

# Responses to City Council Questions on the 2014 Proposed Utility Budget

**The following report is sorted  
alphabetically by branch.**

# 2014 Utility Budget Questions By Branch

**Branch:** Drainage Services

**Asked By:** Councillor Walters

**Question #:** 14-001U

**Budget Page #:**

*In cases where a neighbourhood's sewers are in poor condition but its roadway reconstruction is in satisfactory condition, drainage services may still opt to perform renewal work on the existing drainage infrastructure. These neighbourhoods are referred to as drainage priorities. What is the process for selecting drainage priority neighbourhoods? What factors currently limit or cap how many neighbourhoods receive priority drainage infrastructure renewal each year?*

**Question Answer:**

Drainage priority neighbourhoods are selected through an analysis based on sewer condition ratings and deterioration curves for various pipe sizes and material types.

Factors that limit the number of drainage priority neighbourhoods that can be scheduled each year include available budget and the impact on the utility rate model, the number of neighbourhoods already scheduled to coordinate with Transportation reconstruction, available resources and the cost of renewal.

We may also schedule drainage priority neighbourhoods to coordinate with other City projects, or with other utilities such as Epcor and Atco Gas.

**Branch:** Drainage Services

**Asked By:** Councillor Walters

**Question #:** 14-002U

**Budget Page #:**

*In 2012, 100 kms of sewer was renewed (with a target of 65 kms in 2013). An additional 65-70 kms of sewer renewal is planned for 2014-2016. Please outline why this target was significantly reduced for 2013 and subsequent years?*

**Question Answer:**

The 100km completed in 2012 includes work completed in neighbourhoods that were backlogged and should have been completed in prior years. A total of 55km was completed in 2011, and 51km in 2010.

Although the planned target has been set for 65km, the conditions of the pipes are unknown until it is inspected through CCTV.

Going forward, while we will maintain a target of 65km renewed annually, there is a plan to correlate this target with another measure (Number of Neighbourhoods Renewed - target of 6 to 7 a year) to ensure that we not only meet the target for volume of work done but that the work is accomplished in 6-7 neighbourhoods in order to ensure a high level of service for citizens.

# 2014 Utility Budget Questions By Branch

**Branch:** Drainage Services

**Asked By:** Councillor Walters

**Question #:** 14-003U

**Budget Page #:**

*Where is the information on Drainage Services' debt to asset recorded? Additionally, how does debt to asset relate to drainage service's design and construction municipal enterprise activities? E.g. do design and construction activities generate income or are they financed by the tax base?*

**Question Answer:**

Drainage Services follows Utility Fiscal Policy C304C section '2.3 Debt Financing of Capital Policy Statements', and '2.4 Debt Financing of Capital Targets' for debt financing of capital assets. Calculations are completed and added to the financial indicators through the Utility Rate Model.

Financial indicators for debt to assets are recorded in the 2014 Utility Budget City Council Discussions. For the Sanitary Utility this is listed on page 16, and for the Stormwater Utility this is listed on page 23. (Both tables are attached)

Drainage Design & Construction is not financed by the tax base. It generates income through external projects. Work completed internally for Drainage and Other City Departments are done at zero profit.

Debt and cash from Drainage Services is used for Design & Construction. Design & Construction charges an overhead rate to each project to recover administration costs. This will indirectly impact the debt to asset ratio as the overhead costs charged to Drainage assets will be included as part of the total asset cost.

**Branch:** Drainage Services

**Asked By:** Councillor Gibbons

**Question #:** 14-009U

**Budget Page #:**

1.  *Storm water lakes: Will strategies the City used to correct slime and ice pathway issues at Hollick Kenyon Lake, also be used to correct similar issues at other storm water lakes?*

**Question Answer:**

Strategies will continue to be implemented for similar issues around other storm water lakes. Presently there is a list of approximately 10 other locations that have been identified. Drainage, Transportation and Community Services (Parks) are working on a sustainable funding model to address these issues over the next few years. Funding still needs to be secured for Drainage, Transportation and Community Services in order to proceed.

The 10 locations under consideration are:

Hudson (Lake)  
Hudson (dry pond)  
Cumberland  
Klarvatten  
Mayliewan (1)  
Mayliewan (2)  
Hollick Kenyon  
Wild Rose M. U. T.  
Ormsby  
Schonsee

# 2014 Utility Budget Questions By Branch

**Branch:** Drainage Services

**Asked By:** Councillor Nickel

**Question #:** 14-010U

**Budget Page #:**

*Tweddle Place and Satoo neighborhoods are not scheduled to receive funding in 2014 for drainage and sanitary storm water. Please explain why and what would be Drainages recommendations in to speeding up the process of reducing their flood risks for these neighbourhoods?*

**Question Answer:**

Tweddle place is scheduled to receive funding as part of the \$4.7M dollar budget request to initiate design work in 2014 with construction to start in 2015 following funding approval as part of the 2015-2018 capital budget process.

Projects related to the Satoo neighborhood are currently proposed to commence design in 2015 but subject to the same funding approval process. Drainage services recognizes these areas as a priority and are treating them in order of flood risk priority.

# 2014 Utility Budget Questions By Branch

**Branch:** Waste Management  
Services

**Asked By:** Councillor Knack

**Question #:** 14-004U

**Budget Page #:** 30

*Would it be possible to get a branch summary report (using page 30 of the Utility Budget as my reference) that includes the budgets from 2009 - 2013? I would also like to see the % Change from 2009 - 2014 (not the change between each year ex: 2009-2010 but the full % change).*

**Question Answer:**

# 2014 Utility Budget Questions By Branch

Table 1 attached provides the budget values for 2009 through 2014.

**Table 1: Proposed 2014 Budget  
Branch Summary 2009 - 2014 Budgets  
(\$000)**

	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget	2014 Budget	\$ Change 2009- 2014	% Change 2009- 2014
<b>Revenue</b>								
Rate Revenue	86,858	98,758	104,143	\$ 112,434	\$ 121,938	\$ 131,840	\$ 44,982	51.8
Operations Revenue	20,942	24,339	23,090	24,555	24,393	26,468	5,526	26.4
Transfer from Reserves	10,520	6,493	3,400	-	-	-	(10,520)	(100.0)
Biofuels Grant	-	-	13,400	6,000	6,000	-	-	-
<b>Total Revenue</b>	<b>118,320</b>	<b>129,590</b>	<b>130,633</b>	<b>136,989</b>	<b>146,331</b>	<b>158,308</b>	<b>39,988</b>	<b>33.8</b>
<b>Expenditure</b>								
Personnel	25,418	29,858	30,424	33,355	36,602	40,736	15,318	60.3
Materials, Goods & Supplies	5,081	4,379	4,701	3,962	4,253	4,278	(803)	(15.8)
Contracts	46,909	53,139	51,434	51,379	54,327	61,439	14,530	31.0
Fleet Services	11,110	13,561	11,358	13,013	15,891	16,510	5,400	48.6
Shared Services	3,180	3,340	5,050	5,644	6,472	7,401	4,221	132.7
Intra-Municipal Services	246	412	312	843	920	367	121	49.2
Utilities	4,204	4,021	4,595	4,157	4,366	4,920	716	17.0
Other Expenses	1,370	1,420	1,097	1,582	1,594	1,466	96	7.0
Customer Billing Services	3,288	3,482	4,239	4,432	4,482	4,596	1,308	39.8
Financial	23,827	22,080	25,696	27,679	28,418	28,105	4,278	18.0
Biofuels Grant	-	-	13,400	6,000	6,000	-	-	-
Subtotal	124,633	135,692	138,906	146,046	157,324	169,818	45,185	36.3
Biosolids Processing Recovery	(6,313)	(6,102)	(6,335)	(7,149)	(8,623)	(9,950)	(3,637)	57.6
Litter Collection Recovery	-	-	(1,938)	(1,908)	(1,940)	(1,965)	(1,965)	100.0
City Dept Disposal Recovery	-	-	-	-	(430)	(84)	(84)	100.0
Total Intra-Municipal Recoveries	(6,313)	(6,102)	(8,273)	(9,057)	(10,993)	(11,999)	(5,686)	90.1
<b>Total Expenditure</b>	<b>118,320</b>	<b>129,590</b>	<b>130,633</b>	<b>136,989</b>	<b>146,331</b>	<b>157,819</b>	<b>39,499</b>	<b>33.4</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 489</b>	<b>\$ 489</b>	<b>100.0</b>

Note: The 2011, 2012 and 2013 Budgets include grant support to the Edmonton Biofuels facility and the Advanced Energy Research Facility. The grant is budgeted as revenue with an offsetting expenditure, to reflect the accounting treatment for disbursement of the grant. The budgeted amounts are shown here for information but have not been included in the Total Revenue or Expenditure Subtotal values. This will provide a better comparison the year over year budget changes.

The budget changes are a result of overall external drivers and internal operational drivers during which the Waste Management Branch was converting to a full utility. External drivers include the lack of equity injection and obligation to account for tangible capital assets, and implementing environmentally responsible waste management systems caused by depletion of landfill capacity. Internal operational drivers include the Utility's obligation for service delivery contract costs, residential growth, true costing of Shared Services, Fleet Services cost increases, and personnel wage settlements and benefits.

Through the best efforts of the Utility to implement efficiencies and cost avoidance measures, the Waste Management Utility has maintained high customer satisfaction results while mitigating the financial impacts.

# 2014 Utility Budget Questions By Branch

**Branch:** Waste Management Services

**Asked By:** Councillor Knack

**Question #:** 14-005U

**Budget Page #:** 263

*On page 263-265 it is noted that the addition of the 3.2 FTE's will be offset by revenue generation in the commercial program. Are there examples in the past three years where the addition of new staff is offset by the increase in revenue? Can those be provided for review? Will this be tracked in order to review next year?*

**Question Answer:**

Q: Are there examples in the past three years where the addition of new staff is offset by the increase in revenue?

A: Yes, within commercial collection FTE requests are supported by program revenue. Detailed information will be provided in the Business Case update in 2014.

Q: Can those be provided for review?

A: Yes, detailed information will be provided in the Business Case update in 2014.

Q: Will this be tracked in order to review next year?

A: Yes.

**Branch:** Waste Management Services

**Asked By:** Councillor Knack

**Question #:** 14-006U

**Budget Page #:** 267

*On page 267 section 3.4 there is mention of an internal productivity guideline for Collector FTE's and that we have several years of historical data. Can we see that information in order to learn how we have been doing since 2009?*

**Question Answer:**

2009 2,226 tonne/fte  
2010 2,267 tonne/fte  
2011 2,079 tonne/fte  
2012 2,426 tonne/fte

The collector productivity measure is volume sensitive, with the service level provided remaining consistent. Slight fluctuations in tonnage collected from year to year are the result of the influences of changing weather patterns on the amount of waste generated. As example, in a wet year, more and often heavier yard waste is set out for collection.

# 2014 Utility Budget Questions By Branch

**Branch:** Waste Management Services

**Asked By:** Councillor Knack

**Question #:** 14-007U

**Budget Page #:** 271

*On page 271 it is noted that the Kennedale Eco Station is similar in scope and scale to the Ambleside Eco Station. How many FTE's currently work at the Ambleside Eco station and what is the breakdown between temporary and regular employees? If there will be a difference between the two locations, would information be able to be provided as to why?*

**Question Answer:**

Q: How many FTE's currently work at the Ambleside Eco Station.

A: There are 19.9 FTE's budgeted in 2013 which provides the funding for 28 employees needed to accommodate seasonal peaks.

Q:What is the breakdown between temporary and regular employees?

A: The Ambleside Eco Station is staffed by 16 permanent employees (14 attendants and 2 supervisory FTEs) and up to 12 temporary employees (equivalent of 3.9 FTEs) during peak periods.

Q: If there will be a difference between the two locations, would information be able to be provided as to why?

□A: Kennedale Eco station is requesting funding for an additional 4.1 FTEs more than the Ambleside Eco Station. The additional FTEs are required to manage increased material handling, transport and reporting for the overall Eco Station Program. This increase in operational needs will ensure that the Utility continues to meet regulatory requirements including environmentally responsible handling and removal of refrigerant material from appliances, household hazardous waste transport to the disposal location, and expanded electronic waste program reporting requirements.



# 2014 Utility Budget Questions By Branch

**Branch:** Waste Management  
Services

**Asked By:** Councillor Knack

**Question #:** 14-008U

**Budget Page #:**

*Being that we are currently providing waste collection services 3% less than if we were using the private contractors, when is the last time we put out a RFP for waste collection? We were also told that customer satisfaction is higher from those that receive the service from the city - how much of a difference is there? What type of measures are in the contract we have with the private contracts to address this gap in customer satisfaction?*

**Question Answer:**

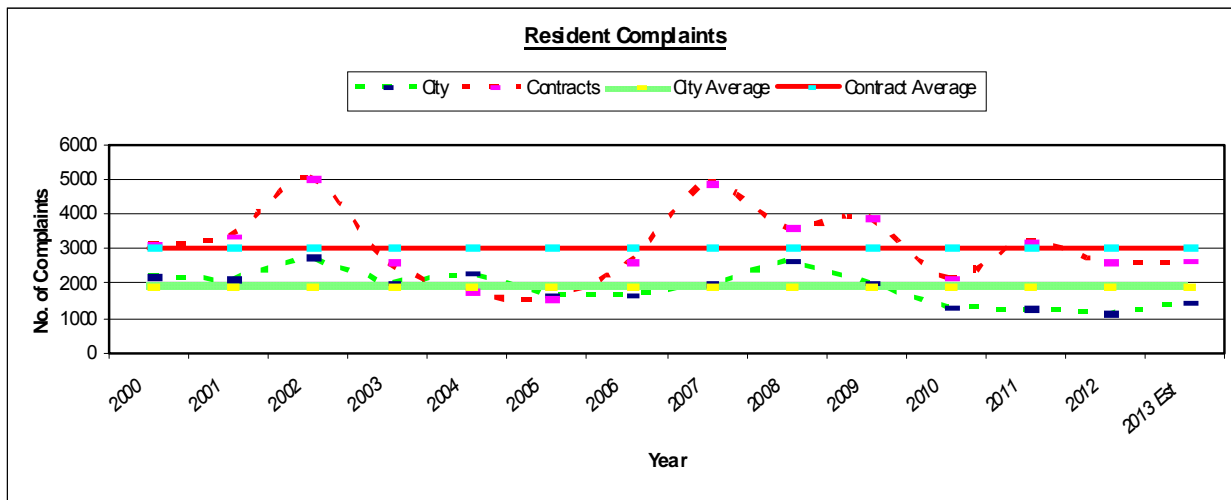
# 2014 Utility Budget Questions By Branch

Being that we are currently providing waste collection services 3% less than if we were using the private contractors,

Q: when is the last time we put out a RFP for waste collection?

A: The tender for residential curbside waste collection was issued in 2012 and started in February 2013. The contract term is 5 years.

Q: We were also told that customer satisfaction is higher from those that receive the service from the city - how much of a difference is there?



Q: What type of measures are in the contract we have with the private contracts to address this gap in customer satisfaction?

A: The Waste Management Utility has a contract management oversight structure in place which identifies expectations, monitors performance including a review process for missed collections, and applies administrative processing fees.

# 2014 Utility Budget Questions By Branch

**Branch:** Waste Management Services

**Asked By:** Councillor Henderson

**Question #:** 14-011U

**Budget Page #:**

*Explain the increase of \$6.498 or 10.5% for the Waste Management Utility's Collection Services Section.*

**Question Answer:**

\$6,498 total:

- \$1,018 Waste Drop-off (Eco Station, Recycle Depots)
- \$1,352 Multifamily and Commercial Bin Collection
- \$1,612 Shared Services, Community Relations and Asset Depreciation
- \$2,516 Curbside collection (City and Contract)

Of the \$2,516 for curbside collection:

- \$1,373 Contract services increase
- \$1,163 City services increase

**Branch:** Waste Management Services

**Asked By:** Councillor Sohi

**Question #:** 14-012U

**Budget Page #:**

*How does the Waste Management Utility determine staff requirements for Eco Stations?*

**Question Answer:**

Based on historical experience, staff requirements at Eco Stations are determined based on the patronage, amount of material and type of material received at Eco Stations, as well as regulatory requirements to operate the Eco Station. In meeting customer requirements at Eco Stations, a minimum of 14 positions and 2 supervisory positions are required per day to operate the planned Kennedale Facility during low season. Eco Stations are open 5 days a week for 8 hours/day (40hrs per week) throughout the winter low season and expand to 6 days and 10 hours per/day (60 hours per week) during the peak season. To accommodate this service level each site operates with permanent staff in dedicated work areas during the winter months and add temporary staff during peak season to manage increased hours, traffic volume and provide additional support to key work areas such as household hazardous waste sorting and packing.