

**City of Orillia**  
**2021 Operating Budget Overview**  
**Issue Detail - Non Tax Based Budget - Wastewater**

Categories	
O - Base Budget Adjustments	Council is required by legislation to take action (i.e. salary wages and benefits)
1 - Legislated/Pre-approved/Committed	Council is required by legislation to take action, generally all should be funded but some flexibility or disclosure is needed (i.e. already approved by Council or required by legislation)
2 - Savings Proposals/Revenue Increases	Savings that result from service level reductions or user fee increases, Council may approve all, some or none based on each change (i.e. fare increases, reduction in service hours)
3 - Cost to Maintain Level of Service	Required to maintain the existing level of service, should be funded to maintain the current level of service
4 - New Level of Service/Projects	New service levels or projects where Council may decide to fund all, some or none based on each issue
5 - Financial Issues	City is facing significant financial challenges or there are high level financial policy issues
6 - Identified and Not Recommended	Issues requiring disclosure to Council, administration is not recommending approval for the stated reasons

Ref #	Cat #	Department	Policy Update/ Additional Motion	Issue Title	Issue Description	Change to 2020 Budget
Net Contribution to Reserves - previous year \$						<b>(5,843,206)</b>
<b>Base Adjustments</b>						
1	0	Environment and Infrastructure Wastewater		Management Recommended Reductions To Expense/Increases To Revenue That Do Not Affect Service Levels or User Rates	Miscellaneous adjustments to expense and revenue items that do not affect the level of service. This is based on a comprehensive review by management and staff.	\$ (1,200)
2	0	Environment and Infrastructure Wastewater		Salaries, Wages, Benefits, Legal and Other	Salaries, wages and benefits; Council approved or negotiated settlements.	\$ 20,960
3	0	Environment and Infrastructure Wastewater		Base Budget Adjustments Expenses	Base budget adjustments required to maintain service levels; includes material and contract inflation increases as well as the removal of one-time items from the 2020 budget. There is a large backout item for the one-time expense in 2020 for lagoon cleaning (\$115,000). 2020 Expense Budget - \$2,834,339	\$ (107,077)
<b>Preapproved/Committed</b>						
4	1	Environment and Infrastructure Wastewater		User Fees	Council approved san sewer rate increases which results in a revenue increase of \$634,847. 2020 Revenue Budget - \$8,690,145	\$ (634,847)
5	1	Environment and Infrastructure Wastewater		Electronic Notebook - Licensing	As a result of Council-approved Capital Budgets, an operating impact was provided as part of the project to upgrade compliance reporting through electronic notebooks. This increase was for support and licensing of the product. 2020 Expense Budget: \$6,800	\$ 5,000

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<b>Revenue Increases</b>						
6	2	Environment and Infrastructure Wastewater		Sanitary Discharge Agreement	The City has entered into two additional surcharge agreements since budget preparations last year. These will result in additional revenue for the City. 2020 Revenue Budget: \$70,000	\$ (40,000)
<b>Cost to Maintain Level of Service - Expenses</b>						
7	3	Environment and Infrastructure Wastewater		Heat, Light and Power	With the addition of the new tertiary treatment and lift station at the Wastewater Treatment Centre, power usage has increased. 2020 Expense Budget: \$382,772	\$ 32,000
8	3	Environment and Infrastructure Wastewater		Operational Equipment	In 2020 the City completed a communication system upgrade that transitioned all of the fleet to digital communications. The Municipal Operations Centre has a base and repeater system that communicates with staff conducting work in the field that requires upgrading. Staff evaluated the options available to complete this transition and are recommending that portable radios be purchased that will allow for access from any location, whether within the building or remotely. This was also the most economical option moving forward rather than replacing the base station and repeater with an upgraded system. 2020 Expense Budget: \$23,520	\$ 2,500

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Schedule I-03

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<b>New Level of Service/Projects - General</b>						
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9	4	Environment and Infrastructure Wastewater		Facility Maintenance Management	The Environment and Infrastructure Services Department is responsible for all City of Orillia building assets. As the City prioritizes asset management and proactive maintenance of these facilities, addressing the ongoing requirements for cleaning and maintaining the asset becomes a priority. With the addition of new facilities and upgrades to existing facilities within the water and wastewater system within the City, as well as maintaining the current infrastructure, the need for additional custodial/maintenance staffing is required. An evaluation of the facilities was undertaken to understand the time spent at all facilities and where best to apportion this increased cost. It is recommended that it would be appropriate to fund these costs on an annual basis from the water and wastewater reserve due to the significant amount of time spent on annual maintenance contracts, emergency repairs and replacements, and cleaning requirements. 2020 Expense Budget: \$0 <b>See Attached Schedule I-18.</b>	\$ 39,075
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<b>2021 Proposed Increase to Contribution to Reserves</b>	<b>\$ (683,590)</b>
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<b>2021 Proposed Contribution to Reserves</b>	<b>(6,526,796)</b>
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Total Category 0	\$ (87,317)
Total Category 1	\$ (629,847)
Total Category 2	\$ (40,000)
Total Category 3	\$ 34,500
Total Category 4	\$ 39,075
Total Category 5	\$ -
	<b>\$ (683,590)</b>