

**DATE:** August 29, 2018

**FILE:** 5380-02

**TO:** Chair and Directors  
Comox Valley Regional District  
(Comox Strathcona Waste Management Board)

Supported by Russell Dyson  
Chief Administrative Officer

**FROM:** Russell Dyson  
Chief Administrative Officer

***R. Dyson***

**RE: Comox Valley and Campbell River Waste Management Centre cost comparison**

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### **Purpose**

The purpose of this report is to fulfill an information request from the Comox Strathcona Waste Management Board (Board) for a comparison of operational costs between the Comox Valley Waste Management Center (CVWMC) and Campbell River Waste Management Center (CRWMC).

### **Recommendation from the Chief Administrative Officer:**

For information purposes only.

### **Executive Summary**

This cost analysis is based on the budget amounts for 2018 from the 2018-2022 approved Financial Plan. The cost per tonne at each site based on the volume of material landfilled and is \$70.37 at the CVWMC and \$79.13 at the CRWMC.

Only the costs associated with the operations are included in the analysis. Economies of scale impact the cost per tonne analysis, where CVWMC processes approximately 12,000 more tonnes, and a large portion of the costs are not variable in the operations of a landfill. The attached Appendix A provides a line by line comparisons of the two facilities. Considerations are as follows:

- Support services includes the human resource component only, including:
  - managing collective agreement issues
  - occupational health
  - and safety recruitment;
- Salaries & wages – include amounts associated with operations, administrative costs are not included as they are balanced at both facilities;
- Expenses are split and based on the percentage of each site's waste volume handled:
  - CRWMC has 25,361 of the 63,104 tonnes = 40.19%
  - CVWMC has 37,743 of the 63,104 tonnes = 59.81%;
- Costs include all onsite operations (landfilling and diversion);
- No insurance (except for vehicle at CVWMC) is included;
- CVWMC landfill gas flare and leachate treatment facility not included;
- Closure costs are not included;
- Amortization on equipment for the CVWMC site is included, and is a contractor costs at CRWMC;
  - Total costs – at CVWMC \$2,656,129 and at CRWMC \$2,006,949

Prepared:

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Andrew McGifford CPA, CGA  
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Concurrence:

***M. Rutten***

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Marc Rutten, P.Eng.  
General Manager of Engineering Services

Attachment: Appendix A – “CVWMC vs CRWMC operating cost structure”

## CVWMC vs CRWMC - operating cost structure

Description	CVWMC	CRWMC
Support Services	84,612	-
Wages	1,194,457	-
Bank charges	21,532	14,468
Clothing and laundering	8,700	-
Contracts - operating	317,500	1,724,000
Deliveries and transportation	7,476	5,024
Freon removal		6,450
Permits and licences	3,500	
Software	6,594	4,431
Materials and supplies	17,000	3,000
Landfill office expenses		4,200
Recycling and diversion initiatives	344,350	204,750
Safety equipment	4,300	
Signs	3,000	3,000
Telephones and alarm lines	6,101	1,691
Training	30,350	-
Travel	6,200	
Dues and memberships	2,400	
Legal fees	10,000	
Other professional fees	7,500	7,500
Contracted buildings and land maintenance	133,900	12,000
Buildings repairs and maintenance	3,000	4,000
Hydro	9,270	8,435
Janitorial supplies	150	
Landscaping maintenance		4,000
Water	2,600	-
Contract services - equipment	112,050	
Fuel and lubricants - equipment	107,000	
Rental and leases - equipment	8,500	
Repairs and maintenance - equipment	42,500	
Fuel and lubricants - vehicle	3,175	
Insurance and licence - vehicle	8,507	
Repairs and maintenance - vehicle	3,500	
Amortization - from TCA (Equipment only)	146,405	
<b>Total cost associated with the landfill ops</b>	<b>2,656,129</b>	<b>2,006,949</b>
<b>Tonnage landfilled at each site</b>	<b>37,743</b>	<b>25,361</b>
<b>Cost per tonne processed at each site</b>	<b>\$ 70.37</b>	<b>\$ 79.13</b>