

DECISION/DIRECTION NOTE

Title: Deferral of proposed August 1st Tipping fee Increase

Date Prepared: June 25, 2020

Report To: Regular Meeting of Council

Councillor and Role: Councillor Dave Lane, Finance & Administration

Ward: N/A

Decision/Direction Required: Council to decide if tipping fees at the Robin Hood Bay landfill should increase August 1, 2020

Discussion – Background and Current Status:

Tipping fees at the landfill were originally scheduled to increase from \$67.60 per tonne to \$75 as of April 1st, 2020. In March, on the heels of snowmageddon and the start of the pandemic, Council agreed to recommend to the Eastern Regional Services Board (the Board) that the tipping fee increase be postponed to August 31st, 2020. The decision was based on providing time to better assess the full impact of Covid-19 on the business community.

Based on the significant impacts of the pandemic on businesses and municipal budgets it is felt additional expenditures resulting from increased tipping fees would make a recovery period even more challenging. A further deferral of the fee increase is a way for the Board to support businesses and municipalities through this period.

Key Considerations/Implications:

1. Budget/Financial Implications:

It is projected that if the fee increase were deferred to January 1st, 2021 it would result in reduced tipping fee revenue of \$590,000 – \$640,000. This will further draw down the balance in the operational surplus reserve. When combined with the estimated results for 2020 and planned capital spending, the reserve is estimated to drop from \$5.5M at the end of 2019 to anywhere from \$2.2M to \$2.8M.

It is important to note this deferral will likely result in a steeper increase in future tipping fees. This will be evaluated as part of the upcoming budget process by both the City and the Eastern Regional Services Board.

2. Partners or Other Stakeholders:

ST. JOHN'S

3. Alignment with Strategic Directions/Adopted Plans:
4. Legal or Policy Implications:
5. Privacy Implications:
6. Engagement and Communications Considerations:
7. Human Resource Implications:
8. Procurement Implications:
9. Information Technology Implications:
10. Other Implications:

Recommendation:

That Council recommend to the Eastern Regional Services Board the proposed increase in tipping fees from \$67.60 to \$75 be delayed from August 1st, 2020 to January 1, 2020.

Prepared by:

Approved by: