

Report to Council



Date: October 30, 2023
To: Council
From: City Manager
Subject: Glenmore Landfill Value for Money
Department: Finance

Recommendation:

THAT Council receives, for information, the Report from Financial Services dated October 30, 2023, with respect to the results of the Glenmore Landfill Value for Money engagement.

Purpose:

To receive a report outlining the results of the Glenmore Landfill Value for Money engagement.

Background:

The Glenmore Landfill ("Landfill") engagement is the final engagement performed under the original Value for Money outsourcing model. The engagement was outsourced to BDO Canada LLP and began in November 2022 and concluded in May 2023. The report was received by the Audit Committee on October 18, 2023.

Discussion:

The Glenmore landfill is a multi-purpose waste management facility, providing waste management services for non-hazardous solid waste from municipal, commercial, institutional, and light industrial sources and is authorized to landfill 200,000 tons of waste per year from within the Regional District of the Central Okanagan and the Big White Resort area. The landfill is owned and operated by the City of Kelowna and managed on a cost recovery basis to be fully self-funded throughout its lifespan. The landfill was designed, constructed, and is operated and governed in accordance with Federal, Provincial and Municipal standards.

The objective of the engagement was to evaluate the effectiveness and efficiency of core elements in the Landfill's financial and administrative processes with the following four focus areas considered in scope:

- Evaluation of financial controls
- Assessment of capital reserve balance and strategy
- Evaluation of landfill operations and planning with respect to financial models and 10-year capital planning
- Assessment of funding/establishment of closure reserve for the post-closure plan

The engagement identified several areas for recommended improvement of process, opportunities for improvement in the calculation and assessment of the long-term landfill closure liability, and measures to improve the capital reserve strategy. Landfill/Finance staff have accepted all recommendations and have a clear plan to address the items noted.

Conclusion:

A summary of findings for the Glenmore Landfill report is attached in Appendix 1. Management responded to the recommendations with appropriate actions and reasonable timelines for implementation. To ensure continuous oversight of the recommendations, a follow up engagement will be conducted in 2025.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Consultation and Engagement:

Communications Comments:

Submitted by: J. Sass, Financial Services Divisional Director

Approved for inclusion: J. Sass, Financial Services Divisional Director