



**Fundy Regional
Service Commission**

Commission de Services
Régionaux de Fundy

PO Box / CP 3032, Grand Bay-Westfield, NB E5K 4V3

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hotline@fundyrecycles.com

October 6, 2020

Jonathan Taylor, Common Clerk
City of Saint John
8th Floor, City Hall
PO Box 1971
Saint John, NB E2L 4L1

Dear Mr. Taylor:

At the meeting of the Board of the Fundy Regional Service Commission held September 28, 2020 the following motion was adopted:

Be it resolved that, in accordance with Section 28 of the Regional Service Delivery Act, the Fundy Regional Service Commission intends to submit an application to the Municipal Capital Borrowing Board (MCBB) for authorization to borrow for capital expenses for the following purposes, amounts and terms:

Purpose: Solid Waste Services (Environmental Health)

Amount: \$ 4,464,000

Term: \$ 4,464,000 for a term not to exceed 4 years

Purpose: Generation Facility

Amount: \$ 250,000

Term: \$ 250,000 for a term not to exceed 4 years

As per the Act, we are sending written notice of the vote, proposed borrowings, budget projections and the impact on future rates to all members that are local governments and to the Minister at least 45 days before the vote to be held by members on November 23, 2020. Attached you will find the budget projections and budget impacts for both projects. According to the Act, approval for borrowing from the MCBB must occur before any commitments are made to projects that will utilize these funds.

Solid Waste Services

Construction of Cell #9 will begin in 2021 with the construction of "Berms and Underdrains" and is budgeted for \$1,251,000 in 2021. "Cell #9 Containment" will be completed in 2022 for approximately \$3,213,000 for a total budget of \$4,464,000. The total cost of Cell #9 is based on estimates from GEMTEC Engineering. Due to timing of project completion, the debenture will occur in 2022. This application does not include additional projected borrowings in 2022 for equipment, but is accounted for in projection totals. Projections include short term financing charges.

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Generation Facility

The Electrical Generator unit will undergo a scheduled rebuild in the spring of 2021 after reaching 40,000 hours of operation. The rebuild by Enerflex totalling \$312,000 will require long term borrowing in the amount of \$250,000 in 2021. Projections include short term financing charges.

If you require any further information or have any questions please do not hesitate to contact me.

Sincerely,



Marc MacLeod
Executive Director

FUNDY REGIONAL SERVICE COMMISSION GENERAL FUND: DEBT PROFILE & BUDGET PROJECTIONS

Prepared By **M. Porter**
 Hearing Date: **11-Jan-21**

Variables	Projections
INTEREST RATE	5.00%
TONNAGE	0.00%
EXPENDITURES	1.50%
REVENUES	1.00%

('000)	ACTUAL 2019	BUDGET 2020	**** PROJECTIONS ****			
			2021	2022	2023	2024
REVENUE						
TIPPING FEES (Regular)	\$ 7,492	\$ 7,020	\$ 7,082	\$ 7,421	\$ 7,902	\$ 8,140
GRANTS	21	-	-	-	-	-
RECYCLING REVENUES (including the Blue Boxes)	323	285	256	259	261	264
SURPLUS 2ND PREV YR	240	292	96	-	-	-
OTHER	641	527	540	545	551	556
TOTAL REVENUE	\$ 8,717	\$ 8,124	\$ 7,974	\$ 8,225	\$ 8,714	\$ 8,960

EXPENDITURE						
DEBT COST	\$ 783	\$ 718	\$ 705	\$ 821	\$ 1,550	\$ 1,694
TIPPING FEES	1,801	2,419	2,459	2,496	2,533	2,571
CAPITAL FROM BUDGET	793	350	125	300	300	300
TRANSFER TO RESERVE FUND	525	25	25	25	25	25
ADMINISTRATION AND SALARIES	3,761	3,463	3,626	3,587	3,426	3,477
FEASIBILITY STUDY	-	-	-	-	-	-
RECYCLING COSTS	576	721	698	708	719	730
SMRF	132	159	157	159	161	164
WASTE COLLECTION COSTS	250	270	180	130	-	-
DEFICIT 2ND PREVIOUS YEAR	-	-	-	-	-	-
TOTAL EXPENDITURE	\$ 8,621	\$ 8,124	\$ 7,974	\$ 8,225	\$ 8,714	\$ 8,960
SURPLUS (DEFICIT)	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -

TONNES DEPOSITED (Regular)	69,370	65,000	65,575	65,575	65,575	65,575
RATE PER TONNE (Regular)	\$ 108	\$ 108	\$ 108	\$ 113	\$ 121	\$ 124
DEBT COST PROJECTION						
PRESENT DEBT SERVICE COST	\$683	\$694	\$692	\$693	\$0	\$0
INTERIM FINANCING & OTHER CHARGES	100	24	12	128	9	8

YEAR RATE TERM AMT

PLANNED BORROWING

Application	2020	5.00%	0	\$0		
PLANNED BORROWING	2021	5.00%	0	\$0		
PLANNED BORROWING	2022	5.00%	4	\$5,464	1,541	1,541
PLANNED BORROWING	2023	5.00%	5	\$625		144
PLANNED BORROWING	2024	5.00%	5	\$530		

TOTAL DEBT SERVICE COST	\$783	\$718	\$705	\$821	\$1,550	\$1,694
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DEBT COST/GROSS EXP.	9.1%	8.8%	8.8%	10.0%	17.8%	18.9%
OUTSTANDING DEBT	\$0	\$0	\$0	\$5,464	\$5,319	\$5,006

EFFECT DEBT COST ON:

TIPPING FEES	\$ 11.28	\$ 11.04	\$ 10.74	\$ 12.52	\$ 23.64	\$ 25.83
TIPPING FEES (NEW BORROWING '20)			\$ -			
TIPPING FEES (NEW BORROWING '21)				\$ -		
TIPPING FEES (NEW BORROWING '22)					\$ 23.50	
TIPPING FEES (NEW BORROWING '23)						\$ 2.20

This analysis represents the Commission's budget projections and the impact of future borrowing from 2020 to 2024. Commission members are aware of this information and have been fully advised of the impact of this borrowing on the current tipping fees, debt service cost ratio and total outstanding debt.

Date _____

Chief Financial Officer _____

FUNDY REGIONAL SERVICE COMMISSION GENERATION FUND: DEBT PROFILE & BUDGET PROJECTIONS

Prepared By	M. Porter	<u>Variables</u>	<u>Projections</u>
Hearing Date:	11-Jan-21	INTEREST RATE	5.00%
		EXPENDITURES	1.50%
		REVENUES	1.00%

('000)	ACTUAL 2019	BUDGET 2020	**** PROJECTIONS ****			
			2021	2022	2023	2024
REVENUE						
SALE OF ELECTRICITY	\$93	\$160	\$177	\$179	\$181	\$182
OTHER GRANTS	-	-	-	-	-	-
OTHER TRANSFERS	105	103	119	82	84	85
SURPLUS 2ND PREV YR	-	2	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL REVENUE	\$199	\$264	\$296	\$261	\$264	\$267
EXPENDITURE						
DEBT COST	-	9	8	71	71	71
CAPITAL FROM BUDGET	66	50	62	-	-	-
TRANSFER TO RESERVE FUND	-	-	-	-	-	-
OTHER EXPENSES	185	205	173	191	194	197
DEFICIT 2ND PREVIOUS YEAR	-	-	53	-	-	-
TOTAL EXPENDITURE	\$252	\$264	\$296	\$261	\$264	\$267
SURPLUS (DEFICIT)	(\$53)	\$0	\$0	\$0	\$0	\$0
DEBT COST PROJECTION	2019	2020	2021	2022	2023	2024
PRESENT DEBT SERVICE COST	\$0	\$0	\$0	\$0	\$0	\$0
INTERIM FINANCING & OTHER CHARGES	-	9	8	-	-	-
 REFINANCING						
	<u>YEAR</u>	<u>RATE</u>	<u>TERM</u>	<u>AMT</u>		
PLANNED BORROWING						
Application	2020	5.00%	0	\$0		
PLANNED BORROWING	2021	5.00%	4	\$250	71	71
PLANNED BORROWING	2022	5.00%	0	\$0		
PLANNED BORROWING	2023	5.00%	0	\$0		
PLANNED BORROWING	2024	5.00%	0	\$0		
TOTAL DEBT SERVICE COST					\$71	\$71
DEBT RATIOS	2019	2020	2021	2022	2023	2024
DEBT COST/GROSS EXP.	0.0%	3.4%	2.8%	27.0%	26.7%	26.4%
OUTSTANDING DEBT	\$0	\$0	\$250	(\$35)	(\$35)	(\$35)

This analysis represents the Commission's budget projections and the impact of future borrowing from 2021 to 2024. Commission members are aware of this information and have been fully advised of the impact of this borrowing on the debt service cost ratio and total outstanding debt.

Date _____ Chief Financial Officer _____