



Special Town Council Meeting

June 4, 2019

Council Chambers, Town Hall

359 Main Street

Agenda

Call to Order

1. Approval of Agenda

2. Public Input / Question Period

Procedure: A thirty-minute time period will be provided for members of the public to address Council regarding questions, concerns and/or ideas. Each person will have a maximum of two minutes to address Council with a second two-minute time period provided if there is time within the thirty-minute Public Input / Question timeframe.

3. Motions/Recommendations from Committee of the Whole, June 4, 2019:

- a. RFD 036-2019: Valley Waste Resource Management 2019/20 Budget
- b. RFD 035-2019: Art in Public Spaces Committee Appointment

4. Public Input / Question Period:

Procedure: A thirty-minute time period will be provided for members of the public to address Council regarding questions, concerns and/or ideas. Each person will have a maximum of two minutes to address Council with a second two-minute time period



provided if there is time remaining within the thirty-minute Public Input/Question Period timeframe.

5. Special Meeting Adjourned

REQUEST FOR DECISION 036-2019

Title: Valley Waste Resource Management 2019/20 Budget

Date: 2016-06-04

Department: Finance



SUMMARY

Valley Waste Resource Management (VWRM)– 2019/20 Budget

The Town of Wolfville provides solid waste service through an Inter Municipal Service Agreement (IMSA) with partnering municipalities/communities from Hantsport to Annapolis Royal. There are now six partners in all. It used to be eight with Hantsport no longer participating and Annapolis County pulling out of the agreement last year.

Annually the Board of VWRM approves a budget to be submitted to the funding partners for their approval. The formula for acceptance is not as straight forward as the Kings Transit agreement where a simple majority of positive votes is needed for budget approval. The VWRM agreement has different combinations of votes that carry the day. No one Town carries the power of veto and even a combination of Towns may be insufficient to offset the vote of Kings County.

Each year, the participating municipal units vote on the VWRM Budget as forwarded by the Board. Depending on the year and circumstances, representatives from VWRM have presented their budget to individual Councils or a joint council session. Other years, no presentation has occurred. Each year for the last few however, Wolfville Council receives a staff report on the budget with recommendation and analysis.

This year, the VWRM budget would result in a 5.9% increase compared to 2018/19 contributions.

DRAFT MOTION:

That Council approve the Valley Waste Resource Management 2019/20 Operating & Capital Budgets

REQUEST FOR DECISION 036-2019

Title: Valley Waste Resource Management 2019/20 Budget

Date: 2016-06-04

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1) CAO COMMENTS

The CAO supports the recommendations of staff.

2) LEGISLATIVE AUTHORITY

- Valley Waste Resource Management Inter-Municipal Service Agreement

3) STAFF RECOMMENDATION

Staff recommends approval of the VWRM budget as submitted, but that further work is done by VWRM to identify multi-year impact of the departure of Annapolis County.

4) REFERENCES AND ATTACHMENTS

- Copy of January 18, 2017 Budget document (attached)

5) DISCUSSION

As noted in the summary above, Valley Waste continues to work through the impacts of losing the second largest funding partner in the organization. This involves costs and decisions related to the Western sorting station, as well as logistics around the two Annapolis County towns who are otherwise geographically disconnected from service routes in Kings County.

The Operating and Capital Budgets provided by VWRM do not include any variance explanations, nor is there a separate powerpoint with notations. At the end of the day, the detail review of line items should be part of the Board's review prior to approving budget for municipal consideration. At the municipal stage of the process, the Town's focus should include

- whether the budget estimates provided seem reasonable, i.e. probable that the Authority will end the fiscal year at break even or better
- are there any trends that raise concern and could lead to increased requirement for municipal contributions
- does the VWRM budget requirement fit within the Town's approved budget/reasonable cost for service provided

Do the estimates appear to be reasonable?

Although the proposed increase in municipal contributions is higher than desired, and COLA, at this stage of the reorganization that VWRM is undergoing it does not make sense to hold the process up any further. The IMSA partners will either have to pay in for an unexpected deficit, or receive a refund of an

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unexpected surplus. Based on past years, the tendency of the VWRM organization is to experience surplus results with a refund being issued retroactively. This is the opposite of past trends with Kings Transit where deficits are the norm and retroactively the Town has to find funds to cover the deficit. Unbudgeted surpluses are preferable to deficits as the Town does not have to locate funds for an unplanned expenditure. Best case scenario would be actual results that track more closely to budgets than either organization has had in the past.

In terms of revenues, it should be noted that the East Management Centre is budgeted to generate lower receipts than previous year, while the Western Management Centre shows almost the same level of revenues. Communications and Enforcement revenues are budgeted higher than past years, which would seem somewhat more difficult to achieve given smaller # of households served.

Two areas of expenses stand out. First is Residential Collection which is budgeted as down 10% from 2018/19. Annapolis County was a 20% partner, so on the surface it would be expected to see a drop of approximately 20% in residential collection. This is one of the areas that it may take a full year operations with the remaining six parties to the IMSA to accurately estimate volumes. General Administration is the other area that seems higher than anticipated. With a scaled backed business volume, the cost of administration may have to be reviewed for long term service level required.

It should be noted the forecast for the 2018/19 year end is a deficit of \$177,359, and this amount has not been accurately picked up in the 2019-20 budget carry forward. Unless there is a different source of funding planned for this shortfall, the Town may have to pick up 8.26% of the deficit.

No allowance has yet been made for contributions from Annapolis County regarding Long Term Debt commitments incurred while they were an active member of VWRM. Resolution of this matter is pending and it should ultimately help reduce the costs to the remaining six municipalities.

Given the complexity of the VWRM operation, especially under the changing conditions over the last year, it is difficult to express an opinion on whether the estimates are reasonable. Reliance on the Boards vetting of the numbers is required this year.

Any trends that cause concern?

Similar to the estimates in general, it is difficult to get a handle on any trends given the significant change in volume of customers being served. It will be important over the coming year for VWRM to get a handle on tonnage/volumes and how distribution of customers impact collection of that waste.

Does the VWRM Budget requirement fit within the Town Budget?

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Title: Valley Waste Resource Management 2019/20 Budget

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See Section 6 below.

6) FINANCIAL IMPLICATIONS

The Town budget provided \$520,200 to cover regional waste management services. This was increased from the 2018/19 Town budget where it was \$501,000.

The VWRM requirement is \$542,006, with a possible \$14,000 additional amount related to the forecast deficit for 2018/19.

This means the Town would be at least \$21,800 over budget in this area. The possibility of a Town budget shortfall was discussed during the 2019/20 Town budget process. As noted to Council the choices would likely fall in two areas:

- Transfer additional monies from operating reserve to offset a significant increase from VWRM. Earlier this year, it looked like VWRM may have a much larger budget increase.
- Absorb the VWRM increase within the Town's operations without any need for reserves.

Although the \$21,000 additional amount needed is not a small dollar amount, it is within the range of unbudgeted expenditures that Council has looked to staff in the past to manage within operations. Staff recommend this approach. Actual financial results over the first two quarters should help determine whether any further action is necessary. A decision on use of operating reserves can be made later in the year, if needed.

7) REFERENCES TO COUNCIL STRATEGIC PLAN AND TOWN REPORTS

Nothing provided at this time.

8) COMMUNICATION REQUIREMENTS

Valley Waste General Manager and Board to be advised of Council decision.

9) ALTERNATIVES

Not approve the budget. May or may not have an impact. Refer to IMSA regarding vote protocol required for budget approval.

Valley Region Solid Waste-Resource Management Authority
Operating Fund Budget - Draft
For the Year Ending March 31, 2020

Updated: 29-Apr-19

| | G/L Account | Budget 2019-20 | Forecast 2018-19 | Budget 2018-19 | Actual 2017-18 |
|--|----------------|---------------------|----------------------|----------------------|-----------------------|
| Revenues | | | | | |
| East Management Centre | 41300 | \$ 2,053,154 | \$ 2,196,705 | \$ 2,223,216 | \$ 2,026,763 |
| West Management Centre | 41200 | 433,000 | 438,218 | 544,552 | 516,379 |
| Communications and Enforcement | 41800 | 230,401 | 223,698 | 222,928 | 215,630 |
| Conditional Transfers - Administration | 41600 | 556,696 | 623,730 | 480,648 | 503,138 |
| RRFB Approved Programs | 46000 | 90,600 | 86,800 | 84,000 | 86,875 |
| Wind Turbine | 42000 | 48,000 | 48,000 | 46,000 | 45,922 |
| Return on Investment | 41500 | 5,000 | 17,613 | 3,500 | 10,629 |
| Total Program Revenues | | 3,416,851 | 3,634,764 | 3,604,844 | 3,405,336 |
| Municipal Parties' Contributions ¹ | 41000 | 6,561,819 | 6,944,884 | 7,811,486 | 7,452,400 |
| Prior Year Surplus (Deficit) Carry Forward | 41700 | (23,544) | (23,544) | - | - |
| Transfer from Capital/Equipment Reserve Fund | 62400 | 9,700 | - | - | - |
| Total Revenues, Contributions & Transfers | | \$ 9,964,825 | \$ 10,556,104 | \$ 11,416,330 | \$ 10,857,736 |
| Expenses | | | | | |
| Residential Collection | 61400 | 2,198,212 | 2,444,709 | 3,013,824 | 2,965,802 |
| Residual Transportation and Disposal | 61800 | 2,287,308 | 2,793,086 | 2,726,015 | 3,254,928 |
| Organics Processing and Transportation | 61700 | 802,440 | 851,047 | 966,988 | 1,021,683 |
| Recyclable Processing and Transportation | 61600 | 580,005 | 654,748 | 728,977 | 814,839 |
| Construction & Demolition Debris Processing | 61500 | 187,368 | 124,656 | 103,676 | 162,786 |
| East Management Centre Operations | 61300 | 1,297,222 | 1,272,481 | 1,273,878 | 1,121,473 |
| West Management Centre Operations | 61200 | 356,817 | 602,523 | 689,497 | 686,547 |
| Communications and Enforcement | 61900 | 514,041 | 608,341 | 628,286 | 691,688 |
| Wind Turbine | 61140 | 15,197 | 15,119 | 11,977 | 14,477 |
| General Administration | 61000 | 581,896 | 544,372 | 426,979 | 551,164 |
| Information Technology | 64000 | 54,235 | 37,334 | 37,205 | 30,587 |
| Transfer to Capital Reserve Fund | 62300 | 280,008 | - | 194,872 | 177,156 |
| Financial Services | 61150 | 600,877 | 583,111 | 512,956 | 411,450 |
| Capital from Operations | 62400 | 9,700 | 101,200 | 101,200 | 16,000 |
| RRFB Approved Programs | 66020 | 199,500 | 100,736 | - | - |
| Total Expenses | | \$ 9,964,825 | \$ 10,733,463 | \$ 11,416,330 | \$ 11,920,580 |
| Total Revenues | | \$ 9,964,825 | \$ 10,556,104 | \$ 11,416,330 | \$ 10,857,736 |
| Total Expenditures | | 9,964,825 | 10,733,463 | 11,416,330 | 11,920,580 |
| Net Surplus (Deficit) | | \$ - | \$ (177,359) | \$ - | \$ (1,062,845) |

| | Percentage ² 2019-20 | Budget 2019-20 | Forecast 2018-19 | Budget 2018-19 | Actual 2017-18 |
|--|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| ¹ Contributions from Municipal Parties | | | | | |
| Municipality of Kings | 74.71% | \$ 4,902,335 | \$ 4,608,777 | \$ 4,608,777 | \$ 4,332,080 |
| Municipality of Annapolis | 0.00% | - | 775,372 | 1,641,974 | 1,543,392 |
| Town of Kentville | 9.95% | 652,901 | 613,983 | 613,983 | 584,268 |
| Town of Wolfville | 8.26% | 542,006 | 511,652 | 511,652 | 481,425 |
| Town of Berwick | 3.53% | 231,632 | 217,159 | 217,159 | 204,196 |
| Town of Middleton | 2.55% | 167,326 | 156,230 | 156,230 | 149,048 |
| Town of Annapolis Royal | 1.00% | 65,618 | 61,711 | 61,711 | 58,874 |
| Community of Hantsport | 0.00% | - | - | - | 99,117 |
| Total Contributions from Municipal Parties | 100.00% | \$ 6,561,819 | \$ 6,944,884 | \$ 7,811,486 | \$ 7,452,400 |

² Draft Percentage values are current at the time of budget development and subject to change based on updated Uniform Assessment values.

Valley Region Solid Waste-Resource Management Authority
Capital Budget - Draft
For the Year Ending March 31, 2020

| | 2017-18 Budget | 2019-20 Budget | Funding Source | | | |
|--|---------------------------|---------------------------|------------------------------|----------------------------|-------------------|------------------|
| | | | Equipment Reserve | Capital Reserve | Operations | Debt |
| Replace 2009 Ford F250 4X4 (unit #1) | 38,000 | | | | | 38,000 |
| Replace office printer/photocopier/scanner | | 9,700 | | | 9,700 | |
| EMC Paving | | 50,000 | | | | 50,000 |
| | \$ 38,000 | \$ 59,700 | \$ - | \$ - | \$ 9,700 | \$ 88,000 |