

THE WAY WE FINANCE

Waste Management Utility 2013 Budget

City Council

November 27, 2012

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Presentation Outline

2013 Highlights - Operations

- Capital & Financial

Basis for Budget

Cost Drivers

Uncontrollable Impacts

Recommendation



2013 Highlights - Operations

Commitment to Customer Service



All services for \$1.16 per day

Costs contained

Weekly collection

Education for high waste generators

Edmonton Biofuels Facility

Greys Recycling Facility

Kennedale Eco Station

Grow Commercial Collection



2013 Highlights - Financial and Capital

Measured progress on Financial Indicators
Need to grow non-debt financing





Challenge of Capital Financing

	2011 Actual	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Debt Coverage Ratio	1.1	1.1	1.1	1.2	1.4
<i>Target: Ratio not less than 1.3</i>					
Next Year's Capital Financed by RE	\$ 7,633	\$ 5,436	\$ 5,528	\$ 5,150	\$ 5,512
Cash Available to Finance Future Capital	\$ 8,107	\$ 8,767	\$ 4,372	\$ 6,174	\$ 11,779



2013 Highlights - Financial and Capital

Measured progress on Financial Indicators

3-Year approved budget reduced \$2.5 million

Ongoing Projects – On Time and On Budget

New Project - Biodiesel Production





Sound Basis for Rate and Fee Increase

Inflation not assumed
Efficiencies in place
Fiscal Policy followed
Reflects market challenges



Anthony Henday Construction Impact



Cost Drivers - Single Family Rate Increase

Cost Drivers	Cost Increase \$ x million	Rate Increase \$ per month	
Services Provided to Residents	\$7.9	\$1.86	86%
Financing and Administrative Support	\$1.4	\$0.30	14%
	\$9.3 million	\$2.16	100%



Uncontrollable Impacts on Operations

Recyclables Markets

Impact: Reduced MRF Revenue

Fuel Prices

Impact : Increased operating costs

Anthony Henday Drive Construction

Impact: Reduced tipping fee revenue at EWMC

Competing Dry Disposal Site

Impact : Reduced tipping fee revenue at EWMC



Market Ready Recyclables at EWMC



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Our Recommendation



Eco Stations consistently rated one of the best City services

- Single Family Monthly Rate \$35.36
- Multi-family Monthly Rate \$22.98
- Eco Station Rates
 - ✓ **Partial load - \$28 per load**
 - ✓ **Pick-up truck or trailer - \$38 per load**
 - ✓ **Heaping truck or trailer - \$48 per load**
- EWMC Commercial Waste - \$80 per tonne
- SBI BioEnergy Project

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END OF PRESENTATION

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