

**Agenda – Standing Policy Committee on Finance and Economic Development –
January 12, 2023**

REPORTS

**Item No. 7 Authorization for Over-Expenditure to 2022 Operating Budget in
Garbage Collection Fund 001**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. The Standing Policy Committee on Finance and Economic Development authorize the Water and Waste Department to over-expend its 2022 Operating Budget for up to \$411,000 within Garbage Collection Account Number 001 528120 201962 999.
2. That the Proper Officers of the City be authorized to do all the things necessary to implement the foregoing.

ADMINISTRATIVE REPORT

Title: Authorization for Over-Expenditure to 2022 Operating Budget in Garbage Collection Fund 001

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Szkwarek, CPA, CGA, Manager of Finance and Administration	Tim W. Shanks, M. Eng., P. Eng., Director of Water and Waste	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This report is seeking approval for the Water and Waste Department's Tax Supported – Garbage Collection service to exceed authorized expenditures for the 2022 operating budget year by up to \$411,000. Council has previously approved that in the event of a deficit at year-end, the Financial Stabilization Reserve Fund will transfer the amount required to avoid a deficit in the General Revenue Fund.

The identified over-expenditures are due to additional operational costs related to landfill tipping fees for residential garbage. The Brady Road Resource Management Facility Landfill has been closed due to a blockade supporting families of missing and murdered Indigenous women and girls (MMIWG). As waste collection is considered an essential service, collection and disposal have continued. However, the waste is being diverted away from BRRMF to two privately-owned Class 1 landfills in the metro region.

A partial blockade occurred on December 11, 2022, December 13, 2022, and December 14, 2022, and a permanent blockade was established on December 18, 2022. The Brady Road Landfill has remained closed into January 2023.

RECOMMENDATIONS

1. The Standing Policy Committee on Finance and Economic Development authorize the Water and Waste Department to over-expend its 2022 Operating Budget for up to \$411,000 within Garbage Collection Account Number 001 528120 201962 999.
2. That the Proper Officers of the City be authorized to do all the things necessary to implement the foregoing.

REASON FOR THE REPORT

Clause 9.1 of By-Law No. 7100/97 states that “The Standing Policy Committee on Finance and Economic Development may approve additional appropriations to an operating budget including approval of reallocations of funds provided in an operating budget of the city for a purpose other than that set out in the budget, and approval of additional operating expenditures.”

IMPLICATIONS OF THE RECOMMENDATIONS

Net additional budget of \$411,000 is required for the 2022 Operating Budget Account 001 528120 201962 999.

On June 23, 2022, Council approved that, in the event the General Revenue Fund reports a deficit at year-end, the Financial Stabilization Reserve Fund transfer to the General Revenue Fund the amount required to avoid a deficit in the General Revenue Fund.

HISTORY/DISCUSSION

On December 11, 2022, protestors supporting the families of missing and murdered Indigenous women and girls (MMIWG) blockaded the entrance to the Brady Road Resource Management Facility (BRRMF) Landfill for a short period. The protestors temporarily returned on December 13, 2022, and December 14, 2022. Subsequently, a permanent encampment was established on December 18, 2022, resulting in the closure of the BRRMF Landfill and 4R Depot. The City remains in contact with the blockade participants and is working to re-open the facility.

Residential solid waste collection is an essential City service and waste disposal has been diverted away from the BRRMF Landfill to the two other Class 1 landfills in the region. Waste Connections of Canada Inc. operates the Prairie Green Landfill, located north of the City of Winnipeg and GFL Environmental Inc. operates the Mid Canada Landfill located in Ile Des Chenes, Manitoba.

Under regular operating conditions, residential garbage collection is disposed of at the BRRMF and is charged a tipping fee for disposal that is less than the tipping fee at the private landfills. In addition, the loss of these tipping fees at the BRRMF will result in a reduction of revenue in the Solid Waste Utility, which operates the BRRMF.

As a result of waste being diverted, a budget adjustment of up to \$411,000 is needed for the increased tipping fee expense in tax-supported waste collection.

FINANCIAL IMPACT

Financial Impact Statement

Date: Jan 5/23

Project Name: First Year of Program **2022**
 Authorization for Over-Expenditure to 2022 Operating Budget in Garbage Collection
 Fund 001

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Capital					
Capital Expenditures Required	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
Current Expenditures/Revenues					
Direct Costs	\$ 411,000	\$ -	\$ -	\$ -	\$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	<u>\$ 411,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	<u>\$ 411,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: The direct costs above include the requested over-expenditure for landfill tipping fees in Water and Waste - Garbage Collection 001 528120 201962 999 to divert residential collection waste to the two class one landfills in the metro region as a result of the BRRMF Landfill closure in 2022. At the time of writing this report, actual costs have not been fully finalized and may result in the final over-expenditure amount varying from the net budget adjustment requested in this report.					

Lucy Szkwarek, CPA, CGA
 Lucy Szkwarek, CPA, CGA
 Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Water and Waste Department
Division: Finance and Administration
Prepared by: Melissa Bunkowsky, CPA, CGA
Date: January 5, 2023
File No.: A-008