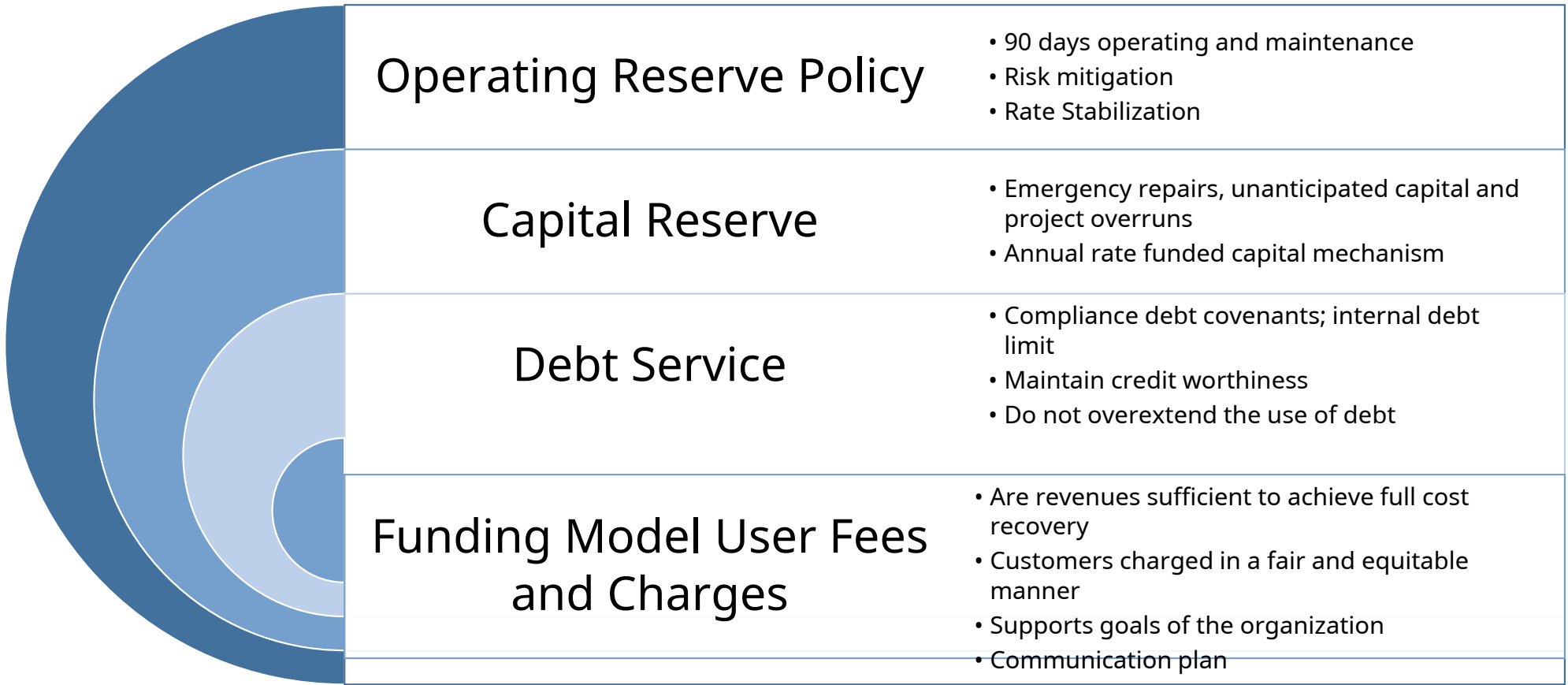
**Scenario #2 – Cell life and capacity based on 2012 CS-SWMP 70% diversion rate being achieved by 2022

Fiscal Sustainability, Reserves, Debt, Funding Sources and Implications to Typical Household

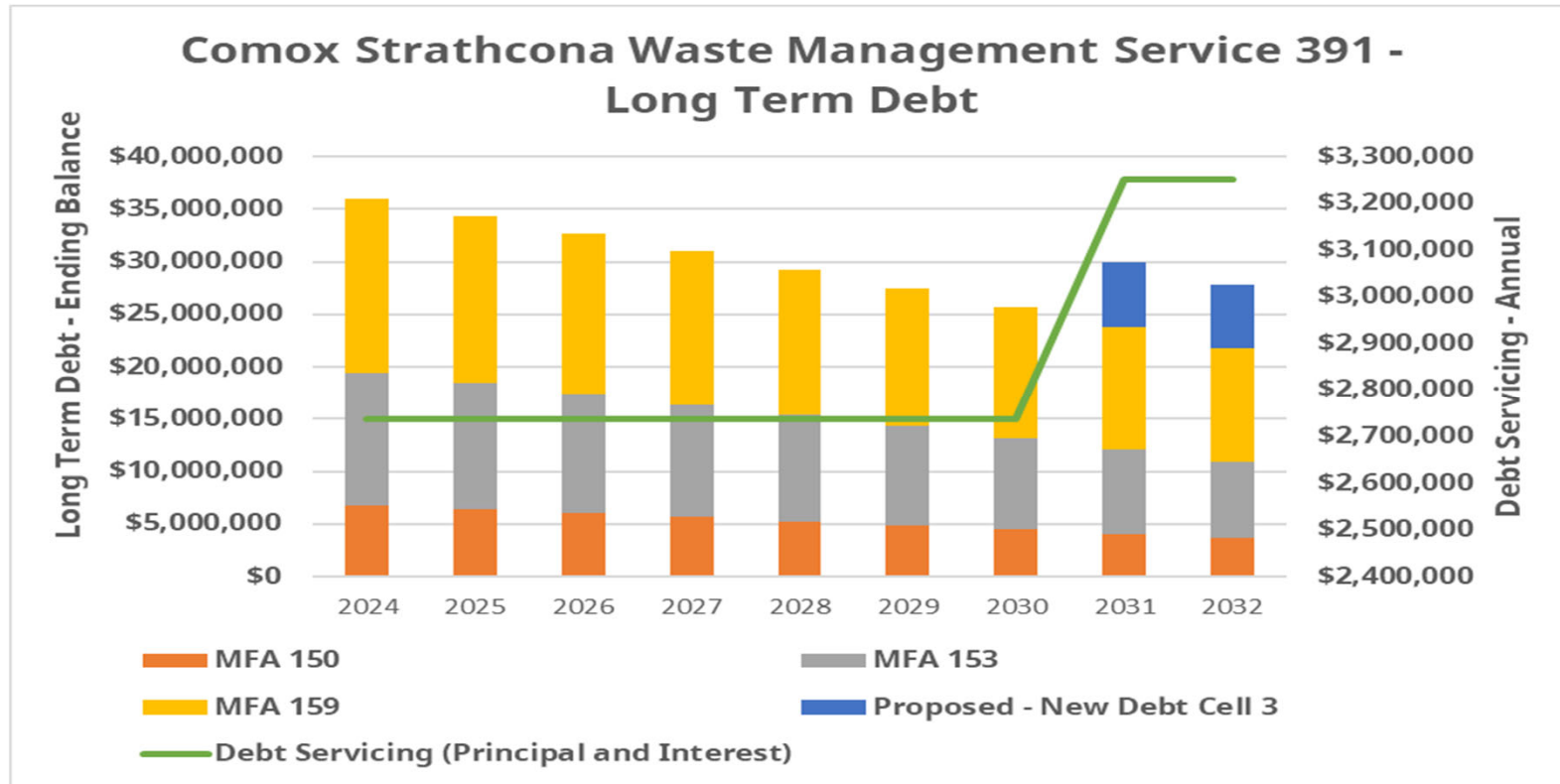
K. Broughton, CVRD Manager Financial Planning

L. Wiwcharuk, CVRD CFO

Fiscal Sustainability Governance



Long Term Debt



Reserves

Projected Balances

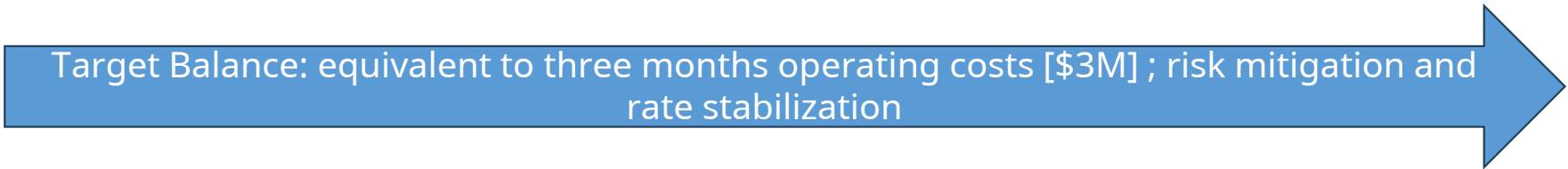
Reserve	2024 Ending Balance
391 – Future Expenditure Reserve	\$1,627,800
830 – Capital Works Reserve	4,810,240
831 – Engineered Landfill Reserve	76,372
893 – Landfill Closure Reserve	3,313,502
Total	\$9,827,914

Future Expenditure Reserve (391)

Projected Balances

	2025	2026	2027	2028	2029
Opening Balance	\$1,627,800	\$1,727,800	\$1,827,800	\$1,927,800	\$2,027,800
Contributions to Reserve	100,000	100,000	100,000	100,000	100,000
Transfers from Reserve	-	-	-	-	-
Ending Balance	\$1,727,800	\$1,827,800	\$1,927,800	\$2,027,800	\$2,127,800

Target Balance: equivalent to three months operating costs [\$3M] ; risk mitigation and rate stabilization



Capital Works Reserve (830) Projected Balances

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening Balance	\$4,810,240	\$4,292,397	\$5,984,949	\$6,631,954	\$7,784,351	\$10,801,717	\$9,854,544	\$5,112,638	\$9,240,732	\$13,428,829
Contributions to Reserve	807,157	1,997,552	2,607,005	3,072,397	3,477,366	3,762,827	3,498,094	4,248,094	4,248,094	4,259,169
Transfers from Reserve	1,325,000	305,000	1,960,000	1,920,000	460,000	4,710,000	8,240,000	120,000	60,000	460,000
Ending Balance	4,292,397	5,984,949	6,631,954	7,784,351	10,801,717	9,854,544	5,112,638	9,240,732	13,428,826	17,227,995

Engineered Landfill Reserve (831)

Projected Balances

	2025	2026	2027	2028	2029
Opening Balance	\$76,372	\$76,372	\$76,372	\$76,372	\$76,372
Contributions to Reserve	-	-	-	-	-
Transfers from Reserve	-	-	-	-	-
Ending Balance	\$76,372	\$76,372	\$76,372	\$76,372	\$76,372

Landfill Closure Reserve (893)

Projected Balances

	2025	2026	2027	2028	2029
Opening Balance	\$3,313,502	\$3,392,502	\$3,842,502	\$4,292,502	\$4,412,419
Contributions to Reserve	600,000	600,000	600,000	600,000	600,000
Transfers from Reserve	521,000	150,000	150,000	480,083	1,534,205
Ending Balance	\$3,392,502	\$3,842,502	\$4,292,502	\$4,412,419	\$3,478,214

Landfill Closure Reserve (893)

Projected Balances

	2030	2031	2032	2033	2034
Opening Balance	\$3,478,214	\$2,069,987	\$1,094,407	\$1,544,407	\$1,994,407
Contributions to Reserve	600,000	600,000	600,000	600,000	600,000
Transfers from Reserve	2,008,227	1,575,580	150,000	150,000	-
Ending Balance	\$2,069,987	\$1,094,407	\$1,544,407	\$1,994,407	\$2,594,407

Funding Source

Taxation Planning

Year	Base	Incremental increase	Cumulative Increase	Annual Taxation
2025	5,000,000	1,000,000	1,000,000	6,000,000
2026	6,000,000	500,000	1,500,000	6,500,000
2027	6,500,000	500,000	2,000,000	7,000,000
2028	7,000,000	500,000	2,500,000	7,500,000
2029	7,500,000	500,000	3,000,000	8,000,000
2030	8,000,000	250,000	3,250,000	8,250,000
2031	8,250,000	250,000	3,500,000	8,500,000

Key Notes

Planning for
2030/31 New
Landfill

Prudent to begin
savings and avoid
high cost of debt
servicing to future
years

Implications to taxpayer at \$1,000,000 = \$13.90 (averaged)

Implications to Typical Household

Requisition Amount						
	2024 Assessed value	2024 Requisition \$5M	Proposed 2025 Requisition \$6M	Proposed 2027 Requisition \$7M	Proposed 2029 Requisition \$8M	Difference between \$5M - \$8M
City of Campbell River	678,000	69.65	83.58	97.51	111.45	41.79
City of Courtenay	719,000	73.87	88.64	103.41	118.18	44.32
CVRD Electoral Area A - All	865,000	88.86	106.64	124.41	142.18	53.32
CVRD Electoral Area B	966,000	99.24	119.09	138.94	158.78	59.54
CVRD Electoral Area C	819,000	84.14	110.97	117.79	134.62	50.48
Town of Comox	789,000	81.06	97.27	113.48	129.69	48.63
Village of Cumberland	788,000	80.95	97.14	113.34	129.53	48.57
Village of Sayward	350,000	35.96	43.15	50.34	57.53	21.57
Village of Tahsis	163,000	16.75	20.09	23.44	26.79	10.05
Village of Zeballos	140,000	14.38	17.26	20.14	23.01	8.63

Options & Recommendations

That the proposed 2025-2029 financial plan for the Service 391 Comox Strathcona Waste Management Service, be accepted. Staff will return to the January 30, 2025 meeting with finalized budget figures and to present the recommended budget.

Questions?

Appendix B - 391 to 394 Operating Budget 2025-2029
CVRD 5 Year Operating Budget by Service

Functions: Multiple

Objects: Multiple

Account Code	Account Description	2024 Actual	2024 Budget	2025 Budget	2026 Financial	2027 Financial	2028 Financial	2029 Financial
01 - General Revenue Fund								
391 - Comox Strathcona Waste Management								
Revenues								
391 - Comox Strathcona Waste Management								
01-1-391-005	Gil Fed Govt	0	5,000	5,000	5,000	5,000	5,000	5,000
01-1-391-009	Gil Local Govt	1,793	80,000	0	0	0	0	0
01-1-391-016	Grant Prov Govt Conditional	10,000	0	0	0	0	0	0
01-1-391-019	Reqn Elect/Spec Prov Govt	1,793,657	1,792,796	2,151,355	2,331,754	2,511,119	2,690,485	2,869,851
01-1-391-020	Reqn Municipal	3,206,343	3,207,204	3,848,645	4,168,246	4,488,881	4,809,515	5,130,149
01-1-391-080	Retail Sales	6,833	0	5,000	5,000	5,000	5,000	5,000
01-1-391-110	Licences & Fines	200	0	0	0	0	0	0
01-1-391-117	Tipping Fees	10,341,921	11,737,768	12,121,327	12,595,995	12,809,325	13,026,934	13,248,927
01-1-391-128	Other Revenue	1,587	0	0	0	0	0	0
01-1-391-131	Recoveries - Recycling BC Incentives	186,172	160,000	500,000	500,000	500,000	500,000	500,000
01-1-391-132	Recoveries - Scrap	190,548	142,000	215,000	205,000	205,000	205,000	205,000
01-1-391-133	Recoveries - Other	93,871	0	110,000	110,000	143,313	243,250	243,250
01-1-391-135	Recoveries-Other Functions	6,000	41,000	45,000	45,000	45,000	45,000	45,000
01-1-391-150	Surplus Prior Year	2,932,374	2,476,938	0	0	0	0	0
01-1-391-151	Funds Allocated from Prior Year	0	0	0	0	0	0	0
391 - Comox Strathcona Waste Management		18,771,298	19,642,706	19,001,327	19,965,995	20,712,638	21,530,184	22,252,177
Revenues								
		18,771,298	19,642,706	19,001,327	19,965,995	20,712,638	21,530,184	22,252,177
Expenses								
391 - Comox Strathcona Waste Management								
01-2-391-200	Support Services	999,614	999,614	1,203,017	1,203,017	1,203,017	1,203,017	1,203,017
01-2-391-212	Grants Uncond Local Govt	150,000	300,000	300,000	300,000	300,000	300,000	300,000
01-2-391-213	Grants Cond Local Govt	194,500	300,000	0	0	0	0	0
01-2-391-214	Grants Cond Local Agencies	1,500	30,000	30,000	30,000	30,000	30,000	30,000
01-2-391-216	Municipal Contract	910,787	331,139	384,558	395,557	406,919	418,657	430,786
01-2-391-220	Salaries & Wages	1,902,144	2,439,147	2,573,080	2,658,606	2,757,975	2,861,163	2,968,330
01-2-391-221	Directors Remuneration	21,890	61,552	61,552	61,552	61,552	61,552	61,552
01-2-391-225	Benefits	452,150	643,168	713,682	745,832	773,579	802,382	832,294
01-2-391-237	Employer Health Tax	38,395	57,325	63,515	65,753	68,212	70,764	73,409
01-2-391-238	WCB	55,305	65,812	68,846	71,280	73,945	76,711	79,575
01-2-391-245	Uncollectible Accounts	87	200	200	200	250	250	250
01-2-391-246	Bank Charges	52,079	50,000	55,000	56,100	57,222	58,366	59,533

Appendix B - 391 to 394 Operating Budget 2025-2029
CVRD 5 Year Operating Budget by Service

Functions: Multiple

Objects: Multiple

Account Code	Account Description	2024 Actual	2024 Budget	2025 Budget	2026 Financial	2027 Financial	2028 Financial	2029 Financial
01-2-391-251	Cash Overage/Shortage	296	0	0	0	0	0	0
01-2-391-257	Clothing/Laundering	11,363	9,468	12,000	12,240	12,485	12,734	12,989
01-2-391-262	Contracts - Operating	2,073,429	2,850,646	3,052,345	3,144,357	3,239,179	3,336,894	3,437,591
01-2-391-266	Deliveries/Transportation	21,015	16,500	19,330	19,821	20,323	20,839	21,370
01-2-391-270	Freon Removal	2,938	9,000	5,000	5,000	5,000	5,000	5,000
01-2-391-275	Permits/Licences	4,296	4,330	4,500	4,500	4,500	4,500	4,500
01-2-391-276	Software Licence/Mtce	34,558	45,900	71,530	66,490	67,479	68,497	69,546
01-2-391-281	Materials & Supplies	75,903	75,918	76,282	76,650	79,000	82,000	82,000
01-2-391-284	Meeting Expense	14,586	15,000	22,925	15,000	15,000	15,000	15,000
01-2-391-293	Office Expenses	9,684	11,800	14,752	14,907	15,065	15,226	15,391
01-2-391-296	Postage	0	500	500	500	500	500	500
01-2-391-303	Recycling/Diversion Initiatives	1,217,257	1,232,194	1,059,970	1,088,800	1,068,493	1,099,076	1,130,579
01-2-391-305	Safety Equipment	4,825	4,080	6,000	6,120	6,242	6,367	6,494
01-2-391-311	Signs	13,384	12,000	22,000	12,000	12,000	12,000	11,000
01-2-391-314	Telephone & Alarm Lines	12,011	12,100	14,465	14,635	14,810	14,990	2,200
01-2-391-316	Tipping Fees	191,485	216,000	409,000	416,090	423,313	430,671	438,167
01-2-391-319	Training/Development & Conferences	1,833	44,925	118,575	39,925	41,925	17,925	17,925
01-2-391-320	Travel	12,964	35,000	30,000	25,000	25,000	25,000	25,000
01-2-391-335	Advertising	32,700	27,500	23,500	21,500	21,500	21,500	21,500
01-2-391-340	Dues And Memberships	7,872	15,578	15,706	15,578	15,578	10,403	4,503
01-2-391-347	Library/Publications	0	500	500	500	500	500	500
01-2-391-353	Public Relations	563	650	650	650	650	650	650
01-2-391-354	Education Programs Public	75	10,000	10,000	0	0	0	0
01-2-391-366	Engineering Fees	41,180	601,468	183,597	156,269	158,994	161,774	164,610
01-2-391-369	Insurance Liability	10,663	9,776	10,069	10,371	10,682	10,896	11,333
01-2-391-372	Insurance Property	25,979	25,721	26,493	27,288	28,107	28,950	29,818
01-2-391-378	Lab Analysis	27,110	31,000	31,930	32,888	33,875	34,890	35,937
01-2-391-381	Legal Fees	105,145	60,000	45,000	45,000	45,000	45,000	45,000
01-2-391-385	Gis Services	0	5,000	5,000	5,000	5,000	5,000	5,000
01-2-391-387	Other Prof Fees	358,784	423,800	629,380	262,838	216,377	219,998	166,734
01-2-391-400	Contracted Svcs Buildings/Land Mtce	199,127	165,934	174,118	177,859	181,703	185,814	190,384
01-2-391-403	Buildings Repairs & Mtce	0	1,500	1,500	1,500	1,500	1,500	1,500
01-2-391-409	Hydro	17,872	18,745	24,461	25,024	25,600	26,190	26,794
01-2-391-412	Janitorial/Cleaning Supplies	3,015	1,600	4,000	4,080	4,162	4,245	4,330
01-2-391-415	Landscaping/Grounds Mtce	0	4,000	4,000	4,000	4,000	4,000	4,000

Appendix B - 391 to 394 Operating Budget 2025-2029
CVRD 5 Year Operating Budget by Service

Functions: Multiple

Objects: Multiple

Account Code	Account Description	2024 Actual	2024 Budget	2025 Budget	2026 Financial	2027 Financial	2028 Financial	2029 Financial
01-2-391-421	Rental/Lease Buildings	21,286	24,200	22,100	20,000	20,000	20,000	20,000
01-2-391-425	Property/Parcel Taxes	419	0	0	0	0	0	0
01-2-391-430	Water	1,638	2,100	2,163	2,228	2,295	2,364	2,434
01-2-391-438	Contract Svcs Equip/Mach	563,729	521,500	543,939	545,871	553,599	557,608	568,921
01-2-391-441	Fuel/Lubricants - Mach/Equip	213,666	270,568	281,220	292,294	303,805	315,771	328,532
01-2-391-444	Rental/Leases - Mach/Equip	36,270	41,301	140,700	140,700	20,700	20,700	20,700
01-2-391-447	Repairs/Mtce Mach/Equip	14,318	20,000	18,000	18,360	18,727	19,102	19,484
01-2-391-458	Fuel/Lubricants Vehicle	13,052	15,000	19,000	19,570	20,157	20,762	21,384
01-2-391-461	Insurance/Licence Vehicle	15,408	14,744	15,183	15,637	16,105	16,433	16,984
01-2-391-464	Repairs & Mtce Vehicle	8,291	10,150	10,455	10,769	11,092	11,425	11,767
01-2-391-468	Minor Capital	115,037	380,000	98,000	52,800	35,000	35,000	35,000
01-2-391-485	Contr To Capital Works Reserve	1,908,549	1,908,549	807,157	1,997,552	2,607,005	3,072,397	3,477,366
01-2-391-489	Reserve Contr Other	700,000	700,000	700,000	700,000	700,000	700,000	700,000
01-2-391-495	Transfer To Other Functions	5,000	25,812	5,000	5,000	5,000	5,000	5,000
01-2-391-505	Debt Charges-Principal	1,514,264	1,514,263	1,514,263	1,514,263	1,514,263	1,514,263	1,514,264
01-2-391-506	Debt Charges-Interest	1,221,841	1,221,842	1,221,842	1,221,842	1,221,842	1,221,842	1,221,842
391 - Comox Strathcona Waste Management		15,663,129	17,946,119	16,981,550	17,897,163	18,585,803	19,344,058	20,010,269
392 - CSWM Post Landfill Closure								
01-2-392-220	Salaries & Wages	24,413	55,785	88,474	112,348	116,691	121,207	125,902
01-2-392-225	Benefits	6,688	16,735	26,543	33,704	35,007	36,362	37,770
01-2-392-237	Employer Health Tax	567	1,394	2,211	2,809	2,917	3,030	3,148
01-2-392-238	WCB	829	1,603	2,397	3,044	3,162	3,285	3,412
01-2-392-266	Deliveries/Transportation	129	1,000	1,000	1,000	1,000	1,000	1,000
01-2-392-275	Permits/Licences	351	1,000	1,000	1,000	1,000	1,000	1,000
01-2-392-276	Software Licence/Mtce	6,701	10,600	10,865	11,137	11,416	11,702	11,996
01-2-392-281	Materials & Supplies	1,341	4,714	7,650	7,880	8,116	8,360	8,610
01-2-392-293	Office Expenses	35	212	217	222	225	231	240
01-2-392-314	Telephone & Alarm Lines	843	1,424	1,456	1,489	1,524	1,559	1,596
01-2-392-319	Training/Development & Conferences	0	2,000	5,000	2,000	2,000	2,000	2,000
01-2-392-320	Travel	0	1,000	4,000	1,000	1,000	1,000	1,000
01-2-392-400	Contracted Svcs Buildings/Land Mtce	1,770	12,000	14,530	14,561	15,093	15,126	15,159
01-2-392-409	Hydro	5,551	19,698	20,289	20,898	21,525	22,171	22,835
01-2-392-438	Contract Svcs Equip/Mach	1,089	34,000	34,510	35,215	35,941	36,689	36,461
01-2-392-447	Repairs/Mtce Mach/Equip	2,156	5,500	9,665	9,955	10,254	10,561	10,878
01-2-392-458	Fuel/Lubricants Vehicle	0	3,640	3,749	3,861	3,977	4,096	4,220

Appendix B - 391 to 394 Operating Budget 2025-2029
CVRD 5 Year Operating Budget by Service

Functions: Multiple

Objects: Multiple

Account Code	Account Description	2024 Actual	2024 Budget	2025 Budget	2026 Financial	2027 Financial	2028 Financial	2029 Financial
01-2-392-461	Insurance/Licence Vehicle	812	453	467	481	495	510	526
01-2-392-495	Transfer To Other Functions	0	0	280	273	252	242	156
392 - CSWM Post Landfill Closure		53,276	172,758	234,303	262,877	271,595	280,131	287,909
393 - Leachate Treatment Plant								
01-2-393-220	Salaries & Wages	69,907	115,111	150,529	176,840	183,717	190,866	198,298
01-2-393-225	Benefits	14,495	34,534	45,160	53,051	55,115	57,259	59,488
01-2-393-237	Employer Health Tax	1,384	2,879	3,763	4,421	4,593	4,772	4,958
01-2-393-238	WCB	2,025	3,304	4,079	4,791	4,979	5,174	5,374
01-2-393-254	Chemicals	112,719	250,000	200,000	204,000	208,080	212,242	216,487
01-2-393-266	Deliveries/Transportation	102	1,500	1,545	1,591	1,639	1,688	1,739
01-2-393-275	Permits/Licences	1,055	600	1,100	1,100	1,100	1,100	1,100
01-2-393-276	Software Licence/Mtce	0	9,500	9,785	10,079	10,381	10,692	11,013
01-2-393-281	Materials & Supplies	14,772	16,979	25,930	26,558	27,202	27,862	28,538
01-2-393-293	Office Expenses	315	500	510	520	530	541	552
01-2-393-305	Safety Equipment	1,789	1,500	5,545	1,591	1,639	1,688	1,739
01-2-393-314	Telephone & Alarm Lines	540	800	824	849	874	900	927
01-2-393-319	Training/Development & Conferences	0	2,000	2,000	2,000	2,000	2,000	2,000
01-2-393-320	Travel	0	1,000	1,000	1,000	1,000	1,000	1,000
01-2-393-372	Insurance Property	5,745	6,107	6,290	6,479	6,673	6,873	7,079
01-2-393-378	Lab Analysis	4,572	12,000	12,000	12,000	12,000	12,000	12,000
01-2-393-387	Other Prof Fees	0	3,000	3,090	3,183	3,278	3,376	3,478
01-2-393-400	Contracted Svcs Buildings/Land Mtce	3,946	7,000	7,210	7,426	7,649	7,878	8,115
01-2-393-403	Buildings Repairs & Mtce	0	500	1,000	1,000	1,000	1,000	1,000
01-2-393-409	Hydro	37,255	61,200	62,424	63,672	64,945	66,244	67,570
01-2-393-412	Janitorial/Cleaning Supplies	0	500	515	530	546	562	580
01-2-393-430	Water	8,437	10,000	10,000	10,000	10,000	10,000	10,000
01-2-393-438	Contract Svcs Equip/Mach	26,814	22,000	30,000	30,600	31,212	31,836	32,473
01-2-393-441	Fuel/Lubricants - Mach/Equip	183	5,732	5,905	6,082	6,264	6,451	6,647
01-2-393-444	Rental/Leases - Mach/Equip	0	1,200	1,200	1,200	1,200	1,200	1,200
01-2-393-447	Repairs/Mtce Mach/Equip	13,974	16,000	20,000	20,400	20,808	21,224	21,648
01-2-393-458	Fuel/Lubricants Vehicle	1,458	1,623	1,800	1,836	1,873	1,910	1,948
01-2-393-461	Insurance/Licence Vehicle	0	453	467	481	495	510	526
01-2-393-464	Repairs & Mtce Vehicle	0	520	536	552	569	586	603
01-2-393-468	Minor Capital	3,385	10,000	51,000	10,000	10,000	10,000	10,000
393 - Leachate Treatment Plant		324,871	598,042	665,207	663,832	681,361	699,434	718,080

Appendix B - 391 to 394 Operating Budget 2025-2029
CVRD 5 Year Operating Budget by Service

Functions: Multiple

Objects: Multiple

Account Code	Account Description	2024 Actual	2024 Budget	2025 Budget	2026 Financial	2027 Financial	2028 Financial	2029 Financial
394 - Regional Organics Composting Facility and Transfer Station								
01-2-394-220	Salaries & Wages	0	18,288	20,761	21,536	22,342	23,181	24,053
01-2-394-225	Benefits	9	5,487	6,228	6,461	6,703	6,954	7,216
01-2-394-237	Employer Health Tax	0	457	519	538	559	580	601
01-2-394-238	WCB	0	525	563	584	605	628	652
01-2-394-262	Contracts - Operating	555,321	740,000	860,000	885,800	912,374	939,745	967,937
01-2-394-266	Deliveries/Transportation	132	3,000	2,000	2,040	2,081	2,123	2,165
01-2-394-275	Permits/Licences	0	500	1,200	1,200	1,200	1,200	1,200
01-2-394-281	Materials & Supplies	1,298	6,500	6,500	6,500	6,500	6,500	6,500
01-2-394-293	Office Expenses	935	0	2,000	2,040	2,081	2,123	2,165
01-2-394-305	Safety Equipment	0	1,530	1,576	1,623	1,672	1,722	1,774
01-2-394-311	Signs	498	0	2,000	0	0	0	0
01-2-394-314	Telephone & Alarm Lines	850	1,000	1,000	1,000	1,000	1,000	1,000
01-2-394-319	Training/Development & Conferences	20	0	0	0	0	0	0
01-2-394-335	Advertising	341	25,000	15,000	10,000	10,000	10,000	10,000
01-2-394-340	Dues And Memberships	121	0	0	0	0	0	0
01-2-394-378	Lab Analysis	6,200	8,000	8,240	8,487	8,742	9,004	5,000
01-2-394-387	Other Prof Fees	536	0	0	0	0	0	0
01-2-394-400	Contracted Svcs Buildings/Land Mtce	30,326	4,000	19,500	19,890	20,288	20,693	21,107
01-2-394-403	Buildings Repairs & Mtce	108	2,000	6,000	4,000	4,000	4,000	4,000
01-2-394-409	Hydro	19,609	8,500	20,000	20,400	20,808	21,224	21,648
01-2-394-438	Contract Svcs Equip/Mach	37,230	16,000	39,180	39,964	40,763	41,579	42,410
01-2-394-441	Fuel/Lubricants - Mach/Equip	29,370	0	36,000	36,720	37,454	38,203	38,967
01-2-394-444	Rental/Leases - Mach/Equip	125,033	80,000	65,000	66,300	67,626	68,979	70,359
01-2-394-447	Repairs/Mtce Mach/Equip	1,044	0	2,000	2,040	2,081	2,123	2,165
01-2-394-458	Fuel/Lubricants Vehicle	3,211	0	5,000	5,000	5,000	5,000	5,000
01-2-394-468	Minor Capital	0	5,000	0	0	0	0	0
394 - Regional Organics Composting Facility and Transfer Station		812,191	925,787	1,120,267	1,142,123	1,173,879	1,206,561	1,235,919
Expenses		(16,853,467)	(19,642,706)	(19,001,327)	(19,965,995)	(20,712,638)	(21,530,184)	(22,252,177)
391 - Comox Strathcona Waste Management		1,917,830	0	0	0	0	0	0
01 - General Revenue Fund		1,917,830	0	0	0	0	0	0

Capital Object Summary - 10 Years

Budget Year 2025
 Report Group Function Type
 Stage All
 Function Type or Service - 391 - Comox Strathcona Waste Management
 Object Category or Object All
 Asset Category or Asset Type All
 Fund Category or Fund All

	Rank	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Funding Source											
300 - Environmental Health Services											
391 - Comox Strathcona Waste Management											
1029 - Annual provision for capital projects	0.0	900,000	-	-	-	-	-	-	-	-	-
1048 - CVWMC Historical Landfill Closure	0.0	200,000	-	-	-	-	-	-	-	-	-
1050 - CVWMC New Engineered Landfill	0.0	-	-	-	-	-	1,700,000	15,000,000	-	-	-
1051 - CRWMC closure	0.0	200,000	-	-	-	-	-	-	-	-	-
1054 - Vehicle and Machinery - Capital	0.0	825,000	60,000	1,260,000	1,120,000	60,000	1,410,000	640,000	120,000	60,000	460,000
1077 - Tahsis Transfer Station	0.0	-	-	-	-	200,000	800,000	-	-	-	-
1083 - Zeballos transfer station	0.0	-	-	700,000	800,000	-	-	-	-	-	-
1087 - Zeballos landfill closure	0.0	-	-	-	330,083	957,749	-	-	-	-	-
1122 - CVWMC New Engineered Landfill Progressive Closure	0.0	121,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	-
1132 - Gold River Landfill Closure	0.0	-	-	-	-	426,456	1,387,367	-	-	-	-
1133 - Gold River Transfer Station	0.0	-	-	-	-	200,000	800,000	-	-	-	-
1134 - Tahsis Landfill Closure	0.0	-	-	-	-	-	470,860	1,425,580	-	-	-
1164 - Membrane Filtration	0.0	-	245,000	-	-	-	-	-	-	-	-
Total 391 - Comox Strathcona Waste Management		2,246,000	455,000	2,110,000	2,400,083	1,994,205	6,718,227	17,215,580	270,000	210,000	460,000
Total 300 - Environmental Health Services		2,246,000	455,000	2,110,000	2,400,083	1,994,205	6,718,227	17,215,580	270,000	210,000	460,000
Total Funding Source		2,246,000	455,000	2,110,000	2,400,083	1,994,205	6,718,227	17,215,580	270,000	210,000	460,000

Capital Object Summary - 10 Years

Budget Year 2025
 Report Group Function Type
 Stage All
 Function Type or Service - 391 - Comox Strathcona Waste Management
 Object Category or Object All
 Asset Category or Asset Type All
 Fund Category or Fund All

	Rank	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Expenditure											
300 - Environmental Health Services											
391 - Comox Strathcona Waste Management											
1029 - Annual provision for capital projects	0.0	900,000	-	-	-	-	-	-	-	-	-
1048 - CVWMC Historical Landfill Closure	0.0	200,000	-	-	-	-	-	-	-	-	-
1050 - CVWMC New Engineered Landfill	0.0	-	-	-	-	-	1,700,000	15,000,000	-	-	-
1051 - CRWMC closure	0.0	200,000	-	-	-	-	-	-	-	-	-
1054 - Vehicle and Machinery - Capital	0.0	825,000	60,000	1,260,000	1,120,000	60,000	1,410,000	640,000	120,000	60,000	460,000
1077 - Tahsis Transfer Station	0.0	-	-	-	-	200,000	800,000	-	-	-	-
1083 - Zeballos transfer station	0.0	-	-	700,000	800,000	-	-	-	-	-	-
1087 - Zeballos landfill closure	0.0	-	-	-	330,083	957,749	-	-	-	-	-
1122 - CVWMC New Engineered Landfill Progressive Closure	0.0	121,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	-
1132 - Gold River Landfill Closure	0.0	-	-	-	-	426,456	1,387,367	-	-	-	-
1133 - Gold River Transfer Station	0.0	-	-	-	-	200,000	800,000	-	-	-	-
1134 - Tahsis Landfill Closure	0.0	-	-	-	-	-	470,860	1,425,580	-	-	-
1164 - Membrane Filtration	0.0	-	245,000	-	-	-	-	-	-	-	-
Total 391 - Comox Strathcona Waste Management		2,246,000	455,000	2,110,000	2,400,083	1,994,205	6,718,227	17,215,580	270,000	210,000	460,000
Total 300 - Environmental Health Services		2,246,000	455,000	2,110,000	2,400,083	1,994,205	6,718,227	17,215,580	270,000	210,000	460,000
Total Expenditure		2,246,000	455,000	2,110,000	2,400,083	1,994,205	6,718,227	17,215,580	270,000	210,000	460,000

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RE: CSWM 2024 Third Quarter Budget Update Report

Purpose

The purpose is to provide Comox Strathcona Waste Management (CSWM) Board with a summary 2024 of the Third Quarter Budget Update results. This document is for information purposes only and supports the 2025 proposed budget.

Executive Summary

As aligned with advancement of foundational financial practices and internal controls, initial steps toward regularly scheduled and formalized budget variance analysis and reporting have been taken. CSWM service is a significant, complex operation and therefore, reviewing and understanding conditions of budget variance at regular intervals (quarterly) strengthens controls, helping to identify issues and inform future financial planning cycles.

The third quarter results are projecting a surplus of \$2.20 million. The main budget variances driving this surplus are contracts and general services and the actual 2023 budget surplus and excess revenue.

At 11.2 per cent of the overall budget, this surplus is large, however it is important to keep in mind the complexity and the magnitude of the SWM operation. Approximately \$588,000 of this amount is related to the actual 2023 surplus of \$3.07 million (budgeted at \$2.48 million). Nearly \$686,000 is related to higher than budgeted tipping fees and recoveries for recycling, scrap and other material. Savings in multiple expenditure lines, as detailed below, account for approximately \$838,000 in savings. A portion of this generated surplus is related to initiatives or projects which are incomplete and will be carried forward to the next budget cycle. At this time, \$440,000 of such carryforwards have been identified.

The 2024 capital budget is \$5.95 million and \$529,745 has been spent to the end of September 2024. Of the 16 projects listed, 10 projects will continue into 2025.

Background Summary

The Comox Strathcona Waste Management service area is located in the Coast Salish, Kwakwaka'wakw, and Nuu-chah-nulth territories.

Overall, a surplus of \$2.20 million is projected.

	2024 Actual to Date	2024 Approved Budget	3rd Quarter Projection	Variance
Overall				
Revenue				
Grants in Lieu	\$1,793	\$85,000	\$85,000	-
Taxation	5,000,000	5,000,000	5,000,000	-
Sale of Services	9,180,844	11,737,768	12,163,715	\$425,947
Other Revenue	101,588	-	101,588	101,588
Government Grants	10,000	-	10,000	10,000
Recoveries from Others	443,678	343,000	581,767	238,767
Prior Year Surplus	2,932,374	2,476,938	3,065,295	588,357
Total Revenue	\$17,670,277	\$19,642,706	\$21,007,365	\$1,364,659
Expenses				
Support Services	\$999,614	\$999,614	\$999,614	-
Personnel Costs	2,527,193	3,523,106	3,369,590	\$153,516
Grants to Other Orgs	619,388	961,139	861,017	100,122
Materials, Supplies and Utilities	2,035,866	2,609,195	2,745,216	(136,021)
Contract and General Services	3,756,466	5,784,186	5,317,728	466,458
Debt Charges	2,655,249	2,736,105	2,736,105	-
Transfer to Reserve	2,608,549	2,608,549	2,608,549	-
Transfer to Other Services	5,000	25,812	25,812	-
Minor Capital	101,820	395,000	140,760	254,240
Total Expenses	\$15,309,145	\$19,652,706	\$18,804,392	\$838,314
Surplus/Deficit				\$2,202,974

As shown in the figure below, \$1.91 million of the projected surplus comes from the Comox Strathcona Waste Management function.

By Line of Business	2024 Actual to Date	2024 Approved Budget	3rd Quarter Projection	Variance
391 - CSWM (Revenues)	17,670,277	19,652,706	21,007,365	\$1,364,659
391 - CSWM (Expenses)	14,270,640	17,946,119	17,397,216	548,903
392 - Post Landfill Closure	50,990	172,758	67,987	104,771

By Line of Business	2024 Actual to Date	2024 Approved Budget	3 rd Quarter Projection	Variance
393 – Leachate Treatment Plant	302,502	598,042	418,173	179,869
394 – Regional Organics	687,012	925,787	921,016	4,771
Surplus/Deficit				\$2,202,974

Section A: Operating Funds

Revenue

The biggest contributors to the projected surplus on the revenue side are as follows positive variances:

Prior year surplus **\$588,357**

- At the time of the adopted budget, the projected 2023 surplus was \$2.48 million and the eventual realized surplus for the service was \$2.93 million.
- Also, an error discovered in prior year's billings to the Town of Comox will result in an additional \$133,000 as a result of incorrect billings in 2023.

Sale of Services **\$425,947**

- Tipping fees collected through September total \$9.17 million. In recent years, tipping fee revenue through September has totaled 76.3 per cent of the total revenue for the year. These figures lead to a year-end projection of \$12.02 million, which exceeds the budgeted amount of \$11.74 million and the 2023 actuals of \$11.29 million.
- There was also an error discovered in billing to the Town of Comox, which when corrected will lead to an additional \$133 thousand variance over budget in 2024.

Recoveries from Others **\$238,767**

- Recycling BC Initiatives and Recoveries from Scrap have both already exceeded their budgeted amounts for 2024. They are projected to exceed budget by \$63,486 and \$91,138 respectively. Other recoveries, which did not have an amount budgeted for 2024, contributed \$84,143.

Expenditures

The biggest contributors to the projected surplus on the expenditure side are as follows variances:

Contract and General Services \$466,458

- Engineering fees project year end expenditures of \$54,907 (\$601,468 budget). Of this amount, \$330,000 relates to Solid Waste Management Plan initiatives expected to be carried forward to 2025. Also included in the budgeted amount is \$120,000 for a wastewater composition study (procurement process initiated in September). It is probable that a large portion of that amount will be carried forward to 2025 as well.
- Operating contracts are expected to come in under budget by \$63,000. The primary contributors to this variance are the operating contract for the Campbell River Waste Management Centre projecting to come in under budget by \$168,000, offset Cortes Island Waste Management Centre and the Gold River Landfill projecting to be over budget by \$43,000 and \$34,000 respectively.
- Costs for rental and lease of machinery and equipment are expected to be over budget by \$25,000, largely due to increased Screener rental costs. A purchase of a Screener is in the 2024 capital plan, but no purchase has been made.
- Legal Fees are projected to be overbudget by \$46,000 due largely to dispute resolution costs.
- Professional fees are projected to be under budget by \$23,000 as several projects, including the Campbell River Waste Management Centre sign review, likely won't be completed in 2024.
- Equipment and Machinery contracted services are projected to be over budget by \$107,000. Equipment maintenance costs can be difficult to project and in recent years the costs have been both over and below the budgeted amount.

Minor Capital \$254,240

- Several minor capital projects identified in the 2024 budget will not be completed in 2024 and will carry forward into 2025. These are outlined in the section below.
- Minor capital also included a \$100,000 allowance for unforeseen projects. To date, only \$22,474 has been spent on projects not identified in the 2024 budget.

Personnel Costs \$153,516

- Several staff vacancies will contribute to lower than budgeted personnel costs. The expected positive variance is 4.3% of the overall salary, wages and benefits budget.

Grants to Other Organizations \$100,122

- Contribution to the Village of Cumberland for Bevan Road paving was over budgeted in 2024. The full project cost of \$300,000 was carried forward to 2024. As \$106,000 was expended in 2023, the 2024 budgeted amount should have been only \$194,000 resulting in an error of \$106,000.

Expected Carryforwards

Several projects in the 2024 budget will not be completed this year and will be carried forward into the 2025 budget. These items are contributing to the projected surplus. They include the \$440,000 of items below:

Contract and General Services

- Solid Waste Management Plan renewal \$180,000
- Solid Waste Management Plan technical studies \$150,000

Minor Capital

- Cortes Island Recycling Facility Improvement \$45,000
- CV Waste Management Centre Fueling and Washing Station \$50,000
- Zeballos Compost Building \$15,000

As we approach year end, we will gain more clarity around which additional projects will not be completed in 2024 and additional items will be carried forward to the 2025 budget. This will be brought forward within the recommended budget.

Section B: Capital Funds

The total approved capital budget for 2024 is \$5.95 million which includes carry forward projects from 2023 of \$1.30 million. Actual expenses are \$529,745 as of September 30, 2024. The capital budget projects progress update is attached for information (Appendix 1).

Key capital projects nearing completion:

- The Land Purchase project (initiated in 2021 with a budget of \$1.70 million) is drawing to completion with the recent consideration to purchase the remaining southeast parcel.
- The Fortis Connection project is almost complete with the recent finalization of the contract.
- Fibre Optics connection project is completed.
- The Regional Compost Facility has three wells remaining to be drilled however is expected to be completed by December 31, 2024.

Key projects projected to be carried forward to the 2025 capital budget include:

- Cell 2 has seen some construction costs in 2024, but unspent funds will be carried forward.
- CVWMC New Engineered Landfill has had new gas lines installed at a cost of approximately \$50,000 but the majority of the \$1.15 million project budget will be carried forward.
- Campbell River Waste Management Centre landfill closure had some safety flare fencing work done in 2024 but it is anticipated that some costs will be carried forward.
- Remaining budget dollars for the Fortis Connection Project will be carried forward to 2025 to address any final expenditures.
- Budget for various Vehicle and Machinery purchases have not been spent and will be carried forward.
- The New Scale Software is expected to go-live in the first week of 2025, so minimal costs are expected to be carried forward.

**Comox Strathcona Waste Management
2024 Third Quarter Capital Budget Summary
September 30, 2024**

no.	Grouping / Project	project note	Carryforward Budget	2024 Approved Budget	Total Budget	2024 YTD Expenses	Variance	Percentage Complete	Project Progress Update
1029	Total		209,121	1,233,973	1,368,094	55,083	1,313,011		
	Land Purchase		209,121		209,121		209,121	88%	The initial parcel purchase was completed in 2021, with the remaining approved funds (\$209k) carried forward for a potential future purchase.
	Oyster River Recycling Centre			690,000	690,000		690,000	80%	In progress.
	Quadra Island Recycle Depot			218,973	218,973	249	218,724	75%	In progress, original RFP for the building failed to produce bids that were within our budget. Procurement has authorized to seek quotes. Operational and lease agreements complete. Aiming to have building constructed and operational spring 2025.
	Fortis Connection			250,000	250,000	5,154	244,846	95%	Earmarked for connection infrastructure.
	Hornby WMC Extension			75,000		49,680	-49,680		Remaining work is a walkway and loading ramp.
1121	Total		102,603	130,000	232,603	25,715	206,888		
	Scale Software Upgrades		102,603		102,603	25,715	76,888	95%	Go-live scheduled for Jan 7 2025
	Fiber Optic Connection -continued			130,000	130,000		130,000	100%	Completed
1049	Regional Compost Facility		181,337		181,337	66,967	114,370	37%	3 wells remaining to be drilled, to be completed by year end remaining purchase a ticket booth
1050	New Engineered Landfill	cell 2 engineering and construction		590,000	590,000	122,104	467,896	25%	
1131	CRWMC Transfer Site	space	283,164	266,389	549,553	3,792	545,761	10%	Project is the engineering phase with construction being in 2025
1054	Vehicle and Machinery		245,716	830,000	1,075,716	0	1,075,716		
	Unallocated		245,716		245,716		245,716	0%	Replace the 2018 CAT 903
	Roll off Bins			100,000	100,000		100,000	0%	Placing order in coming weeks
	Screener			450,000	450,000		450,000	0%	Purchase a shredder for the CVWMC; work pending.
	Various Vehicles	2015 Silverado replacement; allowance EV charger; Nissan Pathfinder replacement and Regular Cab replacement		280,000	280,000		280,000	0%	Vehicles will be order in 2025; project will carry forward to 2025
1051	CRWMC Landfill Closure	LFG connection, three new wells, safety flare fencing		800,000	800,000	205,856	594,144	40%	Work remaining - office for the flare and cover for the control panels
1122	CVMNC New Engineered Landfill		275,943	875,000	1,150,943	50,228	1,100,715	5%	
					0				
					0				
					0				
			1,297,884	4,725,362	5,948,246	529,745	5,418,501		