

Environmental Health 2024-2025 Business Plan and Budget

ISSUE

City Council approval is required in order to set the Operating and Capital Business Plan and Budget for 2024 and 2025. The figures in this report are stated as 2024 and 2025 respectively, unless otherwise noted.

RECOMMENDATION

1. That the Environmental Health Business Line Operating Budget for 2024 totalling \$21,504,700 in expenditures and \$8,941,200 in revenues be approved, which includes adjustments made through the 2023 special budget meetings as outlined in Appendix 1; subject to adjustments under the Business Plan Options section of the agenda;
2. That the Environmental Health Business Line Operating Budget for 2025 totalling \$22,024,600 in expenditures and \$8,796,900 in revenues be approved, which includes adjustments made through the 2023 special budget meetings as outlined in Appendix 1; subject to adjustments under the Business Plan Options section of the agenda;
3. That the 2024 Capital Budget totalling \$13,228,000 be approved, subject to adjustments under the Business Plan Options section of the agenda; and
4. That the 2025 Capital Plan totalling \$2,148,000 be approved, subject to adjustments under the Business Plan Options section of the agenda.

BACKGROUND

At the [July 25, 2023](#), [August 15, 2023](#) and [August 31, 2023](#) Governance and Priorities Committee (GPC) special budget meetings, GPC made numerous decisions that are now included in the 2024-2025 Preliminary Business Plan and Budget Document. The details of these decisions and previous adjustments that impact this business line are included in Appendix 1. Through approval of the recommendations in this report, the adjustments directed by City Council for this Business Line as part of the Special budget meetings will be confirmed and implemented as part of the 2024/2025 Business Plan and Budget. If City Council wishes to adjust any of the previously directed changes, direction through a resolution would be required.

The 2024-2025 Preliminary Business Plan and Budget was released on November 9, 2023.

DISCUSSION/ANALYSIS

Environmental Health Business Line Operating Budget

The Preliminary Budget includes a total of \$21,504,700 and \$22,024,600 in expenditures, in 2024 and 2025 respectively, for the Environmental Health Business Line. A decrease of \$4,108,400 (-16%) and an increase of \$519,900 (2.4%) are projected, mainly due to the following:

- The Sustainability service line has an overall increase of \$116,700 in 2025. This is mainly due to an additional \$31,700 for repayment of the Energy Performance Contracting Loan as well as staff compensation costs from collective agreements totalling \$39,000. Finally, \$42,000 has been added for communications, education, data management, and continuous improvement of the Industrial, Commercial and Institutional waste diversion regulation program.
- The Urban Forestry Service Line has expenditure increases of \$163,900 and \$162,200. This is mainly due to City expansion where 18.87 and 16.98 hectares of new green spaces will be added over the next two years, resulting in additional funding and contracted services required to maintain service levels.
- The Waste Handling Service line will have an overall decrease of \$4,360,800 in 2024, mainly due to the implementation of a utility funded curbside garbage program resulting in a transfer of expenses of \$7,300,300 from this service line to the Waste Services Utility Service Line. Other savings relate to decreased Capital Contributions such as a reduction of \$592,800 in contributions to the Landfill Replacement Reserve, of which \$483,100 is due to increased diversion resulting from the New Material Recovery Centre. The addition of the Material Recovery Centre offsets this reduction of expenditures by \$1,121,500.

This business line is also projecting \$8,941,200 and \$8,796,900 in non-tax revenue in 2024 and 2025, which is an increase of \$1,158,900 (14.9%) and a decrease of \$144,300 (-1.6%) over the prior years. The increase in revenue for 2024 relates mainly to the Waste Handling Service Line and is comprised of an increase of mill rate funded multi-unit and commercial collections paying the same market rate for landfill processing as the newly implemented utility funded curbside garbage program handling, equalling \$1,475,800. This increase is offset by the same increase in expenditures relating to this rate, resulting in nil impact to this service line. Additionally, the Material Recovery Centre is budgeted to earn \$301,000 due to diversion contracts and the stewardship program. Reductions in revenue relating to commercial collections (\$315,000), and fewer tonnes received at the landfill (\$333,000), make up the total increase in this service line of \$1,128,900.

The property tax support provided to this business line is \$12,563,500 and \$13,227,700, which is a decrease in 2024 of \$5,267,300 (-29.5%) and an increase in 2025 of \$664,200 (5.3%) over the prior year. The decrease to property tax support in 2024 is mainly due to the transfer of the utility funded curbside garbage program to the Waste Services Utility Service Line.

Environmental Health Business Line Capital Budget

The Environmental Health Business Line includes \$13,228,000 and \$2,148,000 in funded capital projects, most notably:

- Sustainability Service Line includes capital investments in 2024 of \$700,000 for

the Material Recovery Centre, as well as \$250,000 in 2024 for the Climate Change Mitigation Business Plan.

- Waste Handling Service Line includes \$10,872,000 and \$100,000 relating to Stage E liner expansion and landfill gas well restoration and replacement of the existing gas analyzer for Landfill Optimization.

Additional Options

At the August 31, 2023 GPC special meeting the [Environmental Health Business Line](#) information was presented and is included as in Appendix 2. Within that report there were options for budget reductions that were not recommended by Administration but City Council could still choose to include these options within the 2024-2025 Budget. City Council prioritized these remaining options and the results of that prioritization were presented within Appendix 1 of [the 2024 and 2025 Prioritized Budget Options](#) report at the September 13, 2023 GPC meeting.

These available options for the Environmental Health Business Line totaling \$307,600 in 2024 that could still be considered are listed in Table 1 below including the number of votes for consideration from the September 13, 2023 meeting. Further information regarding each option can be found in Appendix 2.

Table 1 – Remaining Options

Option	2024 Reduction	2025 Reduction	Votes
5 - Discontinue Christmas Tree Drop-off	(25,000)	-	4
6 - Further adjustments to operational hours at Landfill and MRC	(100,000)	-	3
8 - Extension of Tree Pruning Cycle	(90,000)	-	2
11 - End Student Action for a Sustainable Future program contribution	(40,000)	-	2
9 - Eliminate GHG Management Software	(20,000)	-	2
7 - Reduced Tree Planting	(21,000)	-	1
10 - Eliminate Healthy Yards and Boulevard Garden Program Advertising and Support	(11,600)	-	1

FINANCIAL IMPLICATIONS

The financial implications are included in this report.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

Upon approval of the Preliminary Budget, the Administration will finalize the Approved Business Plan and Budget to be released in 2024.

APPENDICES

1. Previous GPC Decisions
2. Environmental Health Business Line – August 31, 2023

REPORT APPROVAL

Written by: Gillian Wrubleski, Financial Analyst
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Clae Hack, Chief Financial Officer
Approved by: Jeff Jorgenson, City Manager

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