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REGIONAL DISTRICT OF BULKLEY-NECHAKO
COMMITTEE OF THE WHOLE
AGENDA

Thursday, January 15, 2015

<u>PAGE NO.</u>		<u>ACTION</u>
	<u>CALL TO ORDER</u>	
	<u>SUPPLEMENTARY AGENDA</u>	Receive
	<u>AGENDA</u> – January 15, 2015	Approve
	<u>MINUTES</u>	
3-10	Committee of the Whole Meeting Minutes – November 6, 2014	Receive
	<u>DELEGATION</u>	
11-12	<u>SCHOOL DISTRICT NO. 91 (NECHAKO LAKES)</u> Joan Ragsdale, Career & Trades Liaison RE: Pilot Trades Training Proposal	Receive
	<u>ADMINISTRATION REPORTS</u>	
13-30	Laura O'Meara, Senior Financial Assistant - 2015 Draft Budget	Direction
31-32	RDBN Appointments – 2015	Ratify
33	Hans Berndorff, Financial Administrator - Updated Cost Allocation Review (Under Separate Cover)	Receive
34-35	Laura O'Meara, Senior Financial Assistant - Comparison of Vehicle Allowance vs. RDBN Owned Vehicles	Receive
	<u>ENVIRONMENTAL SERVICES REPORTS</u>	
36-67	Janine Dougall, Director of Environmental Services – Knockholt and Clearview Landfill Operations – Tender Results and RDBN Cost Analysis	Direction
68-75	Janine Dougall, Director of Environmental Services – 2015 Recycling Options	Direction

<u>PAGE NO.</u>	<u>ADMINISTRATION CORRESPONDENCE</u>	<u>ACTION</u>
76-80	The Nechako Bend Ranch Project - Request for Letter of Support	Direction
81	E-Comm 9-1-1 – Partnership with Regional District of Bulkley-Nechako	Receive

DISCUSSION ITEMS

1. Electoral Area/Municipal Joint Town Hall Meetings
2. Attendance at FCM

SUPPLEMENTARY AGENDA

NEW BUSINESS

ADJOURNMENT

REGIONAL DISTRICT OF BULKLEY-NECHAKO

COMMITTEE OF THE WHOLE MEETING

Thursday, November 6, 2014

- PRESENT:**
- Chair Bill Miller
 - Directors Taylor Bachrach – arrived at 11:09 a.m.
 Stephen Freeman
 Bill Holmberg
 Dwayne Lindstrom
 Thomas Liversidge
 Rob MacDougall
 Rob Newell
 Jerry Petersen
 Stoney Stoltenberg
 Luke Strimbold
 Gerry Thiessen – arrived at 10:39 a.m.
 - Directors Carman Graf, Village of Telkwa
 Absent Tom Greenaway, Electoral Area "C" (Fort St. James Rural)
 Ralph Roy, Electoral Area "D" (Fraser Lake Rural)
 - Alternate Bob Hughes, Electoral Area "C" (Fort St. James Rural)
 Director Ken Ponsford, Electoral Area "D" (Fraser Lake Rural)
 Rimas Zitkauskas, Village of Telkwa
 - Staff Gail Chapman, Chief Administrative Officer
 Cheryl Anderson, Manager of Administrative Services
 Hans Berndorff, Financial Administrator
 Janine Dougall, Director of Environmental Services
 Deborah Jones-Middleton, Protective Services Manager
 Jason Llewellyn, Director of Planning – arrived at 11:25 a.m.
 Corrine Swenson, Manager of Regional Economic Development
 – arrived at 10:37 a.m.
 Wendy Wainwright, Executive Assistant
 - Others Jocelyn Campbell, Ecosystem Biologist, Skeena Region, Ministry
 of Forests, Lands and Natural Resource Operations
 Karen Diemart, Section Head for Ecosystems, Resource
 Management Division, Ministry of Forest, Lands and Natural
 Resource Operations

CALL TO ORDER

Chair Miller called the meeting to order at 10:30 a.m.

**SUPPLEMENTARY
 AGENDA & AGENDA**

Moved by Director Stoltenberg
 Seconded by Director Freeman

C.W.2014-9-1

"That the Supplementary Agenda be received and dealt with at this meeting; and further, that the agenda of the Regional District of Bulkley-Nechako Committee of the Whole meeting of November 6, 2014 be approved."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

MINUTES

Committee of the Whole
Minutes – October 9, 2014

Moved by Director Petersen
Seconded by Director MacDougall

C.W.2014-9-2

"That the Committee of the Whole meeting minutes of October 9, 2014 be received."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DELEGATION

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Jocelyn Campbell, Ecosystem Biologist, Skeena Region, Karen Diemart, Section Head for Ecosystems, Resource Management Division

Chair Miller welcomed Jocelyn Campbell, Ecosystem Biologist, Skeena Region, Karen Diemart, Section Head for Ecosystems, Resource Management Division, Ministry of Forests, Lands and Natural Resource Operations.

Ms. Diemart and Ms. Campbell provided a PowerPoint presentation.

Proposed Wildlife Habitat Area Telkwa Caribou 2014

Telkwa Herd

COSEWIC (Committee of the Status of Endangered Wildlife in Canada): Threatened BC: Blue Listed IWMS (Identified Wildlife Management Strategy) List

- December 2013 Survey: 16 animals (7 cows, 5 bulls, 4 calves);
- Down from >100 in mid 2000s;
- Calf recruitment = 29% (relatively high), low mortality;
- Very small population at risk.

Communities

- Coordinate with Federal government and First Nations;
- Communicate with recreation organizations;
- Public education, awareness and support;
- Work with industrial stakeholders to minimize/mitigate impacts.

Monitoring

- Caribou, wolf, moose;
- Caribou, alternate prey & predator population size, trend and distribution;
- Habitat condition;
- Changes in caribou habitat-use over time, in relation to habitat availability, condition, recreation-use etc;
- Recreation user groups;
- Recreation-use intensity and distribution;
- Use monitoring results to inform management actions.

Population management

- Actions informed by monitoring;
- Maternal penning, augmentation, predator and alternate prey management;
- Triggers for actions outlined in management plan.

Recreation

- Voluntary access agreements;
- Minimize impacts;
- Existing voluntary recreation closures since late 90s. Evaluate efficacy of voluntary recreation access management;
- Monitor recreation access and use of Telkwa Mountains;
- Consider opportunities for legislated recreation management.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Jocelyn Campbell, Ecosystem Biologist, Skeena Region, Karen Diemart, Section Head for Ecosystems, Resource Management Division

Habitat management

- Wildlife Habitat Area (WHA).

What defines caribou habitat?

Trade-off between:

A) Food availability:

- Arboreal Lichen (on old trees);
- Terrestrial Lichen (on well-drained soils – pine flats or alpine ridges);

B) Protection from predators:

- Wolves, bears, wolverine;
- Deep snow acts as a barrier to predators.

Threats include:

- Hunting pressure;
- Harvesting in low elevation forests – increases habitat for moose, elk, deer which increases the wolf population;
- Combined with historical mining development, old forest/mine roads – creating roads into caribou habitat that present opportunities for easy wolf-access;
- Recreationists may pack the access routes to alpine, making them easier to use;
- Can also displace caribou from preferred habitats.

Habitat Management

- Proposed Wildlife Habitat Area:
 - Total Area: 262,462 ha;
 - Bulkley TSA: 84,574 ha;
 - Morice TSA: 177,887 ha;
- Two management zones:
 - a) No harvest zone:
 - provide large undisturbed area of alpine, subalpine and mature forest;
 - b) Seral-stage management zones:
 - GWMs provide seral-stage targets to manage early-seral ungulate habitat.

The Habitat management work will contribute to Telkwa Herd Recovery objectives to:

- Reverse population decline;
- Protect key caribou habitat through:
 - Modifying industrial activities;
 - Reduce disturbance to caribou and habitat;
 - Provide large areas of undisturbed alpine, subalpine and mature forests.
- Entirely consistent with LRMP direction and zones except in a couple of places where the drainages were filled in, and in a couple of places where key forested polygons were dropped.
- The key forested polygons were identified in 2002 - The targets were derived from natural disturbance targets and mid-point historic disturbance regimes in the Morice & Lakes TSAs specifically
- Specific harvesting recommendations for key forested polygons were part of the interim harvesting guidelines. In the WHA, some of them will become part of the no harvest zone, and some will become part of the seral stage management zone.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Jocelyn Campbell, Ecosystem Biologist, Skeena Region, Karen Diemart, Section Head for Ecosystems, Resource Management Division

General Wildlife Measures

SBSdk

- 45% of area >80yrs old;
- 39% of area <40 yrs old;
- Retention areas focus on caribou features;
- Clustered harvesting;
- Visual screening for wetland/ meadows;
- Access planning.

No harvest zone

- No loss of vegetative cover;
- No contribution to forest retention targets.

ESSF and SBSmc

- 60% of area >80yrs old;
- 28% of area <40 yrs old;
- Retention areas focus on caribou features;
- Clustered harvesting;
- Visual screening for wetland/meadows;
- Access planning.

The seral stage recommendations are largely met which means that very little harvesting within the next 20 years.

There is a commitment to review the efficacy of the recovery program in 20 years. If the program succeeds, then the WHA will remain in place. If not, then re-evaluate the value of the WHA for caribou and for other values.

Proposed Wildlife Habitat Area

- Morice TSA: 1% timber supply impact (under IWMS* strategy);
- Bulkley TSA: consistent with 10% biodiversity budget PLUS additional offsets;
- 20 year timber supply offset package;
- 5year review/ analysis of success;
- Consistent with Bulkley LRMP;
- Ensure sustainable timber supply.

Wildlife Habitat Area and Municipalities

There is little to no overlap with the Houston municipal boundary and the WHA. Regardless, the Houston and Telkwa settlement areas and municipal areas will not be included in the seral stage targets and will not be affected at all by the practice requirements of the WHA.

Equally, wildlife management plans, and fuel load reductions near the municipalities will not be restricted by the WHA.

Proposed Wildlife Habitat Area

- Formal review and comment with affected stakeholders and First Nations initiated;
- Municipalities and Regional District invited to provide comment by December 19, 2014.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS – Jocelyn Campbell, Ecosystem Biologist, Skeena Region, Karen Diemart, Section Head for Ecosystems, Resource Management Division

Discussion took place regarding the removal of habitat for the caribou through logging. The addition of caribou into the area does not appear to have made a difference in the population growth for the herd. Ms. Diemart noted that discussions have taken place with stakeholders such as oil and gas, forest industry, First Nations, and other groups and users of the area in determining a Wildlife Habitat Area (WHA) for the caribou. The MFLNRO Resource Management team overseeing the Telkwa caribou herd has been working closely with CANFOR sawmill in Houston to find a balance in regard to pressures on the land base. The team has also been working with TransCanada as their proposed pipeline crosses the Telkwa herd area by 5 kms.

The caribou herd now has satellite collars on thus allowing for the ability to better track the herd. It can be difficult to track herds and there are anomalies that can occur. The Telkwa caribou herd is relatively stable, it is just a small herd, so any large scale event could eliminate the herd completely.

Ms. Campbell noted that the Wildlife Habitat Area (WHA) is being proposed under the *Forest and Range Practices Act* and simultaneously under the *Oil and Gas Activities Act*. Once the WHA is legislated under the *Environmental Practices Regulations* the Oil and Gas Commission cannot permit anything in that area.

Discussion took place regarding the impact of wolves to a caribou herd and the difficulties in accumulating data in regard to the wolf population. It appears that the population is increasing and causing an impact to wildlife in general and perhaps the caribou population as well but it is extremely difficult to trap wolves to implement tracking devices.

Chair Miller thanked Ms. Campbell and Ms. Diemart for attending the meeting.

PRE-BUDGET PLANNING SESSION

Chair Miller mentioned that staff will provide a brief overview of their departments.

ADMINISTRATION DEPARTMENT

Ms. Chapman provided an outline of the daily operations and allocation of time of the Administration Department along with the 2015 proposed projects.

Discussion took place regarding incorporating the strategic plan from 2012 at the beginning of the strategic planning session scheduled for January, 2015. It will provide an opportunity to review the priorities that were brought forward and achieved.

Future staffing levels and the percentage of the RDBN Budget that is required for staffing was discussed along with additional capacity levels. Staffing funding levels and percentages are brought forward through the budget process.

Chair Miller spoke to the possible need and ability to expand the RDBN Administration Building in the future.

PRE-BUDGET PLANNING SESSION (CONT'D)

FINANCE DEPARTMENT (excluding Regional Economic Development)

Hans Berndorff, Financial Administrator mentioned that the Finance Department along with Ms. Chapman has met with department heads to review the budgets and it will be brought forward at the January, 2015 RDBN Committee of the Whole Meeting.

Discussion took place regarding the identification of additional initiatives and costs associated. Mr. Berndorff indicated that a number of projects will require staff time and may not necessarily have additional costs associated.

Having separate committees for legacy and revenue sharing similar to the RDBN Forestry Committee was discussed.

REGIONAL ECONOMIC DEVELOPMENT

Corrine Swenson, Manager of Regional Economic Development provided an overview of the resource allocations of the Regional Economic Development department.

Ms. Swenson noted external funding sources are being investigated to potentially hire a summer student or intern.

Ms. Chapman explained that in the past when there have been shifts in work plans from the Regional Board, staffing needs have often been able to shift and change job titles to meet the needs of the Regional Board.

Alternate Director Zitkauskas spoke of the ability to attract investment to the region and mentioned the initiative used by the community of Fort St. James in attracting physicians to its community.

Director Newell noted the importance of having time to invest in moving forward with the Regional Skills Gap Analysis. Ms. Swenson reported that staff and an RDBN Director will participate on the Strategic Workforce Opportunities Team (SWOT) and will provide assistance with implementation of the Regional Skills Gap Analysis and the stakeholder will oversee the project.

Chair Miller mentioned that with the changes to Federal Gas Tax funding there could potentially be grant funds for connectivity which has been a strategic goal in moving economic development forward in the region.

EMERGENCY PREPAREDNESS DEPARTMENT

Deborah Jones-Middleton, Protective Services Manager provided an overview of resource allocations and also the significant changes to fire regulations. 2014 timelines were significantly impacted by emergency events that occurred.

Ms. Jones-Middleton mentioned that the RDBN is in discussions with the District of Fort. St. James in developing a Memorandum of Understanding (MOU) in regard to sharing resources for Emergency Social Services (ESS) and Emergency Operations Centres (EOC). In moving forward, once an agreement is developed with the District of Fort St. James the process will be brought forward with other municipalities in the region.

Discussion took place regarding support from the municipalities in regard to Emergency Social Services in regard to wildfire, flooding and house fires. The RDBN assists in providing training, tabletop exercise, planning and execution of support in regard to ESS and EOC. The RDBN Protective Services Department is developing relationships with communities and First Nations to establish guidelines during emergency events.

PRE-BUDGET PLANNING SESSION (CONT'D)

PLANNING DEPARTMENT

Jason Llewellyn, Director of Planning provided an update of the following:

- Planning Department – Planning and Land Use Management;
- Planning Department – GIS and House Numbering;
- Planning Department - Building Inspection.

Discussion took place regarding the legislative requirement of implementing a Board of Variance. A Board of Variance considers four types of applications:

- They can allow minor variances to the zoning bylaw;
- They can waive the prohibition on structural alterations or additions to a building or structure while a "non-conforming use" is continued in all or part of it.
- They can set aside the decision of a building inspector if they consider he made an error in determining the amount of damage to a building, which is, in whole or part, a "non-conforming use" when that building or structure is damaged or destroyed to the extent of 75% or more of its value above its foundation.
- Where a local government discharges a land use contract that contract remains valid for one year. The BoV can extend the right to use land under the land use contract past the one set by legislation.

Only the BoV can consider applications related to the last three situations listed. The Board of Variance is legislatively required but is not often needed. The time requirement for an individual that is part of a Board of Variance is very minimal.

Building Inspection

Director MacDougall extended an invitation to the Planning Department, Building Inspection to attend a District of Fort St. James Municipal Council meeting in 2015 to provide an overview of building inspection in Fort St. James.

Mr. Lewellyn mentioned that the province is moving forward with its Building Modernization Project and one of the requirements will be for Building Inspectors processing applications for complex buildings to have a Level 3 Building Inspection Certification.

Chair Miller noted in going forward in the budget process the need to keep in mind the potential downloads from the provincial government that could significantly impact staffing.

Break for Lunch at 12:03 p.m.

Reconvened at 12:36 p.m.

ENVIRONMENTAL SERVICES

Janine Dougall, Director of Environmental Services provided an overview of the resource allocation for solid waste management.

Discussion took place regarding waste volumes at RDBN solid waste management facilities. Ms. Dougall reported that waste volumes are collected on an annual basis and is an ongoing project. The possible impacts to RDBN solid waste management facilities in regard to the implementation of recycling programs in the region was brought forward for discussion.

The vegetative cover at the Vanderhoof Transfer Station has not been as successful as needed due to the clay conditions so further work will be required to develop a better vegetative cover.

Chair Miller thanked staff for the Pre-Budget Planning session.

SUPPLEMENTARY AGENDA

INVITATION

Community Development
Institute- Keeping the BC
Interior Forest Industry
Strong – Thursday,
November 13, 2014
- Prince George, B.C.

Moved by Director Holmberg
Seconded by Director MacDougall

C.W.2014-9-3

“That the Committee of the Whole receive the invitation from Community Development Institute – Keeping the BC Interior Forest Industry Strong on Thursday, November 13, 2014 in Prince George, B.C.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

Moved by Director Strimbold
Seconded by Alternate Director Zitkauskas

C.W.2014-9-4

“That the Committee of the Whole recommend that the Regional District of Bulkley-Nechako Board of Directors ratify the attendance of Chair Bill Miller at the Prince George Public Library on November 13, 2014 from 7:00 p.m. to 8:30 p.m. in regard to the Community Development Institute’s Keeping the BC Interior Forest Industry Strong Community Speaker Series.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

ADJOURNMENT

Moved by Director MacDougall
Seconded by Director Stoltenberg

C.W.2014-9-5

“That the meeting be adjourned at 12:44 p.m.”

(All/Directors/Majority) CARRIED UNANIMOUSLY

Bill Miller, Chair

Wendy Wainwright, Executive Assistant



School District No. 91 (Nechako Lakes)

P.O. Box 129, Vanderhoof, B.C. V0J 3A0

Telephone: (250) 567-2284 Fax: (250) 567-4639

Regional District Bulkley-Nechako
Box 820
Burns Lake, BC
V0J 1E0

RECEIVED
DEC 19 2014
BULLLEY NECHAKO

December 19, 2014

Dear Cheryl,

RE: Request to Present to the Regional District Board of Directors on School District #91 Pilot Trades Training Proposal

School District #91 has been very pleased to partner with the College of New Caledonia (CNC) in offering ACE IT or CTC seats for high school students in Lakes and Nechako. The ACE IT or CTC program allows student to take their ITA Trade Certification while at the same time working towards their graduation requirements. In other words, it allows students to start working towards a trade while still in Grade 11 or 12. This local model, which has been in place since 2005, has had very high success rates including a marked increased Aboriginal student participation. It has proven to be significantly more successful than the previous model which had students moving away to other communities to access similar opportunities. In addition, it fits well with the School District's other career and trades programs.

However, there seems to be an increasing amount of uncertainty as to which trades programs will run in which community with the current model. Building student education plans based on a model that is approved and confirmed on an annual basis is challenging. The School District has had difficulties planning for students with this model and has had some very disappointed students and families as a result of unexpected program cancellations.

Given the new BC Skills for Jobs Blueprint, the School District would like to propose a pilot CTC model for Nechako Lakes that would solve this problem and build on the successes achieved. What the School District would like to propose, is to continue with its current partnership with CNC Nechako and Lakes, where ACE IT seats are blended within existing CNC adult trades programs. However, instead of planning on an annual basis, we would like to propose a pilot five year CTC plan. This plan of rotational trade offerings across the region over a five year period would fit the School District requirement to ensure CTC or ACE IT options for students and more importantly would build on our ability to train locally for local careers.

In order to meet School District CTC needs, the five year plan would need to consist of one ITA Trade program per year in each of the communities of Burns Lake, Fort St James and Vanderhoof and a

program once every three years in Fraser Lake. We believe this type of plan would meet the current ACE IT needs of the district, as well as the community and industry needs. This pilot would:

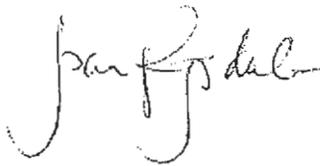
- allow high school students greater access to a breadth of Trades programs;
- better fit with the SD Secondary Student Apprenticeship programs and Career and Trades projects;
- allow for greater programming alignment with regional labour and local industry needs; and
- build in a required certainty of program options thereby allowing for better student, school and community planning.

We expect this model will also result in increased student participation and community understanding around what options are available.

The School District has had some very preliminary discussions with community and industry and there appears to be strong support for such a pilot. In order to be successful at the Ministry level this proposal will require broad community support, a motion from the Regional District of Bulkley-Nechako to endorse this initiative would be very beneficial.

Given this, I would like to request an opportunity to provide a short presentation to the Board of Directors to discuss this idea further.

Thank you for your consideration,



Joan Ragsdale
Career & Trades Liaison
School District #91



Regional District of Bulkley-Nechako Memo – Committee of the Whole Agenda January 15, 2015

To: Chair Miller and the Committee of the Whole
From: Laura O'Meara, Senior Financial Assistant
Date: January 5, 2015
Re: 2015 Draft Budget

The First draft of the 2015 budget for regional services is complete. As usual, the budgets for local services will be prepared after discussion with the Directors that participate in each local service.

Underlying Basis

The first draft of the 2015 budget is based on the proposed projects and work plans that were reviewed with the Board during the Pre-Budget discussions that took place during the November 6th Committee of the Whole meetings.

Major Components of Taxation in 2015

Schedule 1 is a graphic representation of the major components of taxation. It shows the percentage of our tax requisition that is taken up by each service in 2015. There is a separate chart for Region-wide Services and for Regional Rural Services. From this, it is easy to see how large an impact each service has relative to the other services.

Tax Rate Trend

Schedule 2 includes bar graphs showing our actual tax rates from 2011 to 2014 and the projected tax rate for 2015. The trend is measured separately for rural and municipal taxpayers because the number of regional services affecting rural taxpayers is greater than those affecting municipal taxpayers.

Projected Tax Rates for 2015

Schedule 3 summarizes projected 2015 taxation and projected residential tax rates for each region-wide and regional rural service, compared with 2014. The schedule shows an increase for Region-wide Services of 17.6% and 22.4% for Regional Rural Services. A decrease in the surpluses carried forward from 2014 accounts for 68% of the increase in taxation.

2015 Initiatives

Schedule 4 is a listing of proposed new initiatives included in the 2015 budget, costing \$837,426 in total.



Other Items for Consideration

1. Construction and Demolition Waste

The Environmental Services department has suggested that an option to reduce the increase in region-wide taxation would be to review the tipping fees for construction and demolition waste brought into the Landfills. There has been no increase in construction and demolition waste fees since 2001. For example, an increase from \$60 per tonne to \$100 per tonne would bring in approximately \$100,000-\$115,000 in additional revenue per year to Environmental Services and reducing the tax increase for Region-wide Services from 15.4% to 12.6%.

2. Landfill Contracts

The contracts with Hoban Equipment for operating the Landfills are coming to the end of their terms later in 2015 (Knockholt in August and Clearview in November). If the contracts cannot be extended or renewed, there is potential for additional costs to be incurred later in 2015 and taxation to increase. The first draft of the budget includes the existing Hoban Equipment costs with 2014 inflation taken into consideration.

Projected Tax Changes for each Service

Schedules 6 through 17 highlight the major items affecting the projected tax change in each region-wide service and each regional rural service. The reasons behind these projected changes will be reviewed during the meeting.

Detailed Service Budgets

If Directors would like copies of the detailed budgets for each service, these are available on request.

I would be pleased to answer any questions.

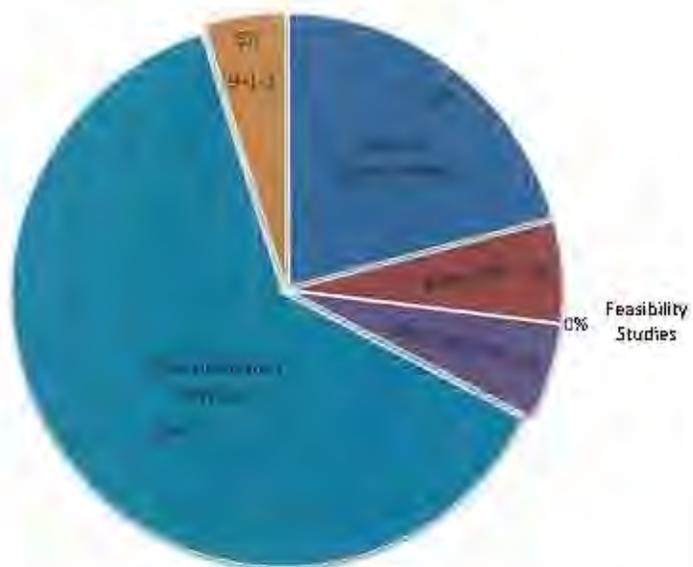
Recommendation:

(all/directors/majority)

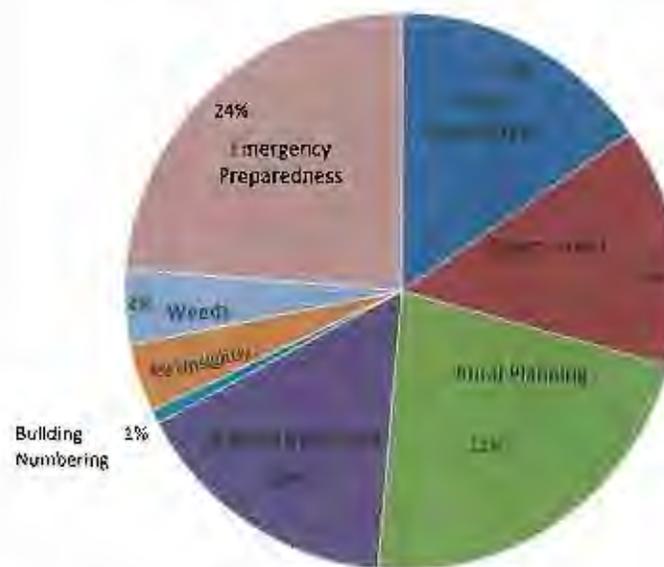
That the Board of Directors receive the Senior Financial Assistant's January 5, 2015 memo titled "2015 Draft Budget" and provide direction regarding any changes to the draft budget.

RDBN - 2015 Budget
Major Components of Region-wide and Regional Rural Taxation

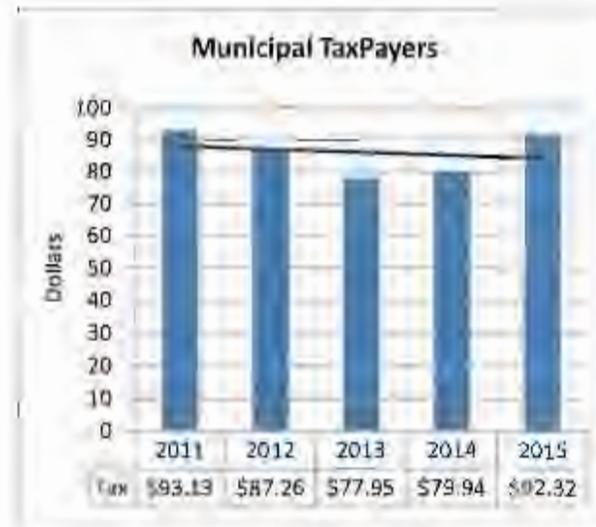
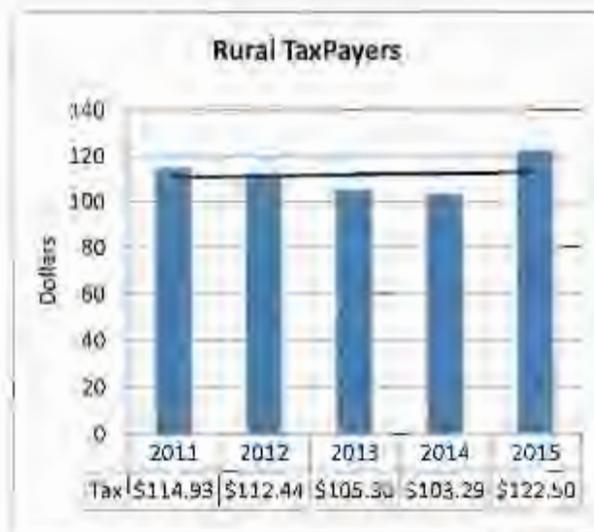
Taxation for Region-Wide Services



Taxation for Regional Rural Services



RDBN 2015 Budget - Tax on a \$100,000 Property (excludes local services)



- Includes:
- General Government
 - Regional Economic Development
 - Feasibility Studies
 - Planning
 - Development Services
 - Environmental Services
 - 9-1-1 Service
 - Rural Government
 - Rural Grants in Aid
 - Building Inspection
 - Building Numbering
 - Unightly Premises
 - Noxious Weed Control
 - Emergency Preparedness

- General Government
- Regional Economic Development
- Feasibility Studies
- Planning
- Development Services
- Environmental Services
- 9-1-1 Service

16

RDBN - 2015 Budget
Projected Tax Rates for Regional Services
(excludes local services)

Dépt	Fonction	2014 Tax			Converted Assessments		Tax on a \$100,000 Residential Property					
		2014 Tax	2015 Tax	2014 vs 2015	2014	2014 Revised	Rural Taxpayers			Municipal Taxpayers		
					Completed Roll	Roll	2014	2015	2015 vs 2014	2014	2015	2015 vs 2014
Region-Wide Services												
1201	General Govt - Legislative	243,945	255,388	11,443	543,712,951	542,160,596	4.49	4.71	0.22	4.49	4.71	0.22
1202	General Govt - Administration	420,437	451,319	30,882	543,712,951	542,160,596	7.73	8.32	0.59	7.73	8.32	0.59
1203	General Govt - Finance	268,152	309,458	20,306	543,712,951	542,160,596	5.30	5.69	0.39	5.30	5.69	0.39
		962,534	1,015,166	62,632	543,712,951	542,160,596	17.52	18.72	1.21	17.52	18.72	1.21
1301	Feasibility Studies	-	-	-	543,712,951	542,160,596	-	-	-	-	-	-
2500	Regional Economic Development	288,188	294,285	6,097	543,712,951	542,160,596	5.30	5.43	0.13	5.30	5.43	0.13
4301	Development Serv	227,303	277,190	49,887	543,712,951	542,160,596	4.18	5.11	0.93	4.18	5.11	0.93
5000	Environmental Serv.	2,451,433	3,031,547	580,114	543,712,951	542,160,596	45.09	55.92	10.83	45.09	55.92	10.83
7501	9-1-1 Service	283,157	233,350	(49,798)	543,712,951	542,160,596	5.21	4.30	(0.90)	5.21	4.30	(0.90)
	Total Region-Wide Services	4,202,615	4,851,546	648,931	543,712,951	542,160,596	77.29	89.49	12.19	77.29	89.49	12.19
Regional Rural Services												
1101	Rural Govt - Legislative	83,021	75,955	(7,066)	272,543,950	271,411,242	3.05	2.80	(0.25)			
1102	Rural Govt - Administration	69,518	57,138	(12,380)	272,543,950	271,411,242	2.55	2.11	(0.45)			
		152,539	133,092	(19,447)	272,543,950	271,411,242	5.60	4.90	(0.69)			
1103	Rural Grant in Aid	122,837	122,837	-	272,543,950	271,411,242	4.51	4.53	0.02			
4101	Rural Planning	180,247	182,189	11,942	543,712,951	542,160,596	3.98	4.26	0.27	2.66	2.83	0.18
4201	Building Inspection	89,229	138,885	51,606	157,962,776	157,962,776	5.40	8.88	3.27			
4401	Building Numbering	5,458	6,782	1,304	272,543,950	271,411,242	0.20	0.26	0.05			
4501	Unsanitary Premises	26,780	34,798	8,018	254,063,404	252,001,120	1.05	1.38	0.33			
5901	Weed Control	38,540	38,184	(348)	272,543,950	271,411,242	1.41	1.41	(0.01)			
7601	Emergency Preparedness	97,339	207,215	109,876	272,543,950	271,411,242	3.57	7.63	4.06			
7602	Emergency Response	7,500	-	(7,500)	272,543,950	271,411,242	0.28	-	(0.28)			
	Total Regional Rural Services	716,469	871,822	155,453			26.98	33.01	7.02			
		4,919,084	5,723,468	804,384			103.29	122.50	19.21	78.94	92.32	13.37

Percentage Change - Region-wide Services	15.4%
Percentage Change - Regional Rural Services	21.7%
Percentage Change - Total	16.4%

Tax Rate	1.03	1.22	0.19	0.80	0.92	0.12
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RDBN - 2015 Budget
Initiatives for 2015

Administration & Finance

Increase in Directors Remuneration	47,000
Electronic Records Management System	25,000
Capital Asset Management Plan	30,000
Development of Office Space	20,000
New Office Phone System (Funded from Capital Reserve)	26,849
	<u>148,849</u>

Regional Economic Development

Hire SWOT Coordinator (Position is fully funded from Provincial Grants)	44,819
Economic Development Workshop Sponsorship	26,522
	<u>71,341</u>

Planning

Plotter Purchase (Funding from Capital Reserve)	34,000
GIS Server Purchase	14,330
Increase Property Database Contingency from \$40,000 to \$50,000	10,000
	<u>58,330</u>

Environmental Services

Increase reserve for carbon emission reduction initiatives	13,250
Works to re-establish closure conditions at the Smithers/Telkwa Landfill including establishing proper grades, drainage ditching, additional cover soil placement and grass seeding	100,000
Top Soil, Grass and Rip Rap for Vanderhoof Landfill Site	50,000
Knockholt Scale Upgrade, Plants & Lechate Pipe Extension	60,000
Clearview Landfill Scale Upgrade	40,000
Replace STTS and BLTS Transfer Station Bobcats	120,000
New Storage area at Smithers/Telkwa Transfer Station	5,000
Well Remediation and Lighting at Vanderhoof Transfer Station	30,000
Manson Creek Site Upgrades	75,000
Bobcat Hauling Trailer	10,000
Area "D" Transfer Station Lighting Upgrades	15,000
	<u>518,250</u>

Emergency Preparedness

Regulatory Compliance Officer Salary and Benefits	<u>40,656</u>
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837,426

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Rural Government

	(\$000s)
2014 Taxation	153
2015 Taxation	139
Increase (Decrease)	(14)

	(\$000's)		
Item	2014 Budget	2015 Budget	Tax Increase (Decrease)
<u>Revenue</u>			
Surplus from Prior Year	64	49	35
Administration Grant	43	65	(22)
Grant in lieu of Alban taxes	36	37	(1)
			12
<u>Expenditures</u>			
Directors remuneration	73	78	5
Directors travel	54	52	(2)
Salaries & Benefits	32	-	(32)
Conferences and Conventions	4	-	(4)
Allocation of staff costs from General Gov	81	102	21
Liability Insurance	8	9	1
Share of Office Costs	6	-	(6)
Special Projects	15	15	-
Other			(9)
			(26)
			(14)

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
General Government

	(\$000's)
2014 Taxation	953
2015 Taxation	1,009
Increase (Decrease)	56

Item	(\$000's)		
	2014 Budget	2015 Budget	Tax Increase (Decrease)
Revenue			
Surplus from Prior Year	183	173	20
Other Grant Revenue	-	15	(15)
Transfer from Capital Reserve (Includes new phone system)		31	(31)
Transfer from Vehicle Reserve	10	15	(5)
Province of BC Administration Grant	75	115	(40)
Grant in lieu of Alcan taxes	111	116	(5)
			(76)
Expenditures			
Directors remuneration	217	259	42
Directors Travel	90	84	(6)
Salaries & Benefits	773	813	40
Staff Education	17	18	1
Allocation of staff costs to rural gov't	(47)	(85)	(38)
Association Dues	17	12	(5)
Allocated Building Occupancy Costs	51	46	(5)
Communications (Includes new phone system)	10	49	39
Newsletters	6	3	(3)
Liability Insurance	9	10	1
Special Projects	58	103	45
Capital Expenditures	25	40	15
Other			6
			132
			56

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Feasibility Studies

			(\$000s)
2013 Taxation			-
2014 Taxation			-
Increase (Decrease)			-
<u>Item</u>	<u>2012</u> Budget	<u>2013</u> Budget	<u>Tax Increase</u> <u>(Decrease)</u>
Feasibility Studies			-

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Regional Economic Development

	(\$000's)
2014 Taxation	288
2015 Taxation	294
Increase (Decrease)	6

Item	(\$000's)		
	2014 Budget	2015 Budget	Tax Increase (Decrease)
Revenue			
Surplus from Prior Year	57	59	(2)
Project Grants	64	119	(49)
			(51)
Expenditures			
Salaries & Benefits	223	235	12
Allocation of staff costs to rural gov't	(34)	(16)	18
Staff Education	8	16	8
Staff Travel	3	2	(1)
Allocated Building Occupancy Costs	19	25	6
Communications	4	1	(3)
Legal	2	1	(1)
			39
Projects			
- Tourism	34	44	10
- Agriculture Project	36	30	(6)
- Marketing Initiatives	5	8	3
- Business Forum	17	2	(15)
- Entrepreneurship Contest	-	4	4
- Economic Development Workshops	8	35	27
- Regional Skills Gap Analysis	46	68	22
- Action Plan	58	8	(50)
- Minerals North & Roundup	9	6	(3)
- Image Bank	-	29	29
			21
Other			(3)
Total Expenditures			57
			6

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Rural Planning

	(\$000s)
2014 Taxation	180
2015 Taxation	192
Increase (Decrease)	12

	(\$000's)		
<u>Item</u>	<u>2014</u>	<u>2015</u>	<u>Tax Increase</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
<u>Revenue</u>			
Grants in lieu of Alcan Taxes	29	30	(1)
Surplus from Prior Year	39	26	13
			<u>12</u>
<u>Expenditures</u>			
Salaries & Benefits	164	173	9
Title Searches	-	1	1
Building Occupancy Costs	19	17	(2)
Website Maintenance	1	-	(1)
Communications	3	1	(2)
Supplies	6	3	(2)
Capital Expenditures	10	6	(4)
Other			1
			<u>12</u>

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Building Inspection

	(\$000's)
2014 Taxation	85
2015 Taxation	137
Increase (Decrease)	52

Item	(\$000's)		Tax Increase (Decrease)
	2014 Budget	2015 Budget	
<u>Revenue</u>			
Surplus from Prior Year	82	21	41
Cost Sharing by Municipalities	85	87	(2)
			39
<u>Expenditures</u>			
Salaries & Benefits	205	218	8
Staff Education	6	9	3
Liability Insurance	18	20	2
Other			13
			52

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Development Services

	(\$000s)
2014 Taxation	227
2015 Taxation	277
Increase (Decrease)	50

Item	(\$000s)		
	2014 Budget	2015 Budget	Tax Increase (Decrease)
<u>Revenue</u>			
Surplus from Prior Year	56	57	(1)
Transfer from Reserve	-	34	(34)
			<u>(35)</u>
<u>Expenditures</u>			
Salaries & Benefits	206	233	27
Computer Systems	55	73	18
Capital Expenditures	-	34	34
Other			6
			<u>55</u>
			<u>50</u>

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Unightly Premises Regulatory Control

	(\$000's)
2014 Taxation	27
2015 Taxation	35
Increase (Decrease)	8

Item	(\$000's)		Tax Increase (Decrease)
	2014 Budget	2015 Budget	
<u>Revenue</u>			
Surplus from Prior Year	1	6	(5)
			(5)
<u>Expenditures</u>			
Salaries & Benefits	19	27	8
Staff Travel	1	3	2
Other			3
			13
			8

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Environmental Services

	(\$000's)
2014 Taxation	2,451
2015 Taxation	3,031
Increase (Decrease)	<u>580</u>

	(\$000's)		
<u>Item</u>	<u>2014</u>	<u>2015</u>	<u>Tax Increase</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
<u>Revenue</u>			
Surplus from Prior Year	1,268	776	492
Transfer from Landfill Closure Reserve	171	200	(29)
Transfer from Capital Reserve		100	(100)
Transfer from Landfill Development Res		-	-
Transfer from Gas Tax Reserve		20	(20)
Construction & Demolition Waste Fees			-
Contaminated Soils Revenue			-
Grants in lieu of Alcan Taxes	286	298	(12)
Metal Recycling Revenues	82	150	(68)
Bobcat Trade In Revenue	26	34	(8)
			<u>245</u>
<u>Administration Expenditures</u>			
Director's Remuneration & Benefits	5	9	4
Salaries & Benefits	452	481	29
Staff Travel	35	40	5
Liability Insurance	13	15	2
Carbon Emission Reduction Initiatives	27	40	13
Other			2
			<u>55</u>
<u>Operations</u>			
- Landfills	867	836	(32)
- Transfer Stations	1,518	1,583	65
- Operating Contingencies	57	24	(33)
- Landfill Closure Costs	171	220	49
- Recycling Expenditures	798	834	36
- Capital Expenditures	167	355	188
- Contributions to Reserves	131	131	-
- Other			(3)
			<u>270</u>
Total Expenditures			<u>325</u>
			<u>580</u>

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Weed Control

	<u>(\$000's)</u>
2014 Taxation	39
2015 Taxation	38
Increase (Decrease)	<u>(1)</u>

	<u>(\$000's)</u>		
<u>Item</u>	<u>2013</u>	<u>2014</u>	<u>Tax Increase</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
<u>Revenue</u>			
Surplus from Prior Year	\$	\$	-
<u>Expenditures</u>			
Salaries & Benefits	8	8	-
Contribution to NWIPC	37	37	-
Other			(1)
			<u>(1)</u>
			<u>(1)</u>

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
9-1-1 Service

	(\$000s)
2014 Taxation	283
2015 Taxation	233
Increase (Decrease)	<u>(50)</u>

Item	(\$000's)		
	2014 Budget	2015 Budget	Tax Increase (Decrease)
<u>Revenue</u>			
Surplus from Prior Year	6	25	(19)
Grants in Lieu of Alcan Taxes	28	29	(1)
User Fees - Telus Land Lines	155	142	13
			<u>(7)</u>
<u>Expenditures</u>			
Salaries & Benefits	50	38	(12)
Repairs & Maintenance	42	45	3
PSAP Costs	145	55	(90)
FOCC Operating Costs	218	223	5
Contribution to Capital Reserve	-	50	50
Other			1
			<u>(43)</u>
			<u>(50)</u>

Regional District of Bulkley-Nechako
Details of Projected Tax Changes
Emergency Preparedness Planning

	(\$000's)
2014 Taxation	105
2015 Taxation	207
Increase (Decrease)	<u>102</u>

Item	(\$000's)		
	2014 Budget	2015 Budget	Tax Increase (Decrease)
<u>Revenue</u>			
Surplus from Prior Year	65	23	42
Other Grant Revenue	64	70	(6)
Misc Revenue	-	2	(2)
			<u>34</u>
<u>Expenditures</u>			
Directors remuneration & travel	-	-	-
Salaries & Benefits	86	174	88
Staff Education	2	11	9
Staff Travel	1	5	4
Consulting Fees - GIS Study	34	70	35
Emergency Volunteer Program	10	12	2
Legal	1	3	2
Contingency	1	3	2
Capital Expenditures	40	10	(30)
Contribution to Emergency Response R/	50	-	(50)
Other			5
			<u>68</u>
			<u>102</u>



REGIONAL DISTRICT OF BULKLEY-NECHAKO
2015
APPOINTMENTS

Chairperson Bill Miller
Vice-Chairperson Gerry Thiessen

EXECUTIVE COMMITTEE

Chair Tom Greenaway

FORESTRY COMMITTEE (Committee of the Whole)

Chair Rob MacDougall

**NEW COMMITTEE re Legacy/Resource Revenue Sharing

WASTE MANAGEMENT COMMITTEE (Committee of the Whole)

Chair Taylor Bachrach

RURAL DIRECTORS COMMITTEE

Chair Eileen Benedict
All Rural Directors

NORTHERN BC TOURISM ASSOCIATION

Rob Newell

YELLOWHEAD HIGHWAY ASSOCIATION

Jerry Petersen
Eileen Benedict, Alternate

MUNICIPAL FINANCE AUTHORITY

Bill Miller

Page 2 of 2015 Board/Committee Appointments

FEDERATION OF CANADIAN MUNICIPALITIES

(FCM Conference – June 5-8, 2015, Edmonton, Alberta)
Chair plus one Director

MUNICIPAL INSURANCE ASSOCIATION

Eileen Benedict

FRASER BASIN COUNCIL

Tom Greenaway

BULKLEY VALLEY REGIONAL POOL

Darcy Reper
Taylor Bachrach
Mark Fisher

NORTH CENTRAL LOCAL GOVERNMENT ASSOCIATION

(presently, Luke Strimbald) - Nomination by the RDBN Board

PARCEL TAX ROLL REVIEW PANEL (5)

Eileen Benedict
Tom Greenaway
Jerry Petersen
Ralph Roy
Mark Fisher
Chair Bill Miller (ex-officio member)

NORTHERN DEVELOPMENT INITIATIVE

Prince George RAC - Bill Miller
Jerry Petersen, Alternate

Northwest RAC – Mark Fisher
Rob Newell, Alternate

OMINECA BEETLE ACTION COALITION

Bill Miller



REGIONAL DISTRICT OF BULKLEY-NECHAKO

Memo – Committee of the Whole Agenda
January 15, 2015

To: Chair Miller and the Committee of the Whole
From: Hans Berndorff, Financial Administrator
Date: January 7, 2015
Re: Updated Cost Allocation Review

In 2011, the RDBN Board directed staff to review the allocation of costs in General Government and Planning every three years. The first review in 2011 resulted in an allocation of staff costs from General Government to Rural Government of \$81,000 annually.

The 2014 update of this analysis now includes:

- General Government Administration
- General Government Finance
- Regional Economic Development (now a separate department)
- Planning and Development Services
- Protective Services

In addition to the usual specific allocation of costs based on sharing of staff among various departments, the updated analysis indicates an increase in the annual charge from General Government to Rural Government from \$81,000 to \$95,778. This is currently reflected in the draft 2015 budget.

The full report is attached under separate cover.

I would be pleased to answer any questions.

Recommendation:

(all/directors/majority)

That the Committee of the Whole receives the Financial Administrator's January 7, 2015 memo titled "Updated Cost Allocation Review".



Regional District of Bulkley-Nechako Memo – Committee of the Whole Agenda January 15, 2015

To: Chair Miller and the Committee of the Whole
From: Laura O'Meara, Senior Financial Assistant
Date: December 22, 2014
Re: Comparison of Vehicle Allowance vs. RDBN Owned Vehicles

Following the approval of the 2014 Budget, a request was made by one of the Directors to consider the cost of staff vehicle allowances vs. the current practice of using RDBN owned vehicles for staff travel on RDBN business. The attached analysis shows that the RDBN owned vehicles are of a cost savings to the Regional District compared with staff vehicle allowances.

The RDBN owned vehicles average per kilometre cost is 0.47 to operate (Excluding waste hauling trucks) with approximately 219,500 kilometres being driven annually. The cost of staff vehicle allowance per kilometre is 0.54, including the additional cost of employees carrying commercial vehicle insurance. The annual cost savings of the current practice is \$15,000.

Additional complications of having staff allowances would be monitoring employee insurance coverage and dealing with premium increases on the employee's insurance if an accident should occur. Having RDBN owned vehicles allows for ease of administration and eliminates any potential insurance issues.

Recommendation:	(all/directors/majority)
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That the Board of Directors receive the Senior Financial Assistant's December 22, 2014 memo titled "Comparison of Vehicle Allowance vs. RDBN Owned Vehicles"
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Comparison of Vehicle Allowance vs. RDBN Owned Vehicles

	Staff Vehicle Allowance				RDBN Owned Vehicles				
	Km's driven Annually	Per Km Rate	Additional Insurance Coverage	Annual Expense	Fuel 2014 Based on 1.30/litre	Mtce & Tires 2014	Vehicle Insurance	Annual Vehicle Capital Costs	Total
Building Inspection									
2010 Escape Jason	22,382	0.53	100	11,962	2,910		1,239	4,154	8,303
2011 Escape Richard	44,250	0.53	100	23,553	5,753		1,297	4,526	11,576
						<u>4,155</u>			
Admn/Finance/Planning/Ec.Dev									
2008 Escape 10 Employees	13,133	0.53	1,000	7,960	1,707		1,239	4,526	7,472
2004 Vibe	4,527	0.53		2,399	589		1,077	4,000	5,666
2010 Escape	27,019	0.53		14,320	3,512		1,228	4,000	8,740
						<u>2,785</u>			
Environmental Services									
2013 Dodge Janette	25,000	0.53	100	13,350	5,200		1,323	6,422	12,945
2012 F150 Rory	41,600	0.53	100	22,148	8,653		1,939	5,878	16,470
2011 F350 Charlie	41,600	0.53	100	22,148	8,653		844	6,160	15,657
						<u>8,462</u>			
	219,511		1,500	117,841	36,976	15,402	10,186	39,666	102,230
Kilometers Driven Annually				219,511	219,511	219,511	219,511	219,511	219,511
Per KM Costs				<u>0.54</u>	<u>0.17</u>	<u>0.07</u>	<u>0.05</u>	<u>0.18</u>	<u>0.47</u>

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REGIONAL DISTRICT OF BULKLEY-NECHAKO MEMORANDUM

To: Chair Miller and Committee of the Whole (January 15, 2015)

From: Janine Dougall
Director of Environmental Services

Date: December 29, 2014

Subject: Knockholt and Clearview Landfill Operations – Tender Results and RDBN Cost Analysis

The Knockholt and Clearview Landfill Operation Contracts expire in August and November 2015 respectively. At the October 23, 2014 Board meeting staff presented an analysis of the costs associated with the RDBN taking over the operations of the landfills and compared those cost estimates to the actual costs for the current contractor in 2013.

At the October 23, 2014 Board Meeting direction was received from the Board for the RDBN to proceed with the issuance of Tenders for Operation Contracts for the Knockholt and Clearview Landfills respectively. Following the Tender process, the results were to be provided to the Board of Directors to allow for additional cost comparisons before a final decision regarding operations of the facilities is made.

The purpose of this memorandum is to provide the results of the Tender process, the results from the financial analysis of RDBN operations and ultimately receive direction as to whether to award the contracts or proceed with RDBN operations of the landfills.

Background

Knockholt Landfill

The Knockholt Landfill is located approximately 8 km east of Houston and is open Monday-Sunday from 10am-6pm, closed Statutory Holidays. The facility acts as both the Western Sub-Regional Landfill and has a small transfer station for use by Houston and surrounding area residents. The facility receives both commercial and residential waste from the communities of Smithers, Telkwa, Houston, Burns Lake, Granisle and the area on the southside of Francois Lake.

Clearview Landfill

The Clearview Landfill is located approximately 22 km north of the junction between Highways 16 and 27, and is open from Monday-Friday from 10am-4pm, closed Saturday, Sunday and Statutory Holidays. The facility acts as only the Eastern Sub-Regional Landfill and therefore only accepts commercial loads of waste including haul trailers from the Fort



St. James, Vanderhoof and Area "D" Transfer Stations. The general public does not utilize the facility and therefore recycling opportunities are not available and the hours of operation are limited.

Tender Process

Tender documents for the Knockholt and Clearview Landfill Operations Contracts were made available on November 5, 2014. An Invitation to Tender advertisement was included in all of the local newspapers, on the RDBN website and on BC Bid. The Contracts were for a 5 year term and included annual inflationary adjustments and a fuel surcharge schedule. Contract specifications required 2005 or newer for primary equipment, with no age (year) requirement for back-up or replacement equipment.

A mandatory pre-tender meeting for interested bidders was held at the Knockholt Landfill on November 17th and at the Clearview Landfill on November 18th. At each of these meetings 4 companies were represented.

The closing dates for receipt of Tender bids was 2 pm, local time, December 5, 2014 for the Clearview Landfill Contract and 3 pm, local time, December 5, 2014 for the Knockholt Landfill Contract.

Below are presented the bids received for the respective contracts:

Clearview Landfill – Tender Results

COMPANY	Table A. Monthly Lump Sum Payment	Table B. Weight Based Payment For Annual Tonnages Greater than 10,200 Metric Tonnes
	Lump Sum Tendered Price Per Month for Landfill Operation During the Term of the Contract (excluding GST) for Annual Tonnages Landfilled at the Active Face Between 7,085-10,200 metric tonnes.	Tendered Unit Price for Landfilling Annual Tonnages Greater than 10,200 metric tonnes (excluding GST).
Lepka Holdings Ltd.	\$81,400	\$9.00 / metric tonne
Hoban Construction Ltd.	\$44,825	\$52.74 / metric tonne

Annual costs for operation based on the lowest bid received equates to \$537,900 (excluding GST). This value also excludes fuel surcharge or annual inflationary adjustments. For comparison purposes, the 2013 actual contract costs for operation of the Clearview Landfill was \$312,188.



Knockholt Landfill – Tender Results

	Table A. Monthly Lump Sum Payment	Table B. Weight Based Payment For Annual Tonnages Greater than 16,800 Metric Tonnes
COMPANY	Lump Sum Tendered Price Per Month for Landfill Operation During the Term of the Contract (excluding GST) for Annual Tonnages Landfilled at the Active Face Between 11,700-16,800 metric tonnes.	Tendered Unit Price for Landfilling Annual Tonnages Greater than 16,800 metric tonnes (excluding GST).
Heban Construction Ltd.	\$52,820	\$37.73 / metric tonne

Annual costs for operation based on the lowest bid received equates to \$633,840 (excluding GST). This value also excludes fuel surcharge or annual inflationary adjustments. For comparison purposes, the 2013 actual contract costs for operation of the Knockholt Landfill was \$410,671.

RDBN Landfill Operations Analysis - Results

RDBN Environmental Services staff, in cooperation with Hans Berndorff, Financial Administrator and Gail Chapman, CAO, have completed a review of the estimated costs for the RDBN to take over operations of the Knockholt and Clearview Landfills.

Based on the discussions held at the October 23, 2014 Board Meeting, RDBN staff have made modifications to the original analysis to address three areas of concern:

1. A 10 year equipment life and amortization period was used in an analysis rather than the 20 year period that was used in the original analysis.
2. An analysis of costs is presented showing no residual equipment value after a 10 year period.
3. Adjustments were made to the equipment repair costs to be more conservative by reflecting increasing costs over the 10 year life of the equipment and also include replacement equipment rental costs. CPI adjustments for staff wage increases over a 5 year period were also included in the RDBN estimates of costs.



The results of the cost analysis for RDBN operations as compared to the lowest contractor bids can be found on Schedules 1 through 27. Major assumptions used in all of the RDBN cost analyses conducted are as follows:

1. New equipment would be purchased.
2. Debt for capital purchases would be repaid over 10 years.
3. Interest rate for borrowing would be 5%.
4. Fuel prices estimated using marked diesel at \$1.50 per litre.
5. RDBN Staff wage rates would initially be \$28/hr for primary attendants and \$24/hr for secondary staff.

Schedule 1 shows a summary of the various RDBN cost analysis in comparison to the lowest contractor bid costs.

Schedules 2-9 show the original analysis that was presented to the Board of Directors on October 23, 2014, with a 20 year equipment life.

Schedules 10-18 show the detailed costs of RDBN operations assuming a 10 year equipment life and amortization period, higher repair costs, and staff wage CPI adjustments.

Schedules 19-27 show the detailed costs of RDBN operations assuming a 10 year equipment life and amortization period, higher repair costs, staff wage CPI adjustments and no residual value of equipment after 10 years.

Landfill Operations – Moving Forward

Benefits of RDBN Operations

The primary benefit of the RDBN taking over the landfill operations is the increased ability to ensure proper and efficient operations at the sites. This is afforded by the ability to manage and provide direction to on-site staff, rather than relying on contract terms, which invariably can be misinterpreted or out-dated should landfill regulations change.

Another benefit of the RDBN operations is to incur cost savings should waste reduction programs significantly reduce waste volumes requiring landfilling. Anticipated cost savings would be had with less equipment use and fuel costs. It is extremely difficult if not impossible to have a landfill contract whereby the RDBN would fully benefit from waste reduction programs.

An additional benefit of RDBN operations is that the RDBN is not in a position to require a profit margin and whether it be RDBN or contractor, local jobs are provided.

Should the RDBN take over operations of the landfills, it would also potentially allow efficiencies to be attained in other services such as waste hauling from the Granisle and Southside Transfer Stations in utilizing spare capacity of the roll-off truck that would be purchased for the Knockholt Landfill site instead of contracting out as is currently done.



Disadvantages of RDBN Operations

A possible disadvantage of the RDBN taking over landfill operations is the potential additional administrative time in hiring and managing 4 additional RDBN staff. However, the Environmental Services Operations Manager is already spending significant time at the Landfill facilities overseeing and ensuring operations are being efficiently conducted (within the confines of the contract language) and this is not anticipated to change if the RDBN took over the operations. There will be additional responsibilities and time in the RDBN Finance and Administration Departments.

Options for Consideration

With respect to the Landfill Operations Services, there are three options available. They are as follows:

Option 1 - RDBN proceed with taking over the Knockholt and Clearview Landfill operations, based on the cost analysis presented to date. Further, that the Board provide staff with authorization to proceed immediately with the procurement processes necessary to purchase the required equipment and hire additional RDBN employees (4), when required.

Option 2 – Award Contracts for operation of the Knockholt and Clearview Landfills based on the received Tender bids.

Option 3 - Attempt to negotiate a lower price with the lowest Tenderer (Hoban Construction Ltd.) and bring the results of the negotiation process forward for Board consideration at the January 29, 2015 meeting.

Should the Board wish to award the Contracts, staff will conduct a detailed review of the bid documents received to ensure that the lowest bidder meets the required qualifications and will bring forward a further recommendation at the January 29, 2015 meeting.

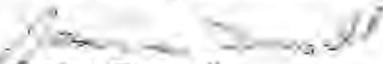
At this time direction from the Board is being requested on whether to move forward with Option 1, Option 2 or Option 3 as outlined above.

RECOMMENDATION

(All/Directors/Majority)

1. That the Board of Directors receive the memorandum titled, "Knockholt and Clearview Landfill Operations – Tender Results and RDBN Cost Analysis" and dated December 29, 2014.
2. Further that the Board of Directors provide direction as to how to proceed with operations at the Knockholt and Clearview Landfills respectively.

Respectfully submitted,


Janine Dougall

Director of Environmental Services

Landfills Operated Directly by RDBN Staff
Summary of Cost Analysis

	Operated Internally by RDBN Staff						External Contractor					
	Original Base Case Analysis 20 Year Equipment Life			Higher Repair Costs 5 Year Wage CPI Contingency 10 Year Equipment Life			Higher Repair Costs 5 Year CPI Wage Contingency 10 Year Equipment Life No Residual Equipment Value			Lowest Contractor Bid		
	Knockholt	Clearview	Total	Knockholt	Clearview	Total	Knockholt	Clearview	Total	Knockholt	Clearview	Total
Operating Costs	354,920	181,680	536,600	382,401	196,854	579,255	382,401	196,720	579,122			
Debt Repayment for Capital Equipment over Estimated Life of Equipment	111,018	92,585	203,603	177,044	147,650	324,693	177,044	147,650	324,693			
Annualized Residual Equipment Value	(10,875)	(9,375)	(20,250)	(19,125)	(16,125)	(35,250)	-	-	-			
	455,063	264,890	719,953	540,320	328,378	868,698	559,445	344,370	903,815	633,840	537,900	1,171,740

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RDBN Operation of Landfills with Internal Staff
Summary of Cost Analysis - With 20 Year Equipment Life

	Operated Internally by RDBN			Lowest Contractor Bid		
	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>
Operating Costs	354,920	181,680	536,600			
Debt Repayment for Capital Equipment	111,018	92,585	203,603			
Annualized Residual Equipment Value	(10,875)	(9,375)	(20,250)			
	<u>455,063</u>	<u>264,890</u>	<u>719,953</u>	<u>633,840</u>	<u>537,900</u>	<u>1,171,740</u>

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RDBN Operation of Landfills with Internal Staff
Summary of Cost Analysis

	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>
<u>Operating Costs</u>			
Wages & Benefits	225,165	85,629	310,794
Staff Training	5,000	5,000	10,000
Equipment Repairs & Maintenance	21,240	12,685	33,925
Fuel	66,750	50,250	117,000
Insurance	3,150	2,750	5,900
Communications	1,000	1,000	2,000
Administration	10,000	10,000	20,000
Utilities	6,000	6,000	12,000
Contingency (5%)	16,615	8,366	24,981
	<u>354,920</u>	<u>181,680</u>	<u>536,600</u>
<u>Capital Costs</u>			
Debt Repayment	111,018	92,585	203,603
Less Annualized Residual Value	<u>(10,875)</u>	<u>(9,375)</u>	<u>(20,250)</u>
	<u>100,143</u>	<u>83,210</u>	<u>183,353</u>
	<u>455,063</u>	<u>264,890</u>	<u>719,953</u>

RDBN Operation of Landfills with Internal Staff
Landfill Capital Costs

<u>Capital Item</u>	<u>Knockholt</u>	<u>Clearview</u>	<u>Total Cost</u>
Landfill Compactor	450,000	450,000	900,000
Excavator	270,000	270,000	540,000
Crawler Dozer	200,000	200,000	400,000
Roll-Off Truck with Bin	215,000	-	215,000
Dump Truck (Split 50/50 with Clearview)	97,000	97,000	194,000
Attendant's Office & Storage Shed	60,000	58,000	118,000
Fuel Tank	10,000	10,000	20,000
Fire Fighting Equipment	5,000	5,000	10,000
Total	<u>1,307,000</u>	<u>1,090,000</u>	<u>2,397,000</u>

RDBN Knockholt Landfill Financial Analysis

Capital Costs	Estimate	Description	Estimated Lifespan (years)	Estimated Residual Asset Value at End of 20 yrs
Landfill Compactor	450,000	Cat 816 or equivalent, including all accessories, taxes included	20	75,000
Excavator	270,000	Hitachi 210 or equivalent, including all accessories, taxes included	20	40,000
Crawler Dozer	200,000	John Deere 650 XLT or equivalent including all accessories, taxes included	20	30,000
Roll-Off Truck with Bin	215,000	Peterbilt or equivalent, taxes included	20	30,000
Dump Truck (Split 50/50 with Clearview)	97,000	Kenworth T800 or equivalent, with 10 yd box, taxes incl. (50% of \$194,000)	15	30,000
Attendant's Office & Storage Shed	60,000	Includes building, foundation and sewage tank	50	10,000
Fuel Tank	10,000	1,000 gallon	20	2,500
Fire Fighting Equipment	5,000		20	-
Total	1,307,000			217,500

Operations	2015	
Wages	178,648	See Wages & Benefits Sheet
Benefits	46,517	See Wages & Benefits Sheet
	225,165	

Equipment Maintenance

Landfill Compactor	2,500	Servicing
Excavator	2,500	Servicing
Crawler Dozer	2,000	Servicing
Roll-Off Truck	1,000	Servicing
Roll-Off Truck Tires	1,900	\$6,000 per set X 3 sets in 20 years = \$900 + \$1,000 per year for flat repair
Dump Truck Mtce (50%)	1,000	50% of \$2,000 shared with Clearview
Dump Truck Tires (50%)	1,100	50% of \$6k per set X 4 sets in 20 years + \$1,000 per year for flat repair
	12,000	

Equipment Fuel

		Litres
Landfill Compactor	18,000	12,000
Excavator	22,500	15,000
Crawler Dozer	8,250	5,500
Roll-Off Truck	7,500	5,000
Dump Truck	10,500	7,000
	66,750	44,500

Equipment Repair

Landfill Compactor	3,375	15% of capital cost over 20 years with 10,000 hrs use
Excavator	2,025	15% of capital cost over 20 years with 10,000 hrs use
Crawler Dozer	1,500	15% of capital cost over 20 years with 10,000 hrs use
Roll-Off Truck	1,613	15% of capital cost over 20 years with 5,000 hrs use
Dump Truck (Split 50/50 with Clearview)	728	15% of capital cost over 20 years with 3,500 hrs use
	9,240	

Other

Operating Contingency	16,615	(5%)
Administration Costs	10,000	
Communications	1,000	
Property Insurance	2,400	Premium Rate of \$1.82/\$1,000
Vehicle Insurance	750	50% of \$1,500 shared with Clearview
Utilities	6,000	
Training	5,000	
	41,765	
Total	354,920	

Assumptions
1. Waste Volume = 14,648 Metric Tonnes (2013 volume)
2. Wages - Three Employees (2@9hrs/day, 7 days/week \$28 per hour averaging agreement) (1@8 hrs/day, 5 days/week \$24 per hour)
3. Benefits Assume Family coverage
4. Fuel price \$1.50 per litre (marked diesel)
5. Fuel usage is based on reports from the existing contractor, discussions with equipment suppliers and anticipated use.

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RDBN Clearview Landfill Financial Analysis

<u>Capital Costs</u>	<u>Estimate</u>	<u>Description</u>	<u>Estimated Lifespan (years)</u>	<u>Estimated Residual Asset Value at End of 20 yrs</u>
Landfill Compactor	450,000	Cat 816 or equivalent, including all accessories, taxes included	20	75,000
Excavator	270,000	Hitachi 210 or equivalent, including all accessories, taxes included	20	40,000
Crawler Dozer	200,000	John Deere 650 XLT or equivalent including all accessories, taxes included	20	30,000
Dump Truck (Split 50/50 with Knockholt)	97,000	Kenworth T800 or equivalent, with 10 yd box, taxes incl. (50% of \$194,000)	15	30,000
Attendant's Office & Storage Shed	58,000	Includes building, foundation and sewage tank	50	10,000
Fuel Tank	10,000	1,000 gallon	20	2,500
Fire Fighting Equipment	5,000		20	-
Total	1,090,000			187,500

<u>Operations</u>	<u>2015</u>
Wages	68,852 See Wages & Benefits Sheet
Benefits	16,777 See Wages & Benefits Sheet
	<u>85,629</u>

Equipment Maintenance

Landfill Compactor	2,000	Servicing
Excavator	2,000	Servicing
Crawler Dozer	1,500	Servicing
Dump Truck Mtce(50%)	1,000	50% of \$2,000 shared with Knockholt
Dump Truck Tires (50%)	1,100	50% of \$6k per set X 4 sets in 20 years + \$1,000 per year for flat repair
	<u>7,600</u>	

Equipment Fuel

	<u>Cost @\$1.50/L</u>	<u>Litres</u>
Landfill Compactor	13,500	9,000
Excavator	18,000	12,000
Crawler Dozer	8,250	5,500
Dump Truck	10,500	<u>7,000</u>
	<u>50,250</u>	<u>33,500</u>

Equipment Repair

Landfill Compactor	2,250	10% of capital cost over 20 years with 7,000 hrs use
Excavator	1,350	10% of capital cost over 20 years with 7,000 hrs use
Crawler Dozer	1,000	10% of capital cost over 20 years with 7,000 hrs use
Dump Truck (Split 50/50 with Knockholt)	485	10% of capital cost over 20 years with 2,500 hrs use
	<u>5,085</u>	

Other

Operating Contingency	8,366	(5%)
Administration Costs	10,000	
Communications	1,000	
Property Insurance	2,000	Premium Rate of \$1.82/\$1,000
Vehicle Insurance	750	50% of \$1,500 shared with Knockholt
Utilities	6,000	
Training	5,000	
	<u>33,116</u>	
Total	181,680	

Assumptions

1. Waste Volume = 9,086 Metric Tonnes (2013 volume)
2. Wages - One employee (1@8hrs/day, 5 days/week \$28 per hour)
3. Benefits Assume Family coverage
4. Fuel price \$1.50 per litre (marked diesel)
5. Fuel usage is based on reports from the existing contractor, discussions with equipment suppliers and anticipated use.

AH

**Regional District of Bulkley-Nechako
Proposed Landfill Employees**

	Wage Rate	ANNUAL SALARY	Vacation Pay	0.0188 E.I. 48600	C.P.P. 52500	Superann. [Pension] 0.0952 0.1022	MONTHLY RATES:			Dental & Other 3,546	MSP 1,662	Medical Travel Benefit Estimate 200	77900 W.C.B. 0.0106	Total Benefits &		
							Dental 45.96	Ext Hlth 130.91	CI & Life LTD & ADD 104.59					Total Wages	Payroll Taxes	Total
Knockholt																
Employee 1 (7 - 9 hr days 1638 hrs yr)	28.00	45,864		1,207	2,097	4,687	45.96	130.91	104.59	3,546	1,662	200	486	45,864	13,886	59,750
Employee 2 (7 - 9 hr days 1638 hrs yr)	28.00	45,864		1,207	2,097	4,687	45.96	130.91	104.59	3,546	1,662	200	486	45,864	13,886	59,750
Employee 3 (5 days week - 8 hours/day)	24.00	49,920		1,279	2,298	5,102	45.96	130.91	104.59	3,546	1,662	200	529	49,920	14,617	64,537
11 Stat holidays for second person	28.00	2,772											29	2,772	29	2,801
- 12 weeks coverage for Vac & sick	26.67	20,160	806	552	865								222	20,966	1,639	22,605
Spring Cleanup 2 employees X 4 weeks	15.00	4,800	192	131	74								53	4,992	258	5,250
Contingency - 5%														8,269	2,203	10,472
														<u>178,648</u>	<u>46,517</u>	<u>225,165</u>
Clearview																
Employee 1 (5 days week - 8 hours/day)	28.00	58,240		1,279	2,426	5,952	45.96	130.91	104.59	3,546	1,662	200	617.34	58,240	15,683	73,923
- 4 weeks coverage for Vac & sick	28.00	4,480	179	123	57								49.39	4,659	229	4,889
Spring Cleanup 2 employees X 3 weeks	15.00	2,700	108	74	-34								29.76	2,808	69	2,877
Contingency - 5%														3,145	796	3,941
														<u>68,852</u>	<u>16,777</u>	<u>85,629</u>

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Knockholt Debt Amortization

20 Year Term

S/F Factor:

Proceeds 1,307,000.00

Fees 1.6% 21,252.03

Principal: 1,285,747.97Interest Rate: 3.00%

0.02358175

	Principal Pymnt	Interest Pymnt	Total Pymnt	Actuarial	Reducing Balance	Annual Payments
					1,328,252.03	
Yr 1 Semi Annual		33,206.30	33,206.30		1,328,252.03	111,017.53
Yr 1 Annual	44,605.03	33,206.30	77,811.33		1,283,647.00	
Yr 2 Semi Annual		33,206.30	33,206.30		1,283,647.00	
Yr 2 Annual	44,605.03	33,206.30	77,811.33	1,784.20	1,237,257.78	
Yr 3 Semi Annual		33,206.30	33,206.30		1,237,257.78	
Yr 3 Annual	44,605.03	33,206.30	77,811.33	3,639.77	1,189,012.98	
Yr 4 Semi Annual		33,206.30	33,206.30		1,189,012.98	
Yr 4 Annual	44,605.03	33,206.30	77,811.33	5,569.56	1,138,838.39	
Yr 5 Semi Annual		33,206.30	33,206.30		1,138,838.39	
Yr 5 Annual	44,605.03	33,206.30	77,811.33	7,576.55	1,086,656.81	
Yr 6 Semi Annual		33,206.30	33,206.30		1,086,656.81	
Yr 6 Annual	44,605.03	33,206.30	77,811.33	9,653.81	1,032,387.98	
Yr 7 Semi Annual		33,206.30	33,206.30		1,032,387.98	
Yr 7 Annual	44,605.03	33,206.30	77,811.33	11,834.56	975,948.39	
Yr 8 Semi Annual		33,206.30	33,206.30		975,948.39	
Yr 8 Annual	44,605.03	33,206.30	77,811.33	14,092.15	917,251.21	
Yr 9 Semi Annual		33,206.30	33,206.30		917,251.21	
Yr 9 Annual	44,605.03	33,206.30	77,811.33	16,440.03	856,206.15	
Yr 10 Semi Annual		33,206.30	33,206.30		856,206.15	
Yr 10 Annual	44,605.03	33,206.30	77,811.33	18,861.84	792,719.29	
Yr 11 Semi Annual		33,206.30	33,206.30		792,719.29	
Yr 11 Annual	44,605.03	33,206.30	77,811.33	21,421.31	726,692.95	
Yr 12 Semi Annual		33,206.30	33,206.30		726,692.95	
Yr 12 Annual	44,605.03	33,206.30	77,811.33	24,062.36	658,025.56	
Yr 13 Semi Annual		33,206.30	33,206.30		658,025.56	
Yr 13 Annual	44,605.03	33,206.30	77,811.33	26,809.06	586,611.47	
Yr 14 Semi Annual		33,206.30	33,206.30		586,611.47	
Yr 14 Annual	44,605.03	33,206.30	77,811.33	29,665.62	512,340.82	
Yr 15 Semi Annual		33,206.30	33,206.30		512,340.82	
Yr 15 Annual	44,605.03	33,206.30	77,811.33	32,636.45	435,099.34	
Yr 16 Semi Annual		33,206.30	33,206.30		435,099.34	
Yr 16 Annual	44,605.03	33,206.30	77,811.33	35,726.11	354,768.21	
Yr 17 Semi Annual		33,206.30	33,206.30		354,768.21	
Yr 17 Annual	44,605.03	33,206.30	77,811.33	38,939.35	271,223.83	
Yr 18 Semi Annual		33,206.30	33,206.30		271,223.83	
Yr 18 Annual	44,605.03	33,206.30	77,811.33	42,281.13	184,337.67	
Yr 19 Semi Annual		33,206.30	33,206.30		184,337.67	
Yr 19 Annual	44,605.03	33,206.30	77,811.33	45,756.57	93,976.07	
Yr 20 Semi Annual		33,206.30	33,206.30		93,976.07	
Yr 20 Annual	44,605.03	33,206.30	77,811.33	49,371.04	0.00	
TOTALS:	892,100.56	1,328,252.03	2,220,352.60	436,151.47		

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Clearview Debt Amortization

20 Year Term

Proceeds 1,090,000.00
 Fees 1.6% 17,723.58
 Principal: 1,072,276.42

Interest Rate:

S/F Factor:

0.03358175

	Principal Pymnt	Interest Pymnt	Total Pymnt	Actualial	Reducing Balance	Annual Payments
					1,107,723.58	
Yr 1 Semi Annual		27,693.09	27,693.09		1,107,723.58	92,585.48
Yr 1 Annual	37,199.30	27,693.09	64,892.39		1,070,524.28	
Yr 2 Semi Annual		27,693.09	27,693.09		1,070,524.28	
Yr 2 Annual	37,199.30	27,693.09	64,892.39	1,487.97	1,031,837.01	
Yr 3 Semi Annual		27,693.09	27,693.09		1,031,837.01	
Yr 3 Annual	37,199.30	27,693.09	64,892.39	3,035.46	991,602.25	
Yr 4 Semi Annual		27,693.09	27,693.09		991,602.25	
Yr 4 Annual	37,199.30	27,693.09	64,892.39	4,544.85	949,758.10	
Yr 5 Semi Annual		27,693.09	27,693.09		949,758.10	
Yr 5 Annual	37,199.30	27,693.09	64,892.39	5,318.62	906,240.19	
Yr 6 Semi Annual		27,693.09	27,693.09		906,240.19	
Yr 6 Annual	37,199.30	27,693.09	64,892.39	8,059.34	860,981.56	
Yr 7 Semi Annual		27,693.09	27,693.09		860,981.56	
Yr 7 Annual	37,199.30	27,693.09	64,892.39	9,869.68	813,912.58	
Yr 8 Semi Annual		27,693.09	27,693.09		813,912.58	
Yr 8 Annual	37,199.30	27,693.09	64,892.39	11,752.44	764,960.84	
Yr 9 Semi Annual		27,693.09	27,693.09		764,960.84	
Yr 9 Annual	37,199.30	27,693.09	64,892.39	13,710.51	714,051.04	
Yr 10 Semi Annual		27,693.09	27,693.09		714,051.04	
Yr 10 Annual	37,199.30	27,693.09	64,892.39	15,746.90	661,104.84	
Yr 11 Semi Annual		27,693.09	27,693.09		661,104.84	
Yr 11 Annual	37,199.30	27,693.09	64,892.39	17,864.75	606,040.79	
Yr 12 Semi Annual		27,693.09	27,693.09		606,040.79	
Yr 12 Annual	37,199.30	27,693.09	64,892.39	20,067.31	548,774.18	
Yr 13 Semi Annual		27,693.09	27,693.09		548,774.18	
Yr 13 Annual	37,199.30	27,693.09	64,892.39	22,357.98	489,216.91	
Yr 14 Semi Annual		27,693.09	27,693.09		489,216.91	
Yr 14 Annual	37,199.30	27,693.09	64,892.39	24,740.27	427,277.35	
Yr 15 Semi Annual		27,693.09	27,693.09		427,277.35	
Yr 15 Annual	37,199.30	27,693.09	64,892.39	27,217.85	362,860.20	
Yr 16 Semi Annual		27,693.09	27,693.09		362,860.20	
Yr 16 Annual	37,199.30	27,693.09	64,892.39	29,794.54	295,866.37	
Yr 17 Semi Annual		27,693.09	27,693.09		295,866.37	
Yr 17 Annual	37,199.30	27,693.09	64,892.39	32,474.29	226,192.79	
Yr 18 Semi Annual		27,693.09	27,693.09		226,192.79	
Yr 18 Annual	37,199.30	27,693.09	64,892.39	35,261.23	153,732.26	
Yr 19 Semi Annual		27,693.09	27,693.09		153,732.26	
Yr 19 Annual	37,199.30	27,693.09	64,892.39	38,159.65	78,373.31	
Yr 20 Semi Annual		27,693.09	27,693.09		78,373.31	
Yr 20 Annual	37,199.30	27,693.09	64,892.39	41,174.01	0.00	
TOTALS:	743,885.93	1,107,723.58	1,851,709.51	363,737.65		

HPB Sept 25, 2014

RDBN Operation of Landfills with Internal Staff
Summary of Cost Analysis - With 10 Year Equipment Life

	Operated Internally by RDBN			Lowest Contractor Bid		
	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>
Operating Costs	382,401	196,854	579,255			
Debt Repayment for Capital Equipment (over 10 Years)	177,044	147,650	324,693			
Annualized Residual Equipment Value	<u>(19,125)</u>	<u>(16,125)</u>	<u>(35,250)</u>			
	<u>540,320</u>	<u>328,378</u>	<u>868,699</u>	<u>633,840</u>	<u>537,900</u>	<u>1,171,740</u>

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RDBN Operation of Landfills with Internal Staff
Summary of Cost Analysis - With 10 Year Equipment Life

	<u>Knockholt</u>	<u>Clearview/</u>	<u>Total</u>
<u>Operating Costs</u>			
Wages & Benefits	234,097	89,911	324,008
Staff Training	5,000	5,000	10,000
Equipment Repairs & Maintenance	38,480	22,855	61,335
Fuel	66,750	50,250	117,000
Insurance	3,150	2,750	5,900
Communications	1,000	1,000	2,000
Administration	10,000	10,000	20,000
Utilities	6,000	6,000	12,000
Contingency (5%)	17,924	9,088	27,012
	<u>382,401</u>	<u>196,854</u>	<u>579,255</u>
<u>Capital Costs</u>			
Debt Repayment	177,044	147,650	324,693
Less Annualized Residual Value	(19,125)	(16,125)	(35,250)
	<u>157,919</u>	<u>131,525</u>	<u>289,443</u>
	<u>540,320</u>	<u>328,378</u>	<u>868,699</u>

RDBN Operation of Landfills with Internal Staff
Landfill Capital Costs

<u>Capital Item</u>	<u>Knockholt</u>	<u>Clearview</u>	<u>Total Cost</u>
Landfill Compactor	450,000	450,000	900,000
Excavator	270,000	270,000	540,000
Crawler Dozer	200,000	200,000	400,000
Roll-Off Truck with Bin	215,000	-	215,000
Dump Truck (Split 50/50 with Clearview)	97,000	97,000	194,000
Attendant's Office & Storage Shed	60,000	58,000	118,000
Fuel Tank	10,000	10,000	20,000
Fire Fighting Equipment	5,000	5,000	10,000
Total	<u>1,307,000</u>	<u>1,090,000</u>	<u>2,397,000</u>

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RDBN Knockholt Landfill Financial Analysis - 10 Year Equipment Life

Capital Costs	Estimate	Description	Estimated Lifespan (years)	Estimated Residual Asset Value at End of 10 yrs
Landfill Compactor	450,000	Cat 816 or equivalent, including all accessories, taxes included	10	150,000
Excavator	270,000	Hitachi 210 or equivalent, including all accessories, taxes included	10	80,000
Crawler Dozer	200,000	John Deere 650 XLT or equivalent including all accessories, taxes included	10	60,000
Roll-Off Truck with Bin	215,000	Peterbuilt or equivalent, taxes included	10	60,000
Dump Truck (Split 50/50 with Clearview)	97,000	Kenworth T800 or equivalent, with 10 yd box, taxes incl. (50% of \$194,000)	10	22,500
Attendant's Office & Storage Shed	60,000	Includes building, foundation and sewage tank	50	10,000
Fuel Tank	10,000	1,000 gallon tank	10	-
Fire Fighting Equipment	5,000			382,500
Total	1,307,000			

Operations	2015	
Wages	187,580	See Wages & Benefits Sheet
Benefits	46,517	See Wages & Benefits Sheet
	234,097	

Equipment Maintenance

Landfill Compactor	2,500	Servicing
Excavator	2,500	Servicing
Crawler Dozer	2,000	Servicing
Roll-Off Truck	1,000	Servicing
Roll-Off Truck Tires	2,200	\$6,000 per set X 2 sets in 10 years = \$1,200 + \$1,000 per year for flat repair
Dump Truck Mtce (50%)	1,000	50% of \$2,000 shared with Clearview
Dump Truck Tires (50%)	1,100	50% of \$6k per set X 2 sets in 10 years + \$1,000 per year for flat repair
	12,300	

Equipment Fuel

		Litres
Landfill Compactor	18,000	12,000
Excavator	22,500	15,000
Crawler Dozer	8,250	5,500
Roll-Off Truck	7,500	5,000
Dump Truck	10,500	7,000
	66,750	44,500

Equipment Repair (Including backup rental)

Landfill Compactor	9,563	\$0 in year 1 and 2 ramping up to \$34,875 in yr. 10 (average \$9,563 per year) used 500 hrs. per year
Excavator	5,738	\$0 in year 1 and 2 ramping up to \$20,925 in yr. 10 (average \$5,783 per year) used 500 hrs. per year
Crawler Dozer	4,250	\$0 in year 1 and 2 ramping up to \$15,500 in yr. 10 (average \$4,250 per year) used 500 hrs. per year
Roll-Off Truck	4,569	\$0 in year 1 and 2 ramping up to \$16,663 in yr. 10 (average \$4,569 per year) used 250 hrs. per year
Dump Truck (Split 50/50 with Clearview)	2,061	\$0 in year 1 and 2 ramping up to \$7,518 in yr. 10 (average \$2,061 per year) used 175 hrs. per year
	26,180	

Other

Operating Contingency	17,924	(5%)
Administration Costs	10,000	
Communications	1,000	
Property Insurance	2,400	Premium Rate of \$1.82/\$1,000
Vehicle Insurance	750	50% of \$1,500 shared with Clearview
Utilities	6,000	
Training	5,000	
	43,074	
Total	382,401	

Assumptions

1. Waste Volume = 14,648 Metric Tonnes (2013 volume)
2. Wages - Three Employees (2@9hrs/day, 7 days/week \$28 per hour averaging agreement) (1@8 hrs/day, 5 days/week \$24 per hour)
3. Benefits Assume Family coverage
4. Fuel price \$1.50 per litre (marked diesel)
5. Fuel usage is based on reports from the existing contractor, discussions with equipment suppliers and anticipated use.

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RDBN Clearview Landfill Financial Analysis - 10 Year Equipment Life

Capital Costs	Estimate	Description	Estimated Lifespan (years)	Estimated Residual Asset Value at End of 10 yrs
Landfill Compactor	450,000	Cat 816 or equivalent, including all accessories, taxes included	10	150,000
Excavator	270,000	Hitachi 210 or equivalent, including all accessories, taxes included	10	80,000
Crawler Dozer	200,000	John Deere 650 XLT or equivalent including all accessories, taxes included	10	60,000
Dump Truck (Split 50/50 w/lt Knockholt)	97,000	Kenworth T800 or equivalent, with 10 yd box, taxes incl. (50% of \$194,000)	10	22,500
Attendant's Office & Storage Shed	58,000	Includes building, foundation and sewage tank	50	10,000
Fuel Tank	10,000	1,000 gallon	10	-
Fire Fighting Equipment	5,000			322,500
Total	1,090,000			

Operations	2015	
Wages	72,295	See Wages & Benefits Sheet
Benefits	17,616	See Wages & Benefits Sheet
	89,911	

Equipment Maintenance		
Landfill Compactor	2,000	Servicing
Excavator	2,000	Servicing
Crawler Dozer	1,500	Servicing
Dump Truck Mtce(50%)	1,000	50% of \$2,000 shared with Knockholt
Dump Truck Tires (50%)	1,100	50% of \$6k per set X 2 sets in 10 years + \$1,000 per year for flat repair
	7,600	

Equipment Fuel	Cost @\$1.50/L	Litres
Landfill Compactor	13,500	9,000
Excavator	18,000	12,000
Crawler Dozer	8,250	5,500
Dump Truck	10,500	7,000
	50,250	33,500

Equipment Repair (Including backup rental)		
Landfill Compactor	6,750	\$0 in year 1 and 2 ramping up to \$24,400 in yr. 10 (average \$6,750 per year) used 350 hrs. per year
Excavator	4,050	\$0 in year 1 and 2 ramping up to \$14,650 in yr. 10 (average \$4,050 per year) used 350 hrs. per year
Crawler Dozer	3,000	\$0 in year 1 and 2 ramping up to \$10,850 in yr. 10 (average \$3,000 per year) used 350 hrs. per year
Dump Truck (Split 50/50 with Knockholt)	1,455	\$0 in year 1 and 2 ramping up to \$5,260 in yr. 10 (average \$1,455 per year) used 125 hrs. per year
	15,255	

Other		
Operating Contingency	9,088	(5%)
Administration Costs	10,000	
Communications	1,000	
Property Insurance	2,000	Premium Rate of \$1.82/\$1,000
Vehicle Insurance	750	50% of \$1,500 shared with Knockholt
Utilities	6,000	
Training	5,000	
	33,838	
Total	196,854	

Assumptions
1. Waste Volume = 9,086 Metric Tonnes (2013 volume)
2. Wages - One employee (1@8hrs/day, 5 days/week \$28 per hour)
3. Benefits Assume Family coverage
4. Fuel price \$1.50 per litre (marked diesel)
5. Fuel usage is based on reports from the existing contractor, discussions with equipment suppliers and anticipated use.

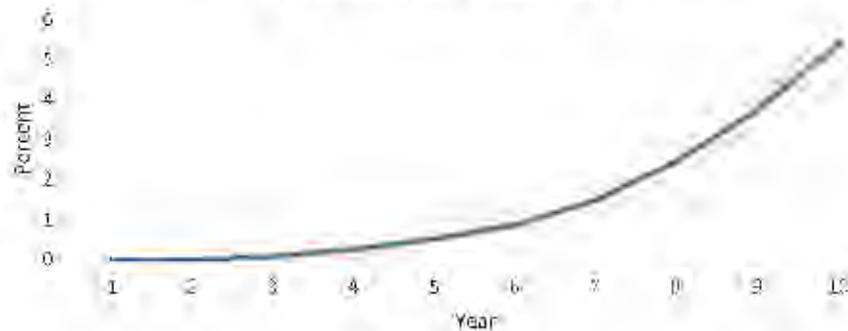
HP

Annual Repair Cost as a Percentage of Equipment Purchase Cost - Knockholt



	1	2	3	4	5	6	7	8	9	10	Average
Repair Cost in Percent	0.000	0.000	0.125	0.375	0.750	1.250	2.125	3.500	5.375	7.750	2.125
Repair Cost in Dollars	-	-	1,540	4,620	9,240	15,400	26,180	43,120	66,220	95,480	26,180

Annual Repair Cost as a Percentage of Equipment Purchase Cost - Clearview



Year	1	2	3	4	5	6	7	8	9	10	Average
Repair Cost in Percent	0.000	0.000	0.088	0.263	0.525	0.875	1.488	2.450	3.769	5.425	1.488
Repair Cost in Dollars	-	-	890	2,670	5,339	8,899	15,128	24,917	38,265	55,172	15,128

**Regional District of Bulkley-Nechako
Proposed Landfill Employees**

	Wage Rate	ANNUAL SALARY	Vacation Pay	0.0188		Superann. (Pension)	MONTHLY RATES:			Dental & Other	MSP	Medical Travel Benefit	77900 W.C.B. 0.0106	Total Benefits &		
				E.I. 48600	C.P.P. 52500		Dental 45.96	Ext Hlth 130.91	CI & Life LTD & ADD 104.59					Wages	Payroll Taxes	Total
Knockholt																
Employee 1 (7 - 9 hr days 1638 hrs yr)	28.00	45,864		1,207	2,097	4,687	45.96	130.91	104.59	3,546	1,662	200	486	45,864	13,886	59,750
Employee 2 (7 - 9 hr days 1638 hrs yr)	28.00	45,864		1,207	2,097	4,687	45.96	130.91	104.59	3,546	1,662	200	486	45,864	13,886	59,750
Employee 3 (5 days week - 8 hours/day)	24.00	49,920		1,279	2,298	5,102	45.96	130.91	104.59	3,546	1,662	200	529	49,920	14,617	64,537
11 Stat holidays for second person	28.00	2,772											29	2,772	29	2,801
- 12 weeks coverage for Vac & sick	26.67	20,160	806	55.2	865								222	20,966	1,639	22,605
Spring Cleanup 2 employees X 4 weeks	15.00	4,800	192	131	74								53	4,992	258	5,250
Contingency - 5%														8,269	2,203	10,472
CPI Contingency (2% per year for 5 years)														8,932	2,326	11,258
														187,580	46,517	234,097
Clearview																
Employee 1 (5 days week - 8 hours/day)	28.00	58,240		1,279	2,426	5,952	45.96	130.91	104.59	3,546	1,662	200	617.34	58,240	15,683	73,923
- 4 weeks coverage for Vac & sick	28.00	4,480	179	123	57								49.39	4,659	229	4,889
Spring Cleanup 2 employees X 3 weeks	15.00	2,700	108	74	-34								29.76	2,808	69	2,877
Contingency - 5%														3,145	796	3,941
CPI Contingency (2% per year for 5 years)														3,443	839	4,281
														72,295	17,616	89,911

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Knockholt Debt Amortization

10 Year Term

Proceeds 1,307,000.00
 Fees 1.8% 21,252.03
 Principal: 1,285,747.97

Interest Rate: 2.00%

S/F Factor:
 0.00290944

	Principal Pymnt	Interest Pymnt	Total Pymnt	Actuarial	Reducing Balance	Annual Payments
					1,328,252.03	
Yr 1 Semi Annual		33,206.30	33,206.30		1,328,252.03	177,043.97
Yr 1 Annual	110,631.37	33,206.30	143,837.67		1,217,620.67	
Yr 2 Semi Annual		33,206.30	33,206.30		1,217,620.67	
Yr 2 Annual	110,631.37	33,206.30	143,837.67	4,425.25	1,102,564.05	
Yr 3 Semi Annual		33,206.30	33,206.30		1,102,564.05	
Yr 3 Annual	110,631.37	33,206.30	143,837.67	9,027.52	982,905.16	
Yr 4 Semi Annual		33,206.30	33,206.30		982,905.16	
Yr 4 Annual	110,631.37	33,206.30	143,837.67	13,813.87	858,459.92	
Yr 5 Semi Annual		33,206.30	33,206.30		858,459.92	
Yr 5 Annual	110,631.37	33,206.30	143,837.67	18,791.68	729,036.87	
Yr 6 Semi Annual		33,206.30	33,206.30		729,036.87	
Yr 6 Annual	110,631.37	33,206.30	143,837.67	23,968.61	594,436.90	
Yr 7 Semi Annual		33,206.30	33,206.30		594,436.90	
Yr 7 Annual	110,631.37	33,206.30	143,837.67	29,352.61	454,452.92	
Yr 8 Semi Annual		33,206.30	33,206.30		454,452.92	
Yr 8 Annual	110,631.37	33,206.30	143,837.67	34,951.96	308,869.59	
Yr 9 Semi Annual		33,206.30	33,206.30		308,869.59	
Yr 9 Annual	110,631.37	33,206.30	143,837.67	40,775.30	157,462.93	
Yr 10 Semi Annual		33,206.30	33,206.30		157,462.93	
Yr 10 Annual	110,631.37	33,206.30	143,837.67	46,831.56	-0.00	
TOTALS:	1,106,313.66	664,125.02	1,770,439.68	221,938.37		

Clearview Debt Amortization

10 Year Term

Proceeds 1,090,000.00
 Fees 1.6% 17,723.58
 Principal 1,072,276.42

Interest Rate 3.75%

S/F Factor:
 0.003290944

	Principal Pymnt	Interest Pymnt	Total Pymnt	Actuarial	Reducing Balance	Annual Payments
					1,107,723.58	
Yr 1 Semi Annual		27,693.09	27,693.09		1,107,723.58	147,649.52
Yr 1 Annual	92,263.34	27,693.09	119,956.43		1,015,460.23	
Yr 2 Semi Annual		27,693.09	27,693.09		1,015,460.23	
Yr 2 Annual	92,263.34	27,693.09	119,956.43	3,690.53	919,506.36	
Yr 3 Semi Annual		27,693.09	27,693.09		919,506.36	
Yr 3 Annual	92,263.34	27,693.09	119,956.43	7,528.69	819,714.33	
Yr 4 Semi Annual		27,693.09	27,693.09		819,714.33	
Yr 4 Annual	92,263.34	27,693.09	119,956.43	11,520.37	715,930.61	
Yr 5 Semi Annual		27,693.09	27,693.09		715,930.61	
Yr 5 Annual	92,263.34	27,693.09	119,956.43	15,671.72	607,995.55	
Yr 6 Semi Annual		27,693.09	27,693.09		607,995.55	
Yr 6 Annual	92,263.34	27,693.09	119,956.43	19,989.47	495,743.09	
Yr 7 Semi Annual		27,693.09	27,693.09		495,743.09	
Yr 7 Annual	92,263.34	27,693.09	119,956.43	24,479.22	379,000.53	
Yr 8 Semi Annual		27,693.09	27,693.09		379,000.53	
Yr 8 Annual	92,263.34	27,693.09	119,956.43	29,148.92	257,588.26	
Yr 9 Semi Annual		27,693.09	27,693.09		257,588.26	
Yr 9 Annual	92,263.34	27,693.09	119,956.43	34,005.41	131,319.51	
Yr 10 Semi Annual		27,693.09	27,693.09		131,319.51	
Yr 10 Annual	92,263.34	27,693.09	119,956.43	39,056.16	-0.00	
TOTALS	922,633.43	553,861.79	1,476,495.22	185,090.15		

RDBN Operation of Landfills with Internal Staff
Summary of Cost Analysis - With 10 Year Equipment Life - No Residual Value

	Operated Internally by RDBN			Lowest Contractor Bid		
	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>
Operating Costs	382,401	196,720	579,122			
Debt Repayment for Capital Equipment (over 10 Years)	177,044	147,650	324,693			
Annualized Residual Equipment Value	-	-	-			
	<u>559,445</u>	<u>344,370</u>	<u>903,815</u>	<u>633,840</u>	<u>537,900</u>	<u>1,171,740</u>

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RDBN Operation of Landfills with Internal Staff
Summary of Cost Analysis - With 10 Year Equipment Life -No Residual Value

	<u>Knockholt</u>	<u>Clearview</u>	<u>Total</u>
<u>Operating Costs</u>			
Wages & Benefits	234,097	89,911	324,008
Staff Training	5,000	5,000	10,000
Equipment Repairs & Maintenance	38,480	22,728	61,208
Fuel	66,750	50,250	117,000
Insurance	3,150	2,750	5,900
Communications	1,000	1,000	2,000
Administration	10,000	10,000	20,000
Utilities	6,000	6,000	12,000
Contingency (5%)	17,924	9,082	27,006
	<u>382,401</u>	<u>196,720</u>	<u>579,122</u>
<u>Capital Costs</u>			
Debt Repayment	177,044	147,650	324,693
Less Annualized Residual Value			
	<u>177,044</u>	<u>147,650</u>	<u>324,693</u>
	<u>559,445</u>	<u>344,370</u>	<u>903,815</u>

RDBN Operation of Landfills with Internal Staff
Landfill Capital Costs

<u>Capital Item</u>	<u>Knockholt</u>	<u>Clearview</u>	<u>Total Cost</u>
Landfill Compactor	450,000	450,000	900,000
Excavator	270,000	270,000	540,000
Crawler Dozer	200,000	200,000	400,000
Roll-Off Truck with Bin	215,000	-	215,000
Dump Truck (Split 50/50 with Clearview)	97,000	97,000	194,000
Attendant's Office & Storage Shed	60,000	58,000	118,000
Fuel Tank	10,000	10,000	20,000
Fire Fighting Equipment	5,000	5,000	10,000
Total	<u>1,307,000</u>	<u>1,090,000</u>	<u>2,397,000</u>

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RDBN Knockholt Landfill Financial Analysis - 10 Year Equipment Life - No Residual Value

Capital Costs	Estimate	Description	Estimated Lifespan (years)	Estimated Residual Asset Value at End of 10 yrs
Landfill Compactor	450,000	Cat 816 or equivalent, including all accessories, taxes included	10	NIL
Excavator	270,000	Hitachi 210 or equivalent, including all accessories, taxes included	10	NIL
Crawler Dozer	200,000	John Deere 650 XLT or equivalent including all accessories, taxes included	10	NIL
Roll-Off Truck with Bin	215,000	Peterbilt or equivalent, taxes included	10	NIL
Dump Truck (Split 50/50 with Clearview)	97,000	Kenworth T800 or equivalent, with 10 yd box, taxes incl. (50% of \$194,000)	10	NIL
Attendant's Office & Storage Shed	60,000	Includes building, foundation and sewage tank	50	NIL
Fuel Tank	10,000	1,000 gallon tank	10	NIL
Fire Fighting Equipment	5,000			-
Total	1,307,000			

Operations	2015	
Wages	187,580	See Wages & Benefits Sheet
Benefits	46,517	See Wages & Benefits Sheet
	234,097	

Equipment Maintenance

Landfill Compactor	2,500	Servicing
Excavator	2,500	Servicing
Crawler Dozer	2,000	Servicing
Roll-Off Truck	1,000	Servicing
Roll-Off Truck Tires	2,200	\$6,000 per set X 2 sets in 10 years = \$1,200 + \$1,000 per year for flat repair
Dump Truck Mtce (50%)	1,000	50% of \$2,000 shared with Clearview
Dump Truck Tires (50%)	1,100	50% of \$6k per set X 2 sets in 10 years + \$1,000 per year for flat repair
	12,300	

Equipment Fuel

		Litres
Landfill Compactor	18,000	12,000
Excavator	22,500	15,000
Crawler Dozer	8,250	5,500
Roll-Off Truck	7,500	5,000
Dump Truck	10,500	7,000
	66,750	44,500

Equipment Repair (Including backup rental)

Landfill Compactor	9,563	\$0 in year 1 and 2 ramping up to \$34,875 in yr. 10 (average \$9,563 per year) used 500 hrs. per year
Excavator	5,738	\$0 in year 1 and 2 ramping up to \$20,925 in yr. 10 (average \$5,783 per year) used 500 hrs. per year
Crawler Dozer	4,250	\$0 in year 1 and 2 ramping up to \$15,500 in yr. 10 (average \$4,250 per year) used 500 hrs. per year
Roll-Off Truck	4,569	\$0 in year 1 and 2 ramping up to \$16,663 in yr. 10 (average \$4,569 per year) used 250 hrs. per year
Dump Truck (Split 50/50 with Clearview)	2,061	\$0 in year 1 and 2 ramping up to \$7,518 in yr. 10 (average \$2,061 per year) used 175 hrs. per year
	26,180	

Other

Operating Contingency	17,924	(5%)
Administration Costs	10,000	
Communications	1,000	
Property Insurance	2,400	Premium Rate of \$1.82/\$1,000
Vehicle Insurance	750	50% of \$1,500 shared with Clearview
Utilities	6,000	
Training	5,000	
	43,074	
Total	382,401	

Assumptions
1. Waste Volume = 14,648 Metric Tonnes (2013 volume)
2. Wages - Three Employees (2@9hrs/day, 7 days/week \$28 per hour averaging agreement) (1@8 hrs/day, 5 days/week \$24 per hour)
3. Benefits Assume Family coverage
4. Fuel price \$1.50 per litre (marked diesel)
5. Fuel usage is based on reports from the existing contractor, discussions with equipment suppliers and anticipated use.

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RDBN Clearview Landfill Financial Analysis - 10 Year Equipment Life - No Residual Value

<u>Capital Costs</u>	<u>Estimate</u>	<u>Description</u>	<u>Estimated Lifespan (years)</u>	<u>Estimated Residual Asset Value at End of 10 yrs</u>
Landfill Compactor	450,000	Cat 816 or equivalent, including all accessories, taxes included	10	NIL
Excavator	270,000	Hitachi 210 or equivalent, including all accessories, taxes included	10	NIL
Crawler Dozer	200,000	John Deere 650 XLT or equivalent including all accessories, taxes included	10	NIL
Dump Truck (Split 50/50 with Knockholt)	97,000	Kenworth T800 or equivalent, with 10 yd box, taxes incl. (50% of \$194,000)	10	NIL
Attendant's Office & Storage Shed	58,000	Includes building, foundation and sewage tank	50	NIL
Fuel Tank	10,000	1,000 gallon	10	NIL
Fire Fighting Equipment	5,000			-
Total	1,090,000			

<u>Operations</u>	<u>2015</u>	
Wages	72,295	See Wages & Benefits Sheet
Benefits	17,616	See Wages & Benefits Sheet
	<u>89,911</u>	

<u>Equipment Maintenance</u>		
Landfill Compactor	2,000	Servicing
Excavator	2,000	Servicing
Crawler Dozer	1,500	Servicing
Dump Truck Mtce(50%)	1,000	50% of \$2,000 shared with Knockholt
Dump Truck Tires (50%)	1,100	50% of \$6k per set X 2 sets in 10 years + \$1,000 per year for flat repair
	<u>7,600</u>	

<u>Equipment Fuel</u>	<u>Cost @\$1.50/L</u>	<u>Litres</u>
Landfill Compactor	13,500	9,000
Excavator	18,000	12,000
Crawler Dozer	8,250	5,500
Dump Truck	10,500	7,000
	<u>50,250</u>	<u>33,500</u>

<u>Equipment Repair (Including backup rental)</u>		
Landfill Compactor	6,694	\$0 in year 1 and 2 ramping up to \$24,400 in yr. 10 (average \$6,750 per year) used 350 hrs. per year
Excavator	4,016	\$0 in year 1 and 2 ramping up to \$14,650 in yr. 10 (average \$4,050 per year) used 350 hrs. per year
Crawler Dozer	2,975	\$0 in year 1 and 2 ramping up to \$10,850 in yr. 10 (average \$3,000 per year) used 350 hrs. per year
Dump Truck (Split 50/50 with Knockholt)	1,443	\$0 in year 1 and 2 ramping up to \$5,260 in yr. 10 (average \$1,455 per year) used 125 hrs. per year
	<u>15,128</u>	

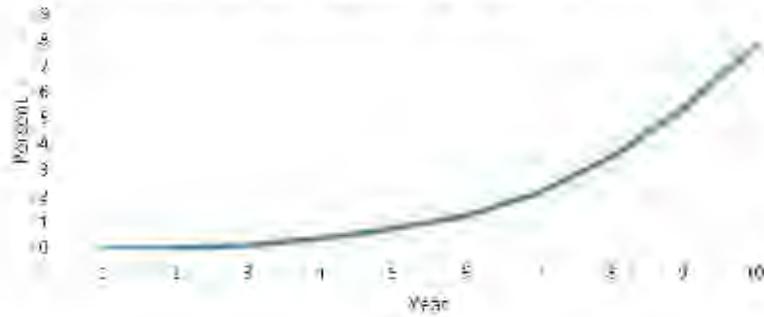
<u>Other</u>		
Operating Contingency	9,082	(5%)
Administration Costs	10,000	
Communications	1,000	
Property Insurance	2,000	Premium Rate of \$1.82/\$1,000
Vehicle Insurance	750	50% of \$1,500 shared with Knockholt
Utilities	6,000	
Training	5,000	
	<u>33,832</u>	
Total	196,720	

<u>Assumptions</u>
1. Waste Volume = 9,086 Metric Tonnes (2013 volume)
2. Wages - One employee (1@8hrs/day, 5 days/week \$28 per hour)
3. Benefits Assume Family coverage
4. Fuel price \$1.50 per litre (marked diesel)
5. Fuel usage is based on reports from the existing contractor, discussions with equipment suppliers and anticipated use.

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Annual Repair Cost as a Percentage of Equipment Purchase Cost - Knockholt



Year	1	2	3	4	5	6	7	8	9	10	Average
Repair Cost in Percent	0.000	0.000	0.175	0.375	0.750	1.250	2.125	3.500	5.375	7.750	2.125
Repair Cost in Dollars	-	-	1,540	4,620	9,240	15,400	26,180	43,120	66,220	95,480	26,180

Annual Repair Cost as a Percentage of Equipment Purchase Cost - Clearview



Year	1	2	3	4	5	6	7	8	9	10	Average
Repair Cost in Percent	0.000	0.000	0.088	0.263	0.525	0.875	1.488	2.450	3.763	5.425	1.488
Repair Cost in Dollars	-	-	890	2,670	5,339	8,899	15,128	24,917	38,265	55,172	15,128

**Regional District of Bulkley-Nechako
Proposed Landfill Employees**

	Wage Rate	ANNUAL	Vacation	0.0188	C.P.P.	Superann.	MONTHLY RATES:				Medical Travel Benefit Estimate	77900 W.C.B. 0.0106	Total Benefits				
		SALARY	Pay	E.I. 48600		{Pension}	Dental	Ext Hlth	CI & Life LTD & ADD	& Other 5% cushion			MSP	Total Wages	& Payroll Taxes	Total	
Knockholt				1279.152	2425.5	0.1022	20.9	61.33									
Employee 1 (7 - 9 hr days 1638 hrs yr)	28.00	45,864		1,207	2,097	4,687	45.96	130.91	104.59	3,546	1,662	200	486	45,864	13,886	59,750	
Employee 2 (7 - 9 hr days 1638 hrs yr)	28.00	45,864		1,207	2,097	4,687	45.96	130.91	104.59	3,546	1,662	200	486	45,864	13,886	59,750	
Employee 3 (5 days week - 8 hours/day)	24.00	49,920		1,279	2,298	5,102	45.96	130.91	104.59	3,546	1,662	200	529	49,920	14,617	64,537	
11 Stat holidays for second person	28.00	2,772											29	2,772	29	2,801	
- 12 weeks coverage for Vac & sick	26.67	20,160	806	552	865								222	20,966	1,639	22,605	
Spring Cleanup 2 employees X 4 weeks	15.00	4,800	192	131	74								53	4,992	258	5,250	
Contingency - 5%														8,269	2,203	10,472	
CPI Contingency (2% for 5 years)														8,932	2,326	11,258	
														187,580	46,517	234,097	
Clearview																	
Employee 1 (5 days week - 8 hours/day)	28.00	58,240		1,279	2,426	5,952	45.96	130.91	104.59	3,546	1,662	200	617.34	58,240	15,683	73,923	
- 4 weeks coverage for Vac & sick	28.00	4,480	179	123	57								49.39	4,659	229	4,889	
Spring Cleanup 2 employees X 3 weeks	15.00	2,700	108	74	-34								29.76	2,808	69	2,877	
Contingency - 5%														3,145	796	3,941	
CPI Contingency (2% for 5 years)														3,443	839	4,281	
														72,295	17,616	89,911	

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Knockholt Debt Amortization

10 Year Term

Proceeds 1,307,000.00

Fees 1.6% 21,252.03

Principal 1,285,747.97

Interest Rate 6.00%

SP Factor

0.083258974

Annual

Payments

	Principal Pymnt	Interest Pymnt	Total Pymnt	Actuarial	Reducing Balance	Annual Payments
					1,328,252.03	
Yr 1 Semi Annual		33,206.30	33,206.30		1,328,252.03	177,043.97
Yr 1 Annual	110,631.37	33,206.30	143,837.67		1,217,620.67	
Yr 2 Semi Annual		33,206.30	33,206.30		1,217,620.67	
Yr 2 Annual	110,631.37	33,206.30	143,837.67	4,425.25	1,102,564.05	
Yr 3 Semi Annual		33,206.30	33,206.30		1,102,564.05	
Yr 3 Annual	110,631.37	33,206.30	143,837.67	9,027.52	982,905.16	
Yr 4 Semi Annual		33,206.30	33,206.30		982,905.16	
Yr 4 Annual	110,631.37	33,206.30	143,837.67	13,813.87	858,459.92	
Yr 5 Semi Annual		33,206.30	33,206.30		858,459.92	
Yr 5 Annual	110,631.37	33,206.30	143,837.67	18,791.68	729,036.87	
Yr 6 Semi Annual		33,206.30	33,206.30		729,036.87	
Yr 6 Annual	110,631.37	33,206.30	143,837.67	23,968.61	594,436.90	
Yr 7 Semi Annual		33,206.30	33,206.30		594,436.90	
Yr 7 Annual	110,631.37	33,206.30	143,837.67	29,352.61	454,452.92	
Yr 8 Semi Annual		33,206.30	33,206.30		454,452.92	
Yr 8 Annual	110,631.37	33,206.30	143,837.67	34,951.96	308,869.59	
Yr 9 Semi Annual		33,206.30	33,206.30		308,869.59	
Yr 9 Annual	110,631.37	33,206.30	143,837.67	40,775.30	157,462.93	
Yr 10 Semi Annual		33,206.30	33,206.30		157,462.93	
Yr 10 Annual	110,631.37	33,206.30	143,837.67	46,831.56	0.00	
TOTALS:	1,106,313.66	664,126.02	1,770,439.68	221,938.37		

Clearview Debt Amortization

10 Year Term

Proceeds 1,090,000.00
Fees 1.6% 17,723.58
Principal: 1,072,276.42

Interest Rate: 2.00%

S/F Factor
0.05320044

	Principal Pymnt	Interest Pymnt	Total Pymnt	Actuarial	Reducing Balance	Annual Payments
					1,107,723.58	
Yr 1 Semi Annual		27,693.09	27,693.09		1,107,723.58	147,649.52
Yr 1 Annual	92,263.34	27,693.09	119,956.43		1,015,460.23	
Yr 2 Semi Annual		27,693.09	27,693.09		1,015,460.23	
Yr 2 Annual	92,263.34	27,693.09	119,956.43	3,690.53	919,506.36	
Yr 3 Semi Annual		27,693.09	27,693.09		919,506.36	
Yr 3 Annual	92,263.34	27,693.09	119,956.43	7,528.69	819,714.33	
Yr 4 Semi Annual		27,693.09	27,693.09		819,714.33	
Yr 4 Annual	92,263.34	27,693.09	119,956.43	11,520.37	715,930.61	
Yr 5 Semi Annual		27,693.09	27,693.09		715,930.61	
Yr 5 Annual	92,263.34	27,693.09	119,956.43	15,671.72	607,995.55	
Yr 6 Semi Annual		27,693.09	27,693.09		607,995.55	
Yr 6 Annual	92,263.34	27,693.09	119,956.43	19,989.12	495,743.09	
Yr 7 Semi Annual		27,693.09	27,693.09		495,743.09	
Yr 7 Annual	92,263.34	27,693.09	119,956.43	24,479.22	379,000.53	
Yr 8 Semi Annual		27,693.09	27,693.09		379,000.53	
Yr 8 Annual	92,263.34	27,693.09	119,956.43	29,148.92	257,588.26	
Yr 9 Semi Annual		27,693.09	27,693.09		257,588.26	
Yr 9 Annual	92,263.34	27,693.09	119,956.43	34,005.41	131,319.51	
Yr 10 Semi Annual		27,693.09	27,693.09		131,319.51	
Yr 10 Annual	92,263.34	27,693.09	119,956.43	39,056.16	-0.00	
TOTALS:	922,633.43	553,861.79	1,476,495.22	185,090.15		



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REGIONAL DISTRICT OF BULKLEY-NECHAKO
MEMORANDUM

To: Chairperson Miller and Committee of the Whole (January 15, 2015)

From: Janine Dougall
Director of Environmental Services

Date: December 31, 2014

Subject: 2015 Recycling Options

At the October 9, 2014 Committee of the Whole Meeting, the Board of Directors made several motions regarding recycling in the RDBN:

1. That the RDBN Waste Management Committee receive the Director of Environmental Services' September 29, 2014 memo titled Packaging and Printed Paper Recycling: Planning for 2015."
2. Further, that the Waste Management Committee recommend that the RDBN Board of Directors in the 2015 year:
 - a. Continue to fund residential PPP recycling in communities where MMBC is not providing recycling services at 2014 funding levels and reduce funding in areas where MMBC is providing residential recycling services;
 - i. in areas where there is a reduction in the direct funding of residential PPP recycling programs, that the overall budget be kept the same and the unallocated funds be made available for community recycling education programs;
 - b. Direct staff to engage in further discussions with Cascades representatives to investigate the expansion of PPP recycling opportunities within the RDBN to match the products being collected under the MMBC program;
 - c. Direct staff to pursue future development of product collection by MMBC within the Regional District of Bulkley-Nechako; and further,
 - d. That staff bring forward the information to a future RDBN Board of Directors meeting.

MMBC Services in the RDBN

In accordance with the above direction from the Board of Directors, staff have reduced the funding available to recycling groups in areas where Multi-Material BC recycling services have been established. An analysis of printed paper and packaging (PPP) and waste composition data indicated that 60% of PPP is generated from the commercial sector, whereas 40% is generated from residential sources. Therefore, funding provided to recycling groups in Smithers and Fort St. James (where MMBC is providing service) has been reduced by 40%.

Smithers: The Smithers and Area Recycling Society (SARS) is operating their depot under the MMBC program. The RDBN has established a contract scope change with SARS that reflects the 40% decrease in funding (\$87,349 to \$50,851) as directed by the Board. Materials accepted by the depot include mixed paper, cardboard, plastic and metal containers, plastic film, Styrofoam and glass. The



Town of Smithers provides curbside recycling as well.

Telkwa: The Village of Telkwa provides curbside recycling to residents for mixed paper, cardboard, plastic and metal containers.

Fort St James: The Nak'azdli Band is operating both curbside recycling and depot recycling for the community under the MMBC program. Materials accepted by the depot include mixed paper, cardboard, plastic and metal containers, plastic film, Styrofoam and glass. The Greening up Fort (GUF) group is also operating a recycling depot (funded by the RDBN), however it is only for industrial, commercial and institutional (ICI) mixed paper and cardboard. GUF has requested a 6 month contract extension with the RDBN for the provision of this service. The funding for the Greening up Fort Society has been reduced by 40%, from \$49,450 in 2014 to \$29,670 in 2015.

Current Recycling Services Funded by the RDBN

Community/Recycling Group	Services Funded	Materials Accepted	2014 Funding Amounts
NWRI (Vanderhoof)	Waste reduction education and assistance, business recycling pick up, maintenance of recycling bins at VTS and CO-OP	Mixed paper, cardboard, mixed plastics	\$75,098.73
Houston Bottle Depot	Recycling bin maintenance	Mixed paper, cardboard	\$47,812.88
Fraser Lake Bottle Depot	Recycling bin maintenance	Mixed paper, cardboard	\$42,460.00
Granisle	N/A	N/A	N/A
Burns Lake	Recycling bins at BLTS	Mixed paper, cardboard	\$8091.00
Southside	Recycling bins at SSTS	Mixed paper, cardboard	\$1260.00

Expanded Program Investigation

Following direction from the Board of Directors, staff had discussions with Cascades Recovery in Prince George about expanding the range of materials accepted for recycling within the RDBN. The program proposed by Cascades would use dual stream 30 yard roll-off bins – one side for mixed plastic and metal containers and one side for mixed paper and cardboard. Bin locations would be as follows:

- Vanderhoof – Vanderhoof Transfer Station
- Houston – Houston Bottle Depot
- Fraser Lake – Fraser Lake Bottle Depot
- Granisle – Granisle Transfer Station
- Burns Lake – Burns Lake Transfer Station
- Southside – Southside Transfer Station



The proposed expanded recycling program would mimic most of the materials collected by MMBC, but excludes glass, Styrofoam and plastic film, which have little market value and are highly problematic to collect.

The tables below outline the costs proposed by Cascades for the expanded program. These costs include the following:

- Collecting and transporting recyclable materials from drop depots to the Cascades Recovery processing facility in Prince George. "Single Haul" refers to one bin, whereas "Trailer Haul" refers to two bins.
- Monthly rental fees for roll-off bins. Sites that are not anticipated to be high use (eg. Granisle Transfer Station) would only require one bin on site, while sites with higher use would require two bins (eg. Burns Lake Transfer Station).
- Costs for processing, sorting and preparing recyclable materials for market at the Cascades Recovery processing facility (ie. Monthly Processing).
- Costs associated with transporting processed recyclable materials to market in the lower mainland (ie. Monthly Transportation).

In addition to the costs outlined in the tables below, Cascades has included revenue sharing in their proposal. Due to the volatility of markets, however, and the difficulty in estimating potential revenues, any potential revenue has been excluded from this cost analysis in order to present worst case scenario costing.

Table 1. Cascades Recovery Proposal – Container Costs

Location	Single Haul (Per Hauling Event)	Trailer Haul (Per Hauling Event)	Single Container Monthly Rental Fee	Trailer Container Monthly Rental Fee
Burns Lake	\$ 660.00	\$ 990.00	\$ 150.00	\$ 300.00
Southside	\$ 800.00	\$ 1,200.00	\$ 150.00	\$ 300.00
Vanderhoof	\$ 350.00	\$ 525.00	\$ 150.00	\$ 300.00
Granisle	\$ 900.00	\$ 1,250.00	\$ 150.00	\$ 300.00
Fraser Lake	\$ 550.00	\$ 825.00	\$ 150.00	\$ 300.00
Houston	\$ 880.00	\$ 1,320.00	\$ 150.00	\$ 300.00

Table 2. Cascades Recovery Proposal Costs – Processing and Transportation Costs

Location	Expected Monthly Volumes (Metric Tonnes)	Monthly Processing (\$65/Metric Tonne)	Monthly Transportation (\$30/Metric Tonne)
Burns Lake	9.05	\$ 588.25	\$ 271.50
Southside	1.00	\$ 65.00	\$ 30.00
Vanderhoof	18.14	\$ 1,179.10	\$ 544.20
Granisle	1.00	\$ 65.00	\$ 30.00
Fraser Lake	6.34	\$ 412.10	\$ 190.20
Houston	9.05	\$ 588.25	\$ 271.50



Table 3. Cascades Recovery Proposal Costs – Tailored to Community Based on Expected Monthly Volumes

Location	Single Haul	Trailer Haul	Annual Hauling Events	Annual Hauling Costs	Bin Rental (per month x 12)	Processing and Transportation (x 12)	Total
Burns Lake		\$ 990	18	\$ 17,820	\$ 3,600	\$ 10,317	\$ 31,737
Southside	\$ 800		12	\$ 9,600	\$ 1,800	\$ 1,140	\$ 12,540
Vanderhoof		\$ 525	36	\$ 18,900	\$ 3,600	\$ 20,679.60	\$ 43,179.60
Granisle	\$ 900		12	\$ 10,800	\$ 1,800	\$ 1,140	\$ 13,740
Fraser Lake		\$ 825	12	\$ 9,900	\$ 3,600	\$ 7,227.60	\$ 20,727.60
Houston		\$ 1,320	18	\$ 23,760	\$ 3,600	\$ 10,317	\$ 37,677

Projected 2015 Recycling Costs (Expanded Program)

Under the proposed expanded program, recycling groups will continue to operate their programs in the same way, with the exception of paying for the collection of their paper and cardboard bins. Instead, this will be managed by the RDBN under one contract with Cascades Recovery. The table below outlines the funding required by recycling groups (using 2014 data), combined with the costs proposed by Cascades Recovery for the expanded program. Also provided in the table are the current annual allocations as assigned in the RDBN's draft 2015 budget and available reserves for each area.

Table 4. Expanded Recycling Program Costs and Available 2015 Budget

Community/Recycling Group	Recycling Group Costs	Cascades Costs	Total	2015 RDBN Annual Allocation	Previous Years Unused Monies (Reserves)	2015 Annual Allocation + Reserves
NWRI (Vanderhoof)	\$ 42,752	\$ 43,179	\$ 85,931	\$ 65,223	\$ 65,813	\$ 131,036
Houston Bottle Depot	\$ 37,698	\$ 37,677	\$ 75,375	\$ 35,786	\$ 55,791	\$ 91,577
Fraser Lake Bottle Depot	\$ 25,200	\$ 20,727	\$ 45,927	\$ 26,517	\$ 8,702	\$ 35,219
Granisle	-----	\$ 13,740	\$ 13,740	\$ 6,582	\$ 28,717	\$ 35,298
Burns Lake	-----	\$ 31,737	\$ 31,737	\$ 44,745	\$ 242,990	\$ 287,735
Southside	-----	\$ 12,540	\$ 12,540			
TOTAL	\$ 105,650	\$ 159,600	\$ 265,250	\$ 178,853	\$ 402,013	\$ 580,865

Notes on the above table:

- The Fraser Lake annual allocation is not sufficient to accommodate the new expanded program. There is also concern that the annual allocation is not enough to fully fund a year of the existing program, which is costing \$42,600 (2014 costs). The RDBN has extended the existing services contract for the first four months of 2015 for which sufficient budget is available. If the Board wishes the recycling program in Fraser Lake to continue as it currently exists or expand the program, the annual allocation will have to increase.



- The Vanderhoof annual allocation is not sufficient to accommodate the new expanded program. The annual allocation plus reserves is enough to sustain 1 year of the new program, but there are not sufficient funds in the budget to accommodate future years.
- The Houston annual allocation also does not fully cover the costs of the existing program, nor the expanded program. Utilizing the reserves will allow for the expanded program to be initiated in 2015, however future years will not have sufficient funding.
- The Granisle annual allocation is not sufficient to cover the costs of the expanded recycling program. If previous years unused monies (reserves) are utilized, there is sufficient funding available.
- The Burns Lake/Southside annual allocation has just enough to cover the costs of the expanded recycling program. With the available reserves, the funding available can sustain several years of the expanded program.

The table below summarizes the funding allocation in those communities where MMBC is providing services. The costs outlined below are for recycling services provided only to the commercial/institutional sectors.

Table 5. MMBC Serviced Community Funding Summary

Community/Recycling Group	Recycling Group 2015 Costs	RDBN Annual Allocation	Unused 2015 Allocation	Previous Years Unused Monies (Reserves)	Unused 2015 Annual Allocation + Reserves
Smithers	\$ 50,851	\$ 86,237	\$ 35,386	\$ 0	\$ 35,386
Telkwa	-----	\$ 15,971	\$ 15,971	\$ 31,941	\$ 47,912
Fort St. James	\$ 29,670	\$ 28,478	- \$ 1,192	\$ 53,913	\$ 81,199
TOTAL	\$ 80,521	\$ 130,696	\$ 50,165	\$ 85,854	\$ 164,497

Notes on the above table:

- The column titled "Recycling Group 2015 Costs" outlines RDBN funding available to recycling groups that have contracts with MMBC.
- The column titled "Unused 2015 Allocation" refers to the amount of funding that will remain after recycling group costs have been claimed.

The table below summarizes the overall proposed recycling costs for expanded recycling services across the RDBN and compares these costs to the monies available in the 2015 draft budget.



Table 5. Summary of 2015 Recycling Costs and Draft Budget Available

Community/Recycling Group	2015 Recycling Costs	2015 RDBN Annual Allocation	Unused 2015 Allocation	Previous Years Unused Monies (Reserves)	Total 2015 Budget Available
NWRI (Vanderhoof)	\$ 85,931	\$ 65,223	-(\$ 20,708)	\$ 65,813	\$ 131,036
Houston Bottle Depot	\$ 75,375	\$ 35,786	-(\$ 39,589)	\$ 55,791	\$ 91,577
Fraser Lake Bottle Depot	\$ 45,927	\$ 26,517	-(\$ 19,410)	\$ 8,702	\$ 35,219
Granisle	\$ 13,740	\$ 6,582	-(\$ 7,158)	\$ 28,717	\$ 35,298
Burns Lake	\$ 31,737	\$ 44,745	\$ 468	\$ 242,990	\$ 287,735
Southside	\$ 12,540				
Smithers	\$ 50,851	\$ 86,237	\$ 35,386	\$ 0	\$ 86,237
Telkwa	\$ 0	\$ 15,971	\$ 15,971	\$ 31,941	\$ 47,912
Fort St. James	\$ 29,670	\$ 28,478	-(\$ 1,192)	\$ 53,913	\$ 82,391
TOTAL	\$ 345,771	\$ 309,539	-(\$ 36,232)	\$ 487,867	\$ 797,405

For comparison purposes the total RDBN recycling expenses for 2014 are estimated at \$274,121, compared to \$345,771 under the proposed new expanded recycling program. This is a difference of \$71,650.

Summary:

Based on the information presented in Table 6 above, there is currently insufficient funding available to implement an expanded recycling program if only the 2015 annual allocation values are utilized.

In some areas of the RDBN, Fraser Lake for example, there is insufficient funding available in the annual allocation to pay for either the existing program or proposed expanded program.

In some areas of the RDBN, Vanderhoof for example, there is insufficient funding available in the annual allocation to pay for either the existing program or the expanded recycling program. However, due to unused monies from previous years, there does exist sufficient funding for the 2015 year for the expanded recycling program.

Overall, if the RDBN Board wishes to continue to fund existing recycling programs or expand the programs, the annual allocations to the various areas will need to be adjusted. For background information, the original annual recycling allocations to the various areas were originally calculated in 2009 by doing the following:

- Assume the use of the entire \$304,215 (from the 2009 grant in lieu of Alcan taxes) to set the overall annual budget;
- Allocate a base amount of \$5,000 to each area. Then divide the remaining available budget in each area based on the 2009 converted assessments. Rural area converted assessments were allocated to the nearest municipality. For example, Burns Lake's allocation includes Area "B" and "E", while Area "A" was allocated to both Telkwa and Smithers and Area "G" was allocated to Houston and Granisle based on proportionate assessments.



In moving forward there are at least two options to consider in adjusting the annual allocation values.

Option 1 – In those areas where the annual allocation is sufficient to cover costs of the expanded program, keep the annual allocations the same and continue to carry forward unused allocations to future years. In those areas where the annual allocation is insufficient, increase the annual allocation to match the projected costs of the expanded recycling program. The increase in annual allocation would only take effect once any residual (unused) allocations were fully utilized. In essence, this option would provide sustainable funding for recycling programs, but would increase the overall recycling budget. It would also change the overall intent of having allocations of funding based on converted assessments.

For Option 1, the motion would read:

"To continue to support sustainable recycling initiatives across the RDBN, the Committee of the Whole recommends to the Board of Directors to allocate sufficient funding in the annual recycling budgets in each area to fully cover the projected costs of the expanded recycling programs in those areas where MMBC is not providing PPP recycling services. Further that, in those areas where the current annual allocation is sufficient to cover costs of the expanded program, keep the annual allocations the same and continue to carry forward unused allocations to future years. In those areas where the annual allocation is insufficient, increase the annual allocation to match the projected costs of the expanded recycling program. The increase in annual allocation would only take effect once any residual (unused) allocations were fully utilized."

Option 2 – As outlined in Table 6, the overall draft 2015 budget for recycling does have sufficient funds to cover the full costs of the proposed expanded recycling program. However, this would mean changing the annual allocations in all areas of the RDBN to match the costs of the proposed programs. This option would not result in an increase in the overall recycling budget, but it would change the overall intent of having allocations of funding based on converted assessments. In addition, for those areas that have not spent their monies, this could be seen as a penalty.

For Option 2, the motion would read:

"To continue to support sustainable recycling initiatives across the RDBN, without increasing the overall 2015 recycling budget, the Committee of the Whole recommends to the Board of Directors to redistribute the overall recycling budget monies to match the costs of the proposed expanded recycling programs in each area of the RDBN where MMBC is not providing PPP recycling services. Further, that any 2015 unallocated budget monies be placed into a "general recycling" budget line item for future use as directed by the Board of Directors."

At this time, staff are seeking direction from the Committee of the Whole as to how to proceed with the funding of recycling programs in 2015 and specifically whether there is interest in proceeding with the implementation of expanded recycling in those areas of the RDBN where MMBC is not providing PPP residential recycling services.



RECOMMENDATION

(All/Directors/Majority)

1. That the Committee of the Whole receive the memorandum titled, "2015 Recycling Options" and dated December 31, 2014.
2. Further, that the Committee of the Whole provide direction.

Respectfully submitted,

Handwritten signature of Janine Dougall.

Janine Dougall

Director of Environmental Services

November, 2014

The Nechako Bend Ranch ProjectDescribe your proposed business concept:

I, GuoLiang Bai, together with two business partners, Mr. Changsheng Xu and Mr. Kai Tang, are going to purchase the Nechako Bend Ranch situated in Fort Fraser, BC.

The ranch comprises 1643 deeded acres. 700 acres are cultivated, 600 acres are high-quality pasture, and 300 hundred acres are forested. [REDACTED] have owned and operated the ranch since 1964. The ranch's history is beef cattle grazing and raising. Over the years the [REDACTED] have developed the ranch into a very functional and profitable operation turning over approximately 1000 head of cattle annually. The ranch is considered a "going concern" and the owner's sale to us is considered a full "business succession".

Our business plan is to acquire the ranch (land, buildings, and equipment) for the sum of one million six hundred thousand dollars (\$1,600,000 CAD) and immediately inject an additional one million seven hundred thousand dollars (\$1,700,000 CAD) cash for direct capital improvements, additional equipment acquisitions, and operating expenditures. The purpose of these expenditures is to grow the existing ranch business into a Headquarters of one of the largest and most productive beef cattle businesses in the area. One of our primary objectives will be beef exporting to China. The mission statement will focus on the idea of a quality "Canadian" product featuring "Angus" beef.

Within the 1st year of takeover the corporate strategy will include the purchase and/or lease of surrounding ranches for expansion purposes and the construction of an on-site laboratory to support our product development plan. The product development plan will ensure our competitive advantage for the export markets. This expansion and development will require additional labor resources. Corporate will recruit 9 additional employees consisting of laboratory technicians and ranch farmhands.

We have registered a company (in BC to purchase the business. After takeover, I will hold 34% of the business's shares and hold the titles of President and General Manager.

China's demand for beef has been growing steadily over the last several years. Currently the United States, Australia, and Brazil are China's primary beef exporters. Canada has the great potential to increase its volume in beef exporting. Establishing our Head Quarters at the Nechako Bend Ranch, Fort Fraser, BC, serves us and our business plan in three major categories: 1) Environmentally speaking, the land is fertile and permits us to develop our alfalfa output development strategy, 2) Our business has already established relations with a cattle business situated in Northern Alberta. The geographic proximity between the two permits us to exchange and develop our cattle genetic development strategy, 3) The Nechako Bend Ranch is in close proximity to the Prince Rupert Ocean Port.

Upon successful application of the above mentioned three strategies we are confident we can export because we will be controlling and reducing unit production costs and, simultaneously, increasing product quality.

The long-term corporate objective is to build Fort Fraser into one of the largest cattle farming, beef production, and beef exporting centers in BC.

Daniel Romey, CFO
Golden Key Business Group
1003 8288-Saba Rd, Richmond, BC. V6Y 4C8
(604) 754-0120

Per Mr. Bai, Guohang
President and General Manager, Canada Jia Long Agriculture and Livestock Holding Co.

EXECUTIVE SUMMARY

Three Chinese businessmen, Guoliang Bai, together with two business partners, Mr. Changsheng Xu and Mr. Kai Tang, are going to purchase the Nechako Bend Ranch situated in Fort Fraser, BC. They have already registered a company in British Columbia, Canada Jia Long Agriculture and Livestock Holdings Ltd., to pursue the deal.

The ranch comprises 1643 deeded acres. 700 acres are cultivated, 600 acres are high-quality pasture, and 300 hundred acres are forested. The current owners, Mr. David Merz and Mrs. Lois Merz, have owned and operated the ranch since 1964. The ranch's history is beef cattle grazing and raising. Over the years the Merz's have developed the ranch into a very functional and profitable operation turning over approximately 1000 head of cattle annually. The ranch is considered a "going concern" and the owner's sale to us is considered a full "business succession".

The business plan is to acquire the ranch (land, buildings, and equipment) for the sum of one million six hundred thousand dollars (\$1,600,000 USD) and immediately inject an additional one million seven hundred thousand dollars (\$1,700,000 USD) cash for additional equipment acquisitions and operating expenditures to grow the existing ranch business into a Headquarters of one of the largest and most productive beef cattle businesses in the area. The mission statement will focus on the idea of a quality "Canadian" product featuring "Angus" beef. Research shows that there are 24,000 head produced annually in Northern BC and 14000 head demanded locally in Northern BC. However, Abattoir capacity (in the region) is only 2800 head. The long term business plan of the Chinese businessmen is to build a federal licensed abattoir in the area that are capable of handling at least 3,000 heads a year. The beef produced by the federal licensed abattoir can be exported to overseas, particularly to the China market according to the Chinese businessmen's plan.

Within the 1st year of takeover the corporate strategy will include the lease of surrounding ranches for expansion purposes and the construction of an on-site laboratory to support the prospective abattoir. The federal licensed abattoir will ensure the competitive advantage for the export markets. This expansion and development will require additional labor resources. The Company will recruit 9 additional employees consisting of laboratory technicians and ranch farmhands.

China's demand for beef has been growing steadily over the last several years. Currently the United States, Australia, and Brazil are China's primary beef exporters. Canada has the great potential to increase its volume in beef exporting. Establishing our Head Quarters at the Nechako Bend Ranch, Fort Fraser, BC, serves us and our business plan in three major categories: 1) Environmentally speaking, the land is fertile and permits us to develop our alfalfa output development strategy, 2) Our business has already established relations with a cattle business situated in Northern Alberta. The geographic proximity between the two permits us to exchange and develop our cattle genetic development strategy, 3) The Nechako Bend Ranch is in close proximity to the Prince Rupert Ocean Port.

The investors are all successful businessmen in China and have relevant experience the future BC business will need. Mr. Guoliang Bai is the owner of the largest sheep and lamb production business in China. He has already established successful business relationship with beef cattle backgrounding businesses from Alberta.

The ultimate corporate objective is to build Fort Fraser into one of the largest cattle farming, beef production, and beef exporting centers in BC.



December 3, 2014

To whom it may concern,

My name is Heather Oland and I am the Chief Executive Officer of Initiatives Prince George (IPG), the wholly owned economic development corporation of the City of Prince George.

On October 9, 2013 a group of businessmen from Jia Long Agriculture and Livestock Holdings Ltd. visited Prince George and met with representatives from IPG and the City of Prince George to discuss their plans to purchase and expand the Nechako Bend Ranch in Fort Fraser, BC for the purpose of exporting beef to China.

Since their visit to Prince George, Jia Long Agriculture and Livestock Holdings Ltd. informed IPG that their long term goal is to build a federally licensed abattoir in the area that will be capable of handling at least 3,000 heads of cattle per year. The cattle processed by the abattoir could then be exported to overseas locations, particularly to China.

A recent report entitled *Beef in Northern BC - A comprehensive analysis of BC Highway 16 cattle operations* that was released by Community Futures Fraser Fort George in March 2014 states: *'Local abattoirs are critical to the development of a local food economy. Abattoir numbers are growing, but they struggle to remain financially viable. Ultimately, the majority of cattle raised in BC today are still destined for finishing and processing outside of the province, limiting the economic value of the beef industry that is returned to the local economy.'* As such, IPG welcomes the implementation of an abattoir in northern BC which will support the ability of local farmers to process their cattle within the region.

Sincerely,

Heather Oland
Chief Executive Officer

Gail Chapman

From: Barcellos, Melissa <Barcellos@initiativespg.com>
Sent: November-27-14 1:39 PM
To: Gail Chapman
Subject: Nechako Bend Ranch
Attachments: The Nechako Bend Ranch Project - application.docx

Good afternoon Gail,

A group of Chinese investors are offering to purchase the Nechako Bend Ranch in Fort Fraser and have requested a letter of support from Initiatives Prince George as we met with them almost a year ago to discuss their plans and the economic opportunities in the region. Have the investors been in touch with you and if so, will you be supporting this project.

Attached please find the proposal for the Nechako Bend Ranch. We can write a general letter saying that we had dinner with them last winter and that their plans to export beef to China would be beneficial to the regional agricultural community, transportation and warehousing sector, as well as potentially the Prince George Airport, should some of their exports travel by air. The letter would not include an endorsement of the company because we have not vetted them, and even if we had, we would not endorse the company itself. Please let me know if you have any concerns with us providing a general letter outlining the potential economic benefits.

I look forward to hearing from you,

Melissa Barcellos
Economic Development Officer
Initiatives Prince George

Direct: 250.649.3206 | Cell: 250.981.0411
Main: 250.564.0282 | Fax: 250.649.3200
Email: melissa@initiativespg.com



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250.649.3206 | www250.com | www250.ca

November 25, 2014

Bill Miller, Chair
Regional District of Bulkley-Nechako
37 3rd Avenue
PO Box 820
Burns Lake, BC
V0J 1E0

Dear Chair Miller,

On behalf of the Board of Directors and the entire staff of E-Comm, please find enclosed a small token of appreciation in recognition of the new partnership between Regional District of Bulkley-Nechako and E-Comm. We are committed to delivering high-quality 9-1-1 service to your residents 24-hours a day.

A great deal of hard work and months of planning went into this transition by many outstanding individuals within the regional districts and emergency services and we appreciate their expertise and support. It was instrumental in making the October 7th transition such a success.

I look forward to our continued collaboration in what has already proven to be a positive working relationship.

Sincerely,



David Guscott
President and CEO

t | 604.215.5002
f | 604.215.4933 (confidential fax)

RECEIVED
DEC 03 2014
REGIONAL DISTRICT OF
BULKLEY NECHAKO