

Appendix A: Detailed Financial Implications

P2023-33	\$284,691,900
Plus: Applicable Net HST of 1.76%	<u>5,010,600</u>
Total	<u><u>\$289,702,500</u></u>

Note: All figures are rounded to the nearest \$100.

The proposal includes one-time capital costs for the supply and distribution of the carts in the amount of \$25.7M with delivery in the fall of 2025 and early 2026. The Region's approved 2024-2033 Waste Management Capital Budget includes \$24.6M for the carts (Project #01004) in 2025 to 2032 to be funded from the Waste Management Capital Reserve. The capital budget for the supply and distribution of the carts will need to be advanced to 2025 and 2026 and increased by \$1.1M, exceeding the short-term capacity of the Waste Management Capital Reserve. Staff believe that funding for the carts can be accommodated through a temporary reallocation of capacity from other regional reserves, if required. Through the 2025 budget process, staff propose to adjust the budget for the capital project as follows:

\$ millions	2025	2026	2027-2032	Total
2024-2033 Capital Plan Expenditure				
Project 01004 Curbside Service Level changes	\$2.2	\$2.2	\$20.2	\$24.6
Required budget	\$12.9	\$12.8	\$0.0	\$25.7
Expenditure Adjustment Required	\$10.8	\$10.6	(\$20.2)	\$1.1
Total Project Requirements	\$12.9	\$12.8	\$0.0	\$25.7
Funded by:				
Waste Management Capital Reserve	\$12.9	\$3.8	\$9.0	\$25.7
Other Regional Reserves (if required)	\$0.0	\$9.0	(\$9.0)	\$0.0
Total Funding/Financing	\$12.9	\$12.8	\$0.0	\$25.7

It should be noted that Regional Development Charge funding for Waste Management applies only to eligible growth-related capital expenditures for waste diversion activities. Any potential recovery for growth-related capital costs related to diversion activities

under this contract needs to be assessed and included in a subsequent development charge background study.

The operating cost for the curbside collection of waste for this contract award is estimated at \$33.0M annually over 8 years commencing in March 2026 and subject to an annual inflation adjustment starting April 1, 2027, based on annual Ontario CPI (90%) and fuel price (10%). The estimated annual operating costs of \$33.0M exceeds the current 2024 Operating Budget provision for the curbside contract by \$17.2M. Staff note that approximately \$1.4M in blue box collection budget can be repurposed to offset this contract increase. Staff propose phasing in an increase to the operating budget over the 2025 to 2027 budgets as set out below to mitigate the tax levy impact in a single budget year and provide some capacity to fund a portion of capital costs (carts).

Operating Budget (\$M)	2024	2025	2026 (10 Months)	2027 (Full Year)
Estimated Collection Expenditure (Excluding Blue Box)	\$15.8	\$16.3	\$30.3	\$33.0
Blue Box Collection Expenditure	\$1.4	\$0.0	\$0.0	\$0.0
Temporary transfer to WM Capital Reserve to fund a portion of carts	\$0.0	\$7.9	\$1.0	\$0.0
Total Collection Budget	\$17.2	\$24.2	\$31.3	\$33.0
Increase year over year (\$)	\$0.0	\$7.0	\$7.1	\$1.7