

THE CITY OF PRINCE ALBERT



SANITATION BUDGET REPORT FOR THE YEAR ENDING DECEMBER 31, 2015

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December 31, 2015 Consolidated Budget Document

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The Sanitation Utility Fund was created in 2003 and was intended to be a self-sustaining entity that would provide waste collection and recycling services, as well as operate a landfill without being dependent on the City's tax base. In order to continue to ensure its ability to be self-sufficient and to meet future capital requirements, City Council passed Bylaw # 5 of 2011, setting the rates and fees for a period of five years. In 2015, entry fees at the landfill will be \$9.50 for any residual waste below 150 kilograms and the per-tonne rate will increase from \$53 to \$54. 2015 is the final year for rate increases.

There are two primary sources of revenue for the Sanitation Fund:

Landfill Fees – These are the rates charged to customers using the landfill. In 2015, due to the rate fee increases, revenues are expected to grow by an additional \$34,600. This along with expanded utilization of the landfill services are contributing to the growth of this revenue source, which is projected to total \$1,600,000 for 2015.

Sanitation Surcharge – This represents the monthly fee allocated on the utility bills of residential property owners of The City of Prince Albert. The monthly rate in 2015 will be \$15.20 per month and is expected to generate a revenue increase of \$54,480. It is projected that for 2015, the surcharge will generate approximately \$2,070,000.

Sanitation Fund expenditures include management continuing to track the cost of water, sewer and sanitation costs for City facilities, as well as the cost of offering the Landfill Pass program for residents of Prince Albert to take residual waste to the landfill, without charge, four (4) times over the course of a year.

For 2015, the City is required to complete a significant amount of environmental monitoring at its landfill site. This is required in order to meet regulatory requirements as well as to allow the City to keep its operating license.

Also in 2015, the North Central Saskatchewan Waste Management Corporation (NCSWMC) has reduced its annual levy rate which results in a \$20,210 operating savings.

In conclusion, the lifespan of any landfill is dependent on the amount of refuse that enters the landfill gates and how much can be re-used or re-cycled in other capacities. Most landfill cells have a lifespan of about 13 - 15 years and each cell, if they are to meet environmental regulatory requirements, can cost several millions of dollars to construct. In order to have financial resources available for future capital needs any remaining unspent surpluses are set aside in anticipation of these necessities. For 2015, the surplus being set aside for Capital expenditures and future utilization is projected to increase by \$259,340.

SANITATION FUND BUDGET
SEGMENTED BY DIVISION
For the Year Ending December 31, 2015

	2015	2014	
BUDGETED REVENUES			
User Charges and Fees	\$ 3,737,780	\$ 3,411,800	\$ 325,980
Sundry	<u>1,000</u>	<u>1,000</u>	<u>-</u>
	<u>3,738,780</u>	<u>3,412,800</u>	<u>325,980</u>
FUNCTIONAL AREA:			
LANDFILL BUDGETED EXPENSES			
Salaries, Wages and Benefits	1,005,920	978,160	27,760
Contract and General Services	397,710	262,710	135,000
Financial Charges	620	620	-
Utilities	59,140	57,280	1,860
Fleet expenses	657,860	659,860	(2,000)
Maintenance, Materials and Supplies	459,610	248,390	211,220
Insurance	10,300	10,300	-
Allowance for Doubtful Accounts	<u>2,000</u>	<u>2,000</u>	<u>-</u>
	<u>2,593,160</u>	<u>2,219,320</u>	<u>373,840</u>
RECYCLING BUDGETED EXPENSES			
Salaries, Wages and Benefits	168,830	168,830	-
Contract and General Services	136,000	110,000	26,000
Financial Charges	3,900	3,900	-
Grants	142,100	162,310	(20,210)
Utilities	470	470	-
Fleet expenses	164,450	162,450	2,000
Maintenance, Materials and Supplies	36,540	36,540	-
Insurance	<u>100</u>	<u>100</u>	<u>-</u>
	<u>652,390</u>	<u>644,600</u>	<u>7,790</u>
Budgeted Operating Surplus	<u>493,230</u>	<u>548,880</u>	<u>(55,650)</u>
CAPITAL AND INTERFUND TRANSACTIONS			
Transfers (to) from other funds	<u>(233,890)</u>	<u>(218,500)</u>	<u>(15,390)</u>
	<u>(233,890)</u>	<u>(218,500)</u>	<u>(15,390)</u>
BUDGETED SURPLUS OF REVENUES OVER EXPENSES			
	<u>\$ 259,340</u>	<u>\$ 330,380</u>	<u>\$ (71,040)</u>
Allocated as follows:			
Sanitation Improvement Reserve (Uncommitted)	<u>259,340</u>	<u>330,380</u>	
	<u>\$ 259,340</u>	<u>\$ 330,380</u>	

SANITATION FUND BUDGET
CAPITAL EXPENDITURES AND RESERVE PROJECTIONS
For the Year Ending December 31, 2015

	<u>2015</u>	<u>2014</u>
CAPITAL COMMITTED RESERVE:		
Budgeted Transactions		
Funding:		
Funding for Capital - via transfer from Sanitation Improvement Reserve (Uncommitted)	\$ 200,000	\$ 30,000
Funding for Capital - via Transfer from Equipment Reserve	<u>380,000</u>	<u>-</u>
	<u>580,000</u>	<u>30,000</u>
Expenditures:		
Replacement of Unit 59 - Automated Waste Removal Truck	240,000	-
Purchase of 4 x 4 Truck	30,000	-
Old Mound - Reforestation Plan	-	30,000
Replacement of Unit 61 - Waste Removal Truck	140,000	-
Development-Prep work for Landfill Cells 1B and 2B	100,000	-
Leachate Aerator/Bioreactor Treatment Installation	<u>70,000</u>	<u>-</u>
	<u>580,000</u>	<u>30,000</u>
Budgeted increase (decrease) to reserve	<u>-</u>	<u>-</u>

SANITATION IMPROVEMENT FUND BALANCE (UNCOMMITTED EQUITY):

Budgeted Transactions		
Funding:		
Contribution from Operations	\$ <u>259,340</u>	\$ <u>330,380</u>
Expenditures:		
Transfer to Capital Committed Reserve	<u>200,000</u>	<u>30,000</u>
Budgeted increase (decrease) to reserve	59,340	300,380
Fund Balance, beginning of year	<u>336,530</u>	<u>36,150</u>
Projected Fund Balance, end of year	<u>\$ 395,870</u>	<u>\$ 336,530</u>