

Administration

Office of the Regional Clerk

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December 3, 2021

CL 21-2021, November 18, 2021
BRCOTW 5-2021, November 4, 2021
CSD 67-2021, November 4, 2021

LOCAL AREA MUNICIPALITIES**SENT ELECTRONICALLY**

**RE: Report CSD 67-2021 – 2022 Budget – Waste Management Services
Operating Budget and Rate Requisition**

Regional Council, at its meeting of November 18, 2021, approved the following recommendation of its Budget Review Committee of the Whole:

That Report CSD 67-2021, dated November 4, 2021, respecting 2022 Budget-Waste Management Services Operating Budget and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2022 Waste Management Services net operating budget increase of \$2,246,285 or 5.54% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2022 Waste Management Services gross operating budget of \$69,306,516 and net budget of \$42,813,049 as per Appendix 4 of Report CSD 67-2021, **BE APPROVED**;
3. That the net budget amount of \$42,813,049 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011, as per Appendix 2 of Report CSD 67-2021;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of Report CSD 67-2021 **BE CIRCULATED** to the Local Area Municipalities.

A copy of Report CSD 67-2021 and By-law 2021-89 are enclosed for your information.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie".

Ann-Marie Norio
Regional Clerk

Distribution List: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer
T. Harrison, Commissioner, Corporate Services/Treasurer
K. Beach, Executive Assistant, Commissioner, Corporate Services

Subject: 2022 Budget-Waste Management Services Operating Budget and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, November 4, 2021

Recommendations

1. That the 2022 Waste Management Services net operating budget increase of \$2,246,285 or 5.54% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2022 Waste Management Services gross operating budget of \$69,306,516 and net budget of \$42,813,049 as per Appendix 4 of Report CSD 67-2021, **BE APPROVED**;
3. That the net budget amount of \$42,813,049 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011 as per Appendix 2 of Report CSD 67-2021;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of this Report **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The proposed Waste Management Service (WMS) net budget represents an approximately \$2.2 million increase, or 5.54% over 2021 as shown in Appendix 1.
- The 2022 Budget Strategy increase of 9.9% has been mitigated to 5.54% by using increased reserve draws resulting from the forecasted 2021 surplus attributed to higher than budgeted recycling commodity prices and as part of a longer term strategy that considers long-term budget impacts from extended producer responsibility regulations beginning in 2024.
- Assessment growth for Niagara Region and Area Municipalities has not been finalized; however, estimated assessment growth by municipality is summarized in Appendix 2. The Region's year-to-date overall assessment growth (as of October 18, 2021) is 1.36% for 2021, resulting in the net requisition increase to be approximately 4.18% (5.54% less 1.36%) with an average typical residential impact of \$6.85 per year.

- The net requisition amount has been allocated in accordance with the methodology approved in PWA 55-2011. The impacts by municipality in Appendix 3 are affected by the budget increase as well as growth in households and the enhanced services (as requested and selected by each Local Area Municipality (“LAM”)).

Financial Considerations

Current Year

The gross budget proposed for 2022 totals \$69.3 million with a net budget of \$42.8 million, which is an approximately \$2.2 million or a 5.54% increase over 2021 as outlined in Appendix 1. A significant driver of the annual increase remains the new collection contract for which 2021 was the first full year. A landfill operations contract, which came in approximately \$1M over budget as well as an expansion of the current compost processing contract with Walker Industries are also major drivers in the 2022 proposed budget. The proposed 2022 budget also includes increases as a result of reintroducing budget mitigation measures from 2021. As part of the multi-year mitigation strategy for the new collection contract, staff are recommending use of stabilization reserve funding of \$2.4 million as part of the 2022 budget.

A schedule providing the revenues and expenditures for 2021 and 2022 is included as Appendix 4. This appendix includes the 2021 budget and the 2022 budget including the percentage change for comparison.

Multi-Year Forecast

As can also be noted in Appendix 1, the multi-year collection contract strategy includes proposed stabilization reserve funding for the 2023 budget totaling \$4.0 million. This additional reserve funding mitigation strategy is possible due to the anticipated changes to occur in 2023 to WMS operations. Staff are recommending leveraging the net savings to be realized by Niagara Region as part of the Material Recovery Facility (MRF) opportunity review in 2023 and transition to extended producer responsibility slated to take place on January 1, 2024.

After transition to extended producer responsibility, municipalities will no longer have financial or operational control of the residential Blue Box Program and producers (brand holders or first importers of any paper, packaging, or packaging-like product managed through the Blue Box Program) will be accountable for all costs associated

with collection, haulage and processing of the material. The key assumptions affecting the multi-year are as follows:

- 2023 – Anticipated reduction in operating expenditure and revenue associated with the MRF opportunity review and divestiture. One year temporary reduction in capital reserve contribution as discussed in greater detail under the Analysis section of this report as part of the multi-year rate mitigation strategy. Waste management stabilization reserve funding estimated at \$4.0 million for the year.
- 2024 – Further reduction in operating expenditures for the collection contract as a result of the completed transition to extended producer responsibility, with a corresponding reduction in Resource Productivity & Recovery Authority revenue.
- 2025 – Anticipated additional contributions to the waste capital reserve of \$3.0 million and stabilization reserves of \$3.2 million as part of the reserve replenishment strategy.
- 2026 – Operations anticipated to be relatively stable in 2026 and onwards in comparison to prior years. The 2025 base transfer to reserves are maintained.

To better detail the anticipated impacts of the extended producer responsibility transition on Niagara Region, staff have prepared a multi-year forecast to 2026, which has also been included as part of Appendix 1. The forecast reflects annual increases of 5.54% for 2022, 5.50% for 2023, 1.97% for 2024, 2.00% for 2025 and 2.00% for 2026. There are many assumptions and unknowns included in these forecasts and therefore staff will reevaluate the long term strategy each year until all the extended producer responsibility transitions decisions are complete to ensure that we moderate rate impacts while also being mindful of reserve impacts.

Analysis

The 2022 WMS budget represents an increase of 5.54% over the approved 2021 net operating budget. In Table 1, the increases/pressures for 2022 are \$5.2 million before recommended mitigation measures totaling \$2.9 million.

Table 1 – Summary of Proposed Waste Management Budget with Pressures and Mitigations ('000)

Waste Management 2022 Budget Summary	Total \$	Total %
2021 Net Requisition	40,567	
Gross Increase/Pressures	5,178	
Operating Subtotal	45,745	12.8%
Mitigations	(2,819)	
COVID-19 Costs Funded from Reserve	(113)	
Net Operating Increase	2,246	
2022 Net Requisition	42,813	5.54%

Increases/Pressures/Mitigation

The budget strategy proposed a 9.9% increase; however, this increase has been mitigated by using additional reserve draws for 2022 due to the projected 2021 surplus associated with commodity revenues and as part of a longer term strategy that takes into consideration the future divestiture of recycling operations. Recommended reserve mitigations reduce the increase as much as possible without introducing risk in the future years due to lack of available reserves. Through the use of reserves, the overall budget increase of 12.8% or \$5.2 million from 2021 to 2022 has decreased to 5.54% or \$2.2 million as identified in Table 1.

Approximately 48% (\$33 million) of the gross budget is related to the waste collection followed by 26% (\$18 million) for waste diversion, 20% (\$14 million) for disposal operations and processing, with the remaining 6% (\$5 million) of the budget for administration, policy and planning. As much of the program is delivered through partnerships with private service providers, 82% of the operating-related costs (before capital financing and business support) are in the form of outsourced costs (alternative service delivery) and are subject to contract escalations and conditions. Of total expenses, only approximately 3% are considered discretionary.

The pressures in operations that contributed to the net operating increase before mitigations are comprised of the following:

- \$1.9 million increase from \$5.6 million to \$7.5 million for landfill/ recycling/ composting services due to new contracts (based on tender process) and increase in processing volumes.

- \$1.4 million or 4% increase in collection contract due to annual increases (CFI, fuel, household increases) associated with base and enhanced collection services. Increased from \$30.9 million to \$32.2 million.
- \$1.0 million decrease in use of stabilization reserve funding from 2021. The 2020 budget proposed a three-year mitigation plan to assist in phasing in the increased costs of the new collection contract. The 2022 budget recommends Waste Management Stabilization reserve funding to mitigate the 2022 budget be reduced from \$3.4 million to \$2.4 million.
- \$0.5 million decrease from \$1.3 million to \$0.8 million in garbage bag tag revenue, as projected sales did not materialize in 2021 due to impacts of every-other-week waste collection.
- \$0.3 million or 8% increase in labour-related expenditures net of \$0.1 million of reserve funding for the temporary staff to assist with the transition to extended producer responsibility. The wage and benefit pressure is \$0.1million and the balance relates to the addition of students that were removed in 2021 to mitigate rate increases and the addition of a new part-time position to assist with waste exemption application which have seen an increase of 400% over prior years.
- \$0.3 million increase for bin exchange program purchases from \$0.4 million to \$0.7 million. As part of the 2021 budget mitigation measures, the Region canceled the bin exchange program but was later reinstated through a budget amendment.
- \$0.2 million increase in consulting services (net of one-time reserve funding for waste management strategy) from \$0.3 million to \$0.5 million required to undertake a study to address disposal needs for excess soils and carry out waste composition audits at various multi-residential properties to provide baseline data for transition to extended producer responsibility.
- \$0.2 million increase from \$0.2 million to \$0.4 million to promotion and education budget as a result of communications for long-term strategic plan, printing and delivery of collection guide and green bin campaign.

The pressures noted above were partially offset by positive variance which are comprised of the following:

- \$3.5 million increase in end market revenue excluding Waterloo and Haldimand contracts from \$5.1 million to \$8.6 million due to projected increase in 2022 material rates based on year-to-date 2021 actuals and projected trends in 2022.
- \$0.5 million net increase in recycling revenue after purchases for Haldimand and Waterloo contracts based on trending of recycling commodity prices.

The mitigations to the 2022 budget are \$2.8 million and are comprised of the following:

- Net stabilization reserve funding as noted previously.
- \$0.06 million in one-time reserve funding for additional funding for the long-term strategic plan, temporary staff to support extended producer responsibility and reimbursement to correct an enhanced service cost error that was part of the 2021 requisition.

Reserve Management

The operating budget includes a \$4.1 million transfer to capital reserves, which is split between Landfill Liability Reserve (\$2.3 million) to fund the liability related to closed landfills and the Waste Capital Reserve (\$1.8 million) to fund open landfill sites and MRF capital. The reserve contributions follow the methodology set through CSD 70-2017.

As previously identified in Appendix 1, 2022 funding from the WMS stabilization reserve totalling \$2.4 million is proposed to mitigate the impacts of the collection contract increases. The reserve funding is part of a multi-year strategy, which was originally presented with the 2020 budget deliberations.

In 2023, there is inadequate stabilization reserve to meet the multi-year mitigation strategy; therefore, staff are also proposing that for 2023, the capital reserve contributions be decreased to \$1.1 million but reinstated in 2024 with an additional top up in 2025 as noted in Appendix 1. Also as noted in Appendix 1, the WM stabilization reserve balance will be reduced to near zero by the end of 2023 but will be replenished in future years as a result of budgetary savings associated with the transition to extended producer responsibility. This approach does have risk, as there will be no stabilization funding available in the future to mitigate one-time pressures, therefore contributions to the stabilization reserve will be evaluated each year. In the absence of reserve balances to fund year-end deficits, increases to future budgets will be required. The current multi-year budget includes \$3.2 million in 2024 and \$3.3 million in 2025 to replenish the stabilization reserve.

COVID-19 Impacts

Staff have identified \$0.1 million in COVID-19 related expenditures that will be funded from any remaining Safe Restart funding or Waste Management stabilization reserves in the absence of external funding. These amounts primarily relate to enhanced cleaning and social distancing measures for Regional staff.

2022 Waste Management Requisition

The net requisition amount will be allocated in accordance with the methodology approved in PWA 55-2011. As such, base WMS costs will be apportioned based on the 2020 percentage of residential units in each municipality, while the enhanced collection services and associated disposal costs will be apportioned to the requesting municipalities.

The year-over-year increase in requisition amount by municipality before assessment growth equates to an increase ranging from 4.62% to 8.74% with an average increase of 5.54%, as outlined in Appendix 2.

The net requisition changes by municipality after year-to-date assessment growth (as at October 18, 2021) of 1.36% ranges from 3.29% to 5.35%. This range is the result of the differences in household growth between local area municipalities as well as net assessment growth. The WMS levy is collected as a special levy with the Region establishing the tax rates for each municipality (with the exception of Niagara on the Lake). Note that these are average impacts and the actual impact will vary on each individual property based on year-over-year assessment change relative to the average assessment change attributed to growth.

Appendix 3 provides the impacts of the WMS requisition for 2022 in comparison to 2021 on a cost per typical residential unit basis by area municipality. The 5.54% increase on the budget will impact the average residential property from \$4.11 to \$8.78 annually depending on the municipality (average impact of \$6.85 per year).

Waste Management staff, in consultation with Finance staff, are reviewing the allocation methodology utilized for the WMS requisition between area municipalities. The current methodology was reaffirmed by Council in 2011 and has not been reviewed since that time. As part of the review, staff will engage the local area municipalities and review relevant legislation to determine if there is a need to amend the current methodology. No change is proposed for 2022.

Risks & Opportunities

The proposed budget, like any budget, has a number of risks, as well as opportunities, which include:

- Recycling Commodity Prices –The market for commodities fluctuates. The 2022 commodity process are based on current market trends.
- Uncertainty around the Waste Free Ontario Act and the transition to extended producer responsibility and the impacts on the recycling facility.
- Other Price Risks – the collection contract with the private sector contains a number of contract adjustments related to fuel prices and CPI. If these factors exceed the forecast, that could have a material impact on the budget.
- Counterparty risk related to the waste collection contract for services that represents 47% of WMS's 2022 total gross operating costs.
- Reserve mitigation – utilization of the Waste Management Stabilization Reserve to phase-in the pressure from the new collection contract that started in October 2020. This is projected to decrease the reserve to a balance of \$0.7 million by the end of 2023. This may limit staff's ability to mitigate budget pressures as they arise (i.e. decreased end-market revenues) and could therefore result in increased pressure on future year budgets.

Alternatives Reviewed

None.

Relationship to Council Strategic Priorities

The 2022 WMS budget supports responsible growth and infrastructure planning and supports Council's objective of environmental sustainability and stewardship.

Other Pertinent Reports

PWA 55-2011 – Waste Management Services Financing Study

CSD 70-2017 – Waste Management Reserve Strategy

WMPSC-C 33 – 2018 Waste Management Tipping Fees

PW 61-2019 – Base Level Service for Waste Management Collection Contract

PW 65-2019 – Confidential – Pricing of Successful Proponents and Review of Optional Services for WM Collection Contract

Prepared by:

Helen Chamberlain, CPA, CA
Director, Financial Management &
Planning/Deputy Treasurer
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared by Rob Fleming, Senior Tax & Revenue Analyst in consultation with Sara Mota, Program Financial Specialist and reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy and Catherine Habermehl, Director, Waste Management Services.

Appendices

Appendix 1	Extended Multi-Year Forecast
Appendix 2	Proposed 2022 Requisition by Municipalities
Appendix 3	2022 WM Requisition for Typical residential Property by Municipality
Appendix 4	Waste Management Schedule of Revenues and Expenditures

Mult-year Budget Forecast 2022 to 2026 (\$000)

Budget Summary	2021	2022	2023	2024	2025	2026
Total Operating	57,153	63,445	58,839	45,751	40,666	41,479
Business Support	1,575	1,712	1,728	1,851	1,888	1,926
Capital Transfer to Reserve & Debt Charges	4,146	4,149	1,190	4,188	7,272	7,417
Gross Budget	62,874	69,307	61,757	51,790	49,826	50,822
Less: Revenues	-18,735	-23,562	-12,621	-5,954	-6,073	-6,194
Net Budget Requisition - Before Reserve Transfers	44,138	45,745	49,136	45,836	43,753	44,628
Percentage Change		3.64%	7.41%	-6.72%	-4.55%	2.00%
COVID-19 Costs Funded from Reserve	-126	-113	0	0	0	0
One-Time Reserve Funding	0	-385	0	0	0	0
New Collection Contract Mitigation (2020-2023) / Replenishment Strategy (2024-2026)	-3,446	-2,434	-3,969	220	3,225	3,290
Net Budget Requisition – After Reserve Funding	40,567	42,813	45,167	46,056	46,978	47,918
Percentage Change		5.54%	5.50%	1.97%	2.00%	2.00%

Waste Management Stabilization Reserve Projected Balances (\$000)

Reserve	Projected 2021 YE Balance	Projected 2022 YE Balance	Projected 2023 YE Balance	Projected 2024 YE Balance	Projected 2025 YE Balance	Projected 2026 YE Balance
Waste Stabilization Reserve	7,463	4,581	612	932	4,257	7,647
Target Balance	6M to 9M	6M to 9M	6M to 9M	5M to 7M	4M to 6M	4M to 6M

Proposed 2022 Requisition by Municipality

Municipality	2021 Charges (\$000)	2022 Requisition (\$000)	Increase/ (Decrease) (\$000)	Increase/ (Decrease) (%)	Taxable Assessment Growth (%)**	Net Increase/ (Decrease) (%)
Fort Erie	\$ 3,083	\$ 3,255	\$ 172	5.59%	2.24%	3.35%
Grimsby	\$ 2,231	\$ 2,386	\$ 154	6.91%	1.56%	5.35%
Lincoln	\$ 1,854	\$ 2,000	\$ 146	7.88%	2.88%	5.00%
Niagara Falls	\$ 7,953	\$ 8,363	\$ 410	5.16%	1.41%	3.75%
Niagara-on-the-Lake*	\$ 1,758	\$ 1,845	\$ 87	4.94%	0.94%	4.00%
Pelham	\$ 1,407	\$ 1,504	\$ 97	6.89%	2.35%	4.54%
Port Colborne	\$ 2,042	\$ 2,139	\$ 98	4.79%	0.73%	4.05%
St. Catharines	\$ 12,312	\$ 12,880	\$ 568	4.62%	0.17%	4.45%
Thorold	\$ 1,736	\$ 1,888	\$ 152	8.74%	5.45%	3.29%
Wainfleet	\$ 625	\$ 655	\$ 30	4.75%	0.48%	4.27%
Welland	\$ 4,533	\$ 4,803	\$ 269	5.94%	1.08%	4.86%
West Lincoln	\$ 1,031	\$ 1,095	\$ 63	6.13%	1.54%	4.60%
Total	\$ 40,567	\$ 42,813	\$ 2,246	5.54%	1.36%	4.18%

Notes:

* NOTL assessment growth value on increase in residential units NOT CVA (as per NOTL requisition methodology).

** Total taxable assessment growth percentage of 1.36% represents Niagara actual growth for 2020 as of October 18, 2021

Change in Residential Units - 2022 Budget over 2021 Budget

Municipality	Residential Units 2021 Budget	Residential Units 2022 Budget	Increase/ (Decrease)	Increase/ (Decrease) (%)
Fort Erie	15,792	15,964	172	1.09%
Grimsby	11,297	11,576	279	2.47%
Lincoln	9,363	9,668	305	3.26%
Niagara Falls	38,496	39,036	540	1.40%
Niagara-on-the-Lake	8,711	8,793	82	0.94%
Pelham	7,097	7,249	152	2.14%
Port Colborne	10,313	10,346	33	0.32%
St. Catharines	60,012	60,046	34	0.06%
Thorold	8,608	8,982	374	4.34%
Wainfleet	3,231	3,239	8	0.25%
Welland	23,415	23,702	287	1.23%
West Lincoln	5,462	5,547	85	1.56%
Total	201,797	204,148	2,351	1.17%

2022 WM Requisition For Typical Residential Property by Municipality

Municipality	2021 Final CVA ¹	2021 Final WM Tax Rate	2021 Final WM Taxes	2022 Draft CVA ¹	2022 Draft WM Tax Rate ³	2022 Draft WM taxes	Annual Increase/ (Decrease) (\$)	Annual Increase/ (Decrease) (%)	Monthly Increase/ Decrease (\$)
Fort Erie	216,145	0.00071936	\$ 155.49	216,145	0.00074217	\$ 160.42	\$ 4.93	3.17%	\$ 0.41
Grimsby	400,088	0.00042417	\$ 169.71	400,088	0.00044611	\$ 178.48	\$ 8.78	5.17%	\$ 0.73
Lincoln	364,773	0.00044543	\$ 162.48	364,773	0.00046667	\$ 170.23	\$ 7.75	4.77%	\$ 0.65
Niagara Falls	262,988	0.00054682	\$ 143.81	262,988	0.00056582	\$ 148.80	\$ 5.00	3.47%	\$ 0.42
Niagara-on-the-Lake ²									
Pelham	364,292	0.00048218	\$ 175.65	364,292	0.00050332	\$ 183.36	\$ 7.70	4.38%	\$ 0.64
Port Colborne	207,501	0.00092220	\$ 191.36	207,501	0.00095832	\$ 198.85	\$ 7.49	3.92%	\$ 0.62
St. Catharines	259,643	0.00069068	\$ 179.33	259,643	0.00072096	\$ 187.19	\$ 7.86	4.38%	\$ 0.66
Thorold	228,358	0.00060894	\$ 139.06	228,358	0.00062692	\$ 143.16	\$ 4.11	2.95%	\$ 0.34
Wainfleet	273,324	0.00059993	\$ 163.98	273,324	0.00062529	\$ 170.91	\$ 6.93	4.23%	\$ 0.58
Welland	214,079	0.00079307	\$ 169.78	214,079	0.00083032	\$ 177.75	\$ 7.97	4.70%	\$ 0.66
West Lincoln	323,030	0.00047179	\$ 152.40	323,030	0.00049298	\$ 159.25	\$ 6.85	4.49%	\$ 0.57

Notes:

¹ 2021 and 2022 average CVA based on average value from 2020 tax policy study. No change from 2020 to 2022 as a result of Provincial delay of new assessment cycle.

² NOTL charge to residents based on fixed household amount as determined by the Town.

³ 2022 draft WM rates based on 2022 tax policy (except discount factors), 2022 draft requisition amounts and 2022 estimated returned roll assessment values.

2022 Waste Management Schedule of Revenues and Expenditures by Object of Expenditure

Object of Expenditure	2021 WMS Budget Total (\$)	2022 WMS Budget Total (\$)	Total Variance (\$)	Combined Variance (%)	Note
A_40000AB Compensation	3,574,470	3,994,881	420,411	11.8%	(1)
A_41000AB Administrative	742,484	1,363,955	621,471	83.7%	(2)
A_44000AB Operational & Supply	49,749,724	54,969,582	5,219,858	10.5%	(3)
A_50000AB Occupancy & Infrastructure	1,620,477	1,557,301	(63,176)	(3.9%)	
A_52000AB Equipment, Vehicles, Technology	1,150,164	1,180,084	29,920	2.6%	
A_56000AB Partnership, Rebate, Exemption	196,178	224,658	28,480	14.5%	
A_75100AC Transfers To Funds	4,135,500	4,135,500	0	0.0%	
A_60000AC Allocation Between Departments	119,341	154,473	35,132	29.4%	
Gross Expenditure Subtotal	61,288,339	67,580,435	6,292,096	10.3%	
A_30000AB Taxation	(40,566,764)	(42,813,047)	(2,246,283)	5.5%	
A_32400AB By-Law Charges & Sales	(12,269,077)	(17,051,374)	(4,782,297)	39.0%	(4)
A_34950AB Other Revenue	(6,466,388)	(6,510,449)	(44,061)	0.7%	
A_75000AC Transfers From Funds	(3,571,710)	(2,931,646)	640,064	(17.9%)	(5)
Gross Revenue Subtotal	(62,873,938)	(69,306,516)	(6,432,576)	10.2%	
Net Expenditure (revenue) before indirect allocations	(1,585,599)	(1,726,081)	(140,482)	8.9%	
A_70000AC Indirect Allocation	1,507,622	1,602,385	94,763	6.3%	
A_70200AC Capital Financing Allocation	77,977	123,697	45,720	58.6%	
Allocation Subtotal	1,585,599	1,726,081	140,482	8.9%	
Net Expenditure (revenue) after indirect allocations	0	0	0	0	

Notes:

- (1) Includes reintroducing staffing mitigation measures that were part of the 2021 budget for the purposes of COVID-19 as well as inclusion of temporary staff for end producer responsibility support (to be funded from reserves) of \$0.4M.
- (2) Includes increases for consulting services required to complete waste management strategy; additional consulting to undertake soil study and mixed-residential waste audits of \$0.4M (Net \$0.2M after reserve funding), promotion and education expenditure of \$0.2M.
- (3) Includes pressures related to the landfill/recycling/composting services \$1.9M, new collection contract of \$1.4M, recycling purchases of \$1.3M, bin purchases of \$0.3M.
- (4) Includes increased end market recycling revenue of \$5.2M and decreased bag tag revenue of \$0.5M.
- (5) Includes proposed stabilization reserve mitigation measure of \$2.4M for 2022 less one-time stabilization reserve draw in 2021 of \$3.4M.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. 2021-89

A BY-LAW TO ADOPT THE 2022 WASTE MANAGEMENT
BUDGET FOR THE REGIONAL MUNICIPALITY OF
NIAGARA

WHEREAS subsection 289 (1) of the Municipal Act, 2001, S.O. 2001, c.25, as amended, requires that an upper-tier municipality shall in each year prepare and adopt a budget; and,

WHEREAS the Council of the Regional Municipality of Niagara adopted its 2022 Waste Management Budget as described herein.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the 2022 Waste Management Gross Operating Budget of \$69,306,516 and Net Operating Budget of \$42,813,049 be and hereby adopted.
2. That the 2022 budgeted net waste management operating budget be apportioned to the lower-tier municipalities as follows:

Municipality	2022 Net Budget Allocation (\$)
Fort Erie	3,255,090
Grimsby	2,385,612
Lincoln	2,000,161
Niagara Falls	8,362,513
Niagara-on-the-Lake	1,845,340
Pelham	1,504,306
Port Colborne	2,139,471
St. Catharines	12,880,404
Thorold	1,887,676
Wainfleet	655,208
Welland	4,802,535
West Lincoln	1,094,733
Total	42,813,049

3. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA



James Bradley, Regional Chair



Ann-Marie Norio, Regional Clerk

Passed: November 18, 2021