



# MINUTES

## BOARD OF DIRECTORS MEETING #58

Wednesday, March 28, 2018 @ 7:30 p.m.

Fairfield Inn and Suites by Marriott, 199 Kenmount Road, St. John's, NL

### **IN ATTENDANCE:**

- Ed Grant, Chairperson
- Bill Bailey, Clarenville and Isthmus
- Danny Breen, St. John's
- Ian Froude, St. John's
- Sandy Hickman, St. John's
- Hope Jamieson, St. John's (Arrived at 6:59 p.m.)
- Jamie Korab, St. John's
- Kevin McDonald, Southwest Avalon
- Harold Mallowney, Southern Shore
- Sheilagh O'Leary, St. John's
- Peggy Roche, Small Metro
- Lucy Stoyles, Mount Pearl
- Gerard Tilley, Conception Bay South
- Sam Whalen, Bay Roberts
- Hilda Whelan, TBS & Isthmus East
- Sterling Willis, Paradise

### **OTHER ATTENDEES:**

- Ken T. Kelly, Chief Administrative Officer, ERSB
- Lynn Tucker, Manager Corporate Services, ERSB
- Christie Dean, Manager Waste Operations, ERSB
- Bradley Power, Board Clerk/Outreach Coordinator, ERSB
- LynnAnn Winsor, City of St. John's

### **REGRETS:**

- Maggie Burton, St. John's
- Glenn Clarke, Trinity Conception North
- Wally Collins, St. John's
- Dave Lane, St. John's

- Deanne Stapleton, St. John's
- Andrew Niblock, City of St. John's

## **PROCEEDINGS:**

### **1) CALL TO ORDER**

Mr. Grant called the meeting to order at 6:54 p.m.

### **2) ADOPTION OF AGENDA**

*It was moved and seconded (Mr. Mullooney/Mr. McDonald) to adopt the Agenda as tabled. All in favour.*

*MOTION 2018-019: Carried (unanimously)*

### **3) DELEGATIONS: None**

### **4) REVIEW OF MINUTES**

Mr. Froude noted that he was not in attendance at the last meeting, contrary to the note in the attendance list in the Minutes. Mr. Power will rectify the error.

*It was moved and seconded (Mr. Hickman/Mr. Breen) that the Minutes of the February 28, 2018 meeting of the Eastern Regional Service Board be adopted with the noted revisions. All in favour.*

*MOTION 2018-020: Carried (unanimously)*

### **5) COMMITTEE REPORTS**

#### **a) Finance and Audit Committee Report:**

Mr. Hickman delivered the Finance and Audit Committee Report on behalf of the Committee Chair, Mr. Breen, who was unavailable to attend the meeting this month. Mr. Hickman then highlighted the documentation included in the meeting package.

#### **1. Board Expenditures – February 2018:**

Mr. Hickman noted the Cheque register for February 2018 included regular payments to waste collection contractors, fuel providers and City of St. John's for tipping fees. There were no additional notes.

*It was moved and seconded (Mr. Hickman/Mr. Whalen) that Eastern Regional Service Board accept the board expenditures (Cheque Register and Payroll Summary) for February 2018 as tabled. All in favour.*

*MOTION 2018-021: Carried (unanimously)*

## **2. Financial Statements:**

*Ms. Hope Jamieson arrived at 6:59 p.m.*

Mr. Hickman acknowledged that the Financial Statements prepared by Harris Ryan were included in the meeting package for the information of the Board.

The high level summary for 2017 is that revenue was in line with the budget projection for 2017, and expenses were under the budget projection. On page 4 of the statements it notes the comparison of 2017 to 2016 and shows that revenue has declined from \$9.8 million to \$9.6 million, and expenses have increased from \$8.6 million to \$8.8 million.

Mr. Hickman said it is important to note that contributions to reserves are not included as an expense. So, any funds that the Board sets aside for future expenditures are not included in the \$8.8 million of 2017 expenses even though the Board has budgeted to contribute to reserves. Therefore, this is a significant note for the financial statements, and it applies in several places on page 3 - Statement of Financial Position, page 4 and 5 - Statement of Operations, and page 6 - Net Changes in Financial Position where Board members can see surpluses identified.

Mr. Hickman went on to highlight that the accumulated surplus on page 3 is misleading because it includes all of the assets of the Board, which can also be seen on the line Tangible Capital Assets of \$4.7 million. This would be buildings, land and equipment. It is important to know that the surplus contains significant hard assets because if the Board does not continue to acquire assets than the surplus will be drawn done each year as equipment/buildings are amortized.

Mr. Hickman also added that the surplus does not recognize that the Board has created reserve funds for future capital replacement and operational contingencies. There is a note included on page 11 (Note 8), which provides a breakdown of the surplus. The note explains that the Board allocated funds to reserves with a \$2.1 million unappropriated surplus since the Board started operating in 2011. This is more in line with the true accumulated surplus of the Board over time, but it is still not a "cash" surplus.

Mr. Kelly asked Board members to keep in mind that one of the assets of the Board is the \$971,000 in uncollected fees which would need to be subtracted from this "paper" surplus. It should also be noted that the Boards operational demands are about \$750,000 to \$800,000 per month. So, the unappropriated surplus of the Board is equivalent to about one month's operating expenses.

In summary, Mr. Hickman said the Finance and Audit Committee has reviewed the financial statements and presents them to the Board for review and approval.

Mr. Kelly took the opportunity to explain the ERSB reserve accounts in more detail. He referred members to page 3 of the financial statement to make his point.

Ms. O’Leary and Mr. Breen suggested a one page narrative be developed to explain the Board’s financial statements and to address any confusion that might exist about reserves. Mr. Grant added that the purpose of the reserves must be clearly explained, whereas they are earmarked for site remediation, equipment replacements, etc.

Ms. Roche asked whether the Board’s accountant and auditors are the same. Mr. Grant noted accounting is taken care of internally, while Harris Ryan serves as the auditor.

***It was moved and seconded (Mr. Hickman/Mr. Whalen) that Eastern Regional Service Board adopt the financial statements for the year ending December 31, 2017 as tabled. All in favour.  
MOTION 2018-022: Carried (unanimously)***

### **3. Waste Collection Tenders:**

Mr. Hickman noted that the Board recently issued three tenders and the results and a briefing note for each of the tenders was included in the meeting package. The high level summary is as follows:

Southern Shore - one bidder, T2 Ventures Inc., with a bid that equates to \$97.20 per household, per year and this does not include HST or tipping fees. This is an increase of about 1.25% from previous contract.

Bay de Grave - one bidder, T2 Ventures Inc., with a bid that equates to \$111.60 per household, per year and this does not include HST or tipping fees. This is an increase of about 1.64% from previous contract.

Bell Island - two bidders, with the low bid being T2 Ventures Inc., with a bid that equates to \$147.99 per household, per year and this does not include HST or tipping fees. This is the first waste collection service agreement for Bell Island.

***It was moved and seconded (Mr. Hickman/Ms. Stoyles) that that the Board award the contract for multi-stream waste collection, including recycling and bulk pick-up for the Southern Shore area be awarded to T2 Ventures***

*Inc. at a cost of \$1,170,000 before taxes for the period of July 1, 2018 to June 30, 2021. All in favour.*

*MOTION 2018-023: Carried (unanimously)*

*It was moved and seconded (Mr. Hickman/Mr. Froude) that the Board award the contract for multi-stream waste collection, including recycling and bulk pick-up for the Bay de Grave to T2 Ventures Inc. at a cost of \$324,000 before taxes for the period of July 1, 2018 to June 30, 2021. All in favour.*

*MOTION 2018-024: Carried (unanimously)*

*It was moved and seconded (Mr. Hickman/Mr. Willis) that the Board award the contract for multi-stream waste collection, including recycling and bulk pick-up for Bell Island be awarded to T2 Ventures Inc. at a cost of \$630,000 before taxes for the period of July 1, 2018 to June 30, 2021. All in favour.*

*MOTION 2018-025: Carried (unanimously)*

#### **4. Whitbourne Maintenance Depot Tender Update:**

Mr. Hickman said the Whitbourne Maintenance Depot project has been several years in the making and the tender to construct the facility this year is scheduled to close on April 5, 2018. The March 29 date had to be extended because an addendum was issued late last week to address bidder's questions.

The reason the Committee is bringing this forward in advance of the tender closing is to inform Board members that this is a necessary piece of infrastructure and the timeline is getting tight. Staff would like to award this contract as soon as possible once they have received the recommendation from the project engineers. This may mean that the tender details might have to be circulated via email and be ratified at the April Board meeting.

Mr. Breen asked if we have the ability to utilize the new Provincial online bidding system. Mr. Kelly said the Provincial Government is responsible for tendering this project; therefore, no, the new procurement process does not apply here.

#### **b) Strategy and Policy Committee:**

Mr. Hickman delivered the Strategy and Policy Committee Report. He noted the documentation included in the meeting package.

##### **1. Proposed Public Engagement Strategy:**

Mr. Hickman noted the brief and proposal from NATIONAL, ERSB's public relations agency of record, with regard to the development of an engagement strategy for the Board.

As Board members know, the ERSB has been working with NATIONAL in an effort to present the message of the Board to the public in terms of its fair approach to waste collection and the setting of fees.

NATIONAL attended the Strategy and Policy Committee meeting and walked Committee members through their proposal.

NATIONAL is suggesting that the ERSB leverage the fee issue to educate about the broader, more complex story of regional service delivery. The Board will claim the conversation, not just about cost and fees, but open a channel for meaningful two-way conversation.

Mr. Hickman said they are suggesting an approach that they used in Nova Scotia to target stakeholders and clients who would be invited via direct mail, and directed to stakeholder communications. Utilizing an online platform to inform, and provide stakeholders the opportunity to provide feedback on regional service delivery. Respondents could be required to watch a short video in advance before answering questions.

Mr. Hickman said the engagement will be measured with both quantitative and qualitative data and provide a deeper understanding and insight into expectations for regional service delivery.

Mr. Kelly said the proposal has a cost of \$48,500 to \$61,000. Mr. Hickman said the Committee is recommending the Board move forward with this initiative.

Mr. Froude asked for confirmation that NATIONAL was the ERSB's agency of record. Mr. Kelly said they are indeed the agency of record and were chosen through a competitive process. He added that ERSB hasn't gone out to seek firms to act as the agency of record but this status could be retendered. Mr. Kelly said ERSB worked with Bristol in the past and other companies, and have developed a strong working relationship with NATIONAL.

Ms. Roche asked how many people the Board will be able to contact through this initiative. Mr. Kelly elaborated on the scope of the project and that we will utilize ERSB's account list of 14,000 people for direct mail outs.

Mr. Grant noted that the Board expressed the need for this type of project to take place to get genuine feedback from our clients. NATIONAL has extensive experience and were instrumental in our recent work dealing with criticism of the service and fee structure.

Ms. O'Leary asked about the background between ERSB and NATIONAL, specifically what work they have done previously for the Board. Mr. Grant

noted the staff at NATIONAL are local. They are very cognizant of the work of the Board and the importance of this project. They've done the ERSB guidebooks, provided public relations support, press releases, website updates, media buying, printing coordination, among other things. NATIONAL also did media training with Mr. Grant and Mr. Kelly in the past.

Ms. O'Leary noted the reality which is that most Newfoundlanders and Labradorians do not understand the regional service delivery issue. It can be quite complicated at times. She suggested that the Board needs to ensure a good look at how this unfolds moving forward. The message needs to be simple, clean and easily absorbed. Mr. Grant said the Board will see the engagement products before they go out to the public and agrees with Ms. O'Leary's advice.

*It was moved and seconded (Mr. Hickman/Mr. Whalen) that Eastern Regional Service Board engage NATIONAL Public Relations to develop and implement an engagement strategy with a budget not to exceed \$61,000 plus HST. All in favour.*

*MOTION 2018-026: Carried (unanimously)*

**c) Governance Committee:**

Mr. Mullaney delivered the Governance Committee Report.

**1. Board Member Development – Attendance at 2018 WASTECON Conference:**

Mr. Mullaney noted that the Board Clerk has polled Board members to determine their interest in attending the next WASTECON event this summer. He said the Board normally sends the Chair, CAO, Manager of Waste Operations and two Board members to this event. He confirmed that Mr. Gerard Tilley and Mr. Sandy Hickman will represent the Board at this event in 2018.

**2. Election of Vice Chairperson:**

Mr. Mullaney recused himself from the remaining Governance Committee report whereas he will be offering himself for election as Vice Chair.

Mr. Grant then provided a brief overview of the secret ballot process to take place to select the Vice Chair. Mr. Mullaney and Mr. Hickman have both offered themselves for the position.

Mr. Power and Ms. Tucker distributed the ballots. All votes were counted and Mr. Mullaney was re-elected as Vice Chair.

Mr. Mullooney thanked everyone for their support. He commended Mr. Hickman for also putting his name forward. He looks forward to working with everyone.

*It was moved and seconded (Ms. O'Leary/Mr. Bailey) that the ballots from the election of Vice Chair be destroyed immediately. All in favour.  
MOTION 2018-027: Carried (unanimously)*

## 6) CORRESPONDENCE

### a) Letter to Municipalities Newfoundland and Labrador:

Mr. Grant noted the letter provided in the meeting package address to MNL President Tony Keats and CEO Craig Pollett.

Ms. O'Leary noted that she sits on both Boards and is the co-chair of the MNL Advocacy Committee. She recognizes there is a long-standing history between both organizations and hopes she can help strengthen the relationship moving forward. She also suggested that a good first step would be to have Mr. Power serve on the MNL Advocacy Committee. The Board agreed.

Mr. Mullooney inquired about the mandate of the MNL Advocacy Committee. Ms. O'Leary noted that it deals with resolutions brought to the MNL convention for consideration, and the Committee also provides advice on marketing and communications.

## 7) NEW BUSINESS

### a) ERSB Committee List:

Mr. Grant noted the new ERSB Committee Listing included in the meeting package. He was able to accommodate most if not all requests from Board members in this regard. Board members are now asked to review the listing and provide feedback as needed. Committee meetings will commence again in April.

## 8) UPCOMING MEETINGS

- Finance & Audit Committee – Wednesday, April 11, 2018
- Strategy & Policy Committee – Thursday, April 12, 2018
- Governance Committee – Tuesday, April 17, 2018
- Board of Directors – Wednesday, April 25, 2018

## 9) ADJOURNMENT

*Seeing no further business to be discussed, it was moved and seconded (Mr. Mullooney/Mr. Tilley) that the meeting adjourn.  
MOTION 2018-028: Carried (unanimously)*



*The meeting adjourned at approximately 8:00 p.m.*

## **(4) COMMITTEE REPORTS**

## **(4)(a) Finance & Audit Committee**

## **(4)(a)(1) Board Expenditures**

# EASTERN REGIONAL SERVICE BOARD

---

## PAYROLL EXPENSE

### FEBRUARY 2018

Payroll – Staff ( <i>2 pay periods – 33 employees</i> ).....	\$138,539.96
Payroll – Board .....	<u>\$ 00,000.00</u>
Total Payroll ( <i>33 employees</i> ) .....	\$138,539.96
Payroll CRA Remittance .....	<u>\$ 50,776.03</u>
<b>TOTAL GROSS PAYROLL .....</b>	<b><u>\$189,315.99</u></b>

---

### PREVIOUS MONTH

---

### JANUARY 2018

Payroll – Staff ( <i>2 pay periods – 33 employees</i> ).....	\$147,854.48
Payroll – Board ( <i>19 members</i> ) .....	<u>\$ 00,000.00</u>
Total Payroll ( <i>33 employees</i> ) .....	\$147,854.48
Payroll CRA Remittance .....	<u>\$ 55,070.00</u>
<b>TOTAL GROSS PAYROLL .....</b>	<b><u>\$202,924.48</u></b>

Eastern Regional Service Board

BNK2 - Bank of Montreal - EW

Cheques from 000001 to 006664 dated between 02-01-2018 and 02-28-2018

CHEQUE REGISTER

Printed: 11:40:33AM 03/06/2018

Page 1 of 2

Number	Issued	Amount	SC	Status	Status Date
006582	02/08/2018 A1 Glass	649.75	A/P	CLEARED	02/21/2018
006583	02/08/2018 Advantage Personnel Ltd.	1,050.53	A/P	CLEARED	02/21/2018
006585	02/08/2018 Around The Bay Disposals Inc.	47,920.87	A/P	*VOID*	02/08/2018
Void Reason: CHEQUE AMOUNT INCORRECT AS CREDIT NOT APPLIED					
006586	02/08/2018 Around The Bay Disposals Inc.	46,551.14	A/P	CLEARED	02/14/2018
006587	02/08/2018 Bell Aliant	1,655.38	A/P	CLEARED	02/21/2018
006588	02/08/2018 Bradley Power	26.56	A/P	CLEARED	02/14/2018
006589	02/08/2018 Channel 6 Ads	183.61	A/P	CLEARED	02/21/2018
006590	02/08/2018 Christie Dean	1,947.13	A/P	CLEARED	02/21/2018
006591	02/08/2018 City of St. John's	54,313.71	A/P	CLEARED	02/21/2018
006592	02/08/2018 D&L Russell Limited	55.36	A/P	CLEARED	02/21/2018
006593	02/08/2018 Dicks and Company Limited	128.40	A/P	CLEARED	02/21/2018
006594	02/08/2018 Dodd's Diesel Repair Ltd.	0.00	A/P	*VOID*	02/08/2018
006595	02/08/2018 Dodd's Diesel Repair Ltd.	11,007.19	A/P	CLEARED	02/21/2018
006596	02/08/2018 E K Lomond Auto Solutions Inc	38.14	A/P	CLEARED	02/21/2018
006597	02/08/2018 eSCRIBE Software Ltd.	11,442.50	A/P	OUT-STD	02/08/2018
006598	02/08/2018 G. B. Signs Ltd.	46.00	A/P	CLEARED	02/21/2018
006599	02/08/2018 Glenn Clarke	129.75	A/P	CLEARED	02/21/2018
006600	02/08/2018 Harvey & Company Ltd.	1,281.95	A/P	CLEARED	02/21/2018
006601	02/08/2018 Hilda Whelan	347.63	A/P	CLEARED	02/14/2018
006602	02/08/2018 Ivan Heath	95.17	A/P	OUT-STD	02/08/2018
006603	02/08/2018 Jenkins Anthony Inc.	4,345.15	A/P	CLEARED	02/14/2018
006604	02/08/2018 K.J.H. Dirtwork's Ltd.	1,610.00	A/P	CLEARED	02/14/2018
006605	02/08/2018 Ken Kelly	2,895.66	A/P	CLEARED	02/14/2018
006606	02/08/2018 Kevin Power	172.49	A/P	CLEARED	02/21/2018
006607	02/08/2018 Kevin McDonald	230.46	A/P	CLEARED	02/21/2018
006608	02/08/2018 Leslie Squires	440.00	A/P	CLEARED	02/21/2018
006609	02/08/2018 Lucy Stoyles	77.14	A/P	OUT-STD	02/08/2018
006610	02/08/2018 Lynn Tucker	118.71	A/P	CLEARED	02/14/2018
006611	02/08/2018 Miller IT Limited	948.75	A/P	CLEARED	02/21/2018
006612	02/08/2018 Modern Business Equipment Limited	156.50	A/P	CLEARED	02/14/2018
006613	02/08/2018 North Atlantic	44,201.16	A/P	CLEARED	02/21/2018
006614	02/08/2018 Northern Business Intelligence	2,509.23	A/P	CLEARED	02/21/2018
006615	02/08/2018 O'Brien's Trucking Ltd	2,041.57	A/P	CLEARED	02/21/2018
006616	02/08/2018 OMB Parts & Industrial Ltd.	32.41	A/P	CLEARED	02/21/2018
006617	02/08/2018 Parts For Trucks Inc.	27.29	A/P	CLEARED	02/21/2018
006618	02/08/2018 Sam Whalen	295.59	A/P	CLEARED	02/14/2018
006619	02/08/2018 Simms Garage Ltd.	690.00	A/P	CLEARED	02/14/2018
006620	02/08/2018 T2 Ventures Inc.	183,223.83	A/P	CLEARED	02/14/2018
006621	02/08/2018 Town of Clarendville	1,608.00	A/P	CLEARED	02/21/2018
006622	02/08/2018 Tulk Tire & Service Ltd.	972.85	A/P	CLEARED	02/14/2018
006623	02/08/2018 Vardy Villa Limited	70,314.92	A/P	CLEARED	02/21/2018
006624	02/08/2018 Wayde Higdon	720.00	A/P	CLEARED	02/21/2018
006625	02/08/2018 Cumby, Grace	180.00	A/R	CLEARED	02/28/2018
006626	02/08/2018 George, Kevin	18.00	A/R	OUT-STD	02/08/2018
006627	02/08/2018 Kennedy, Perry	180.00	A/R	CLEARED	02/21/2018

**Eastern Regional Service Board**

BNK2 - Bank of Montreal - EW

Cheques from 000001 to 006664 dated between 02-01-2018 and 02-28-2018

**CHEQUE REGISTER**

Printed: 11:40:33AM 03/06/2018

Page 2 of 2

<b>Number</b>	<b>Issued</b>	<b>Amount</b>	<b>SC</b>	<b>Status</b>	<b>Status Date</b>
006628	02/08/2018 Neville, John	180.00	A/R	CLEARED	02/21/2018
006629	02/08/2018 Peach, Robert	183.53	A/R	OUT-STD	02/08/2018
006630	02/08/2018 Ryan, Fabian	18.00	A/R	OUT-STD	02/08/2018
006631	02/08/2018 Smith, Douglas	45.00	A/R	CLEARED	02/28/2018
006632	02/08/2018 Pentecostal Church,	180.00	A/R	OUT-STD	02/08/2018
006633	02/21/2018 62167 Newfoundland and Labrador Inc	7,380.30	A/P	OUT-STD	02/21/2018
006634	02/21/2018 Bay Auto Sales & Service Inc	1,605.60	A/P	CLEARED	02/28/2018
006635	02/21/2018 Bell Mobility Inc.	2,225.97	A/P	OUT-STD	02/21/2018
006636	02/21/2018 Bradley Power	149.02	A/P	CLEARED	02/28/2018
006637	02/21/2018 Christie Dean	2,455.97	A/P	CLEARED	02/28/2018
006638	02/21/2018 Dodd's Diesel Repair Ltd.	17,906.75	A/P	OUT-STD	02/21/2018
006639	02/21/2018 Eastern Machining & Welding Inc.	4,262.19	A/P	OUT-STD	02/21/2018
006640	02/21/2018 Gergar Enterprises Limited	920.00	A/P	CLEARED	02/28/2018
006641	02/21/2018 G Groves & Sons Limited	7,590.00	A/P	OUT-STD	02/21/2018
006642	02/21/2018 Glenn Clarke	120.24	A/P	OUT-STD	02/21/2018
006643	02/21/2018 Imperial Oil	100.13	A/P	OUT-STD	02/21/2018
006644	02/21/2018 Ken Kelly	2,108.49	A/P	CLEARED	02/28/2018
006645	02/21/2018 Kevin Power	664.44	A/P	OUT-STD	02/21/2018
006646	02/21/2018 Newfoundland Power Inc.	63.99	A/P	CLEARED	02/28/2018
006647	02/21/2018 Northern Business Intelligence	592.25	A/P	OUT-STD	02/21/2018
006648	02/21/2018 OMB Parts & Industrial Ltd.	184.93	A/P	CLEARED	02/28/2018
006649	02/21/2018 Parts For Trucks Inc.	378.65	A/P	CLEARED	02/28/2018
006650	02/21/2018 Pitney Bowes	1,999.99	A/P	OUT-STD	02/21/2018
006651	02/21/2018 Provincial Ready Mix Inc.	2,998.05	A/P	CLEARED	02/28/2018
006652	02/21/2018 RENU Industries Canada	401.35	A/P	CLEARED	02/28/2018
006653	02/21/2018 Royal Garage Ltd.	579.19	A/P	CLEARED	02/28/2018
006654	02/21/2018 SaltWire Network Inc.	924.42	A/P	CLEARED	02/28/2018
006655	02/21/2018 Sam Pike Masonry Ltd.	30.75	A/P	OUT-STD	02/21/2018
006656	02/21/2018 Shred-it International ULC	117.02	A/P	OUT-STD	02/21/2018
006657	02/21/2018 Tulk Tire & Service Ltd.	2,938.25	A/P	CLEARED	02/28/2018
006658	02/21/2018 Receiver General of Canada	6,614.72	G/L	OUT-STD	02/21/2018
006659	02/21/2018 Smith, Gregory & Kristina	183.60	A/R	OUT-STD	02/21/2018
006660	02/21/2018 Penton, Leonard	180.00	A/R	OUT-STD	02/21/2018
006661	02/21/2018 Slade, Mark & Jolene Hancock	180.00	A/R	OUT-STD	02/21/2018
006662	02/21/2018 Watton, Paul	180.00	A/R	OUT-STD	02/21/2018
006663	02/21/2018 Thompson, Stephen	180.00	A/R	OUT-STD	02/21/2018

<b>Cheque Totals Issued:</b>	<b>515,782.40</b>
<b>Void:</b>	<b>47,920.87</b>
<b>Total Cheques Generated:</b>	<b>563,703.27</b>
<b>Total # of Cheques Listed:</b>	<b>81</b>

\*\* - Name on Check was modified

**(4)(a)(2) 2017 Financial  
Statements**





**EASTERN REGIONAL SERVICE BOARD**  
**Financial Statements**  
**Year Ended December 31, 2017**

DRAFT

**HARRIS RYAN**



**EASTERN REGIONAL SERVICE BOARD**  
**Index to Financial Statements**  
**Year Ended December 31, 2017**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15

DRAFT

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Eastern Regional Service Board

We have audited the accompanying financial statements of Eastern Regional Service Board, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net financial assets, changes in accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

Independent Auditor's Report to the Members of Eastern Regional Service Board *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Regional Service Board as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

St. John's, Newfoundland and Labrador  
March 14, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

DRAFT

**EASTERN REGIONAL SERVICE BOARD**

**Statement of Financial Position**

**December 31, 2017**

---

**FINANCIAL ASSETS**

Cash and cash equivalents (Note 3)	\$ 1,445,379	\$ 414,721
Accounts receivable (Note 4)	971,258	850,485
Harmonized sales tax recoverable	86,734	321,003
Guaranteed investment certificates (Note 3)	4,367,242	4,333,024
	<b>6,870,613</b>	<b>5,919,233</b>

---

**LIABILITIES**

Accounts payable (Note 6)	578,228	569,152
Employee deductions payable	20,409	-
Deferred income (Note 7)	1,540,371	1,313,472
Obligations under capital lease (Note 10)	257,754	388,905
	<b>2,396,762</b>	<b>2,271,529</b>

---

**NET FINANCIAL ASSETS**

**4,473,851**      **3,647,704**

---

**NON-FINANCIAL ASSETS**

Inventory	-	-
Prepaid expenses	106,908	89,449
Tangible capital assets (Note 5)	4,726,647	4,685,888
	<b>4,833,555</b>	<b>4,775,337</b>

---

**ACCUMULATED SURPLUS**

**\$ 9,307,406**      **\$ 8,423,041**

---

**ON BEHALF OF BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**EASTERN REGIONAL SERVICE BOARD**

**Statement of Operations**

**Year Ended December 31, 2017**

	Budget 2017	Total 2017	Total 2016
<b>REVENUES</b>			
Clarenville transfer station	\$ -	\$ 373,019	\$ 480,098
Government grants	-	77,500	240,522
Tipping fees	-	3,395,752	3,367,536
Waste management fees	-	5,083,395	5,219,708
Metals recycling revenue	-	148,365	51,698
Capital government grants	-	609,950	489,520
	-	<b>9,687,981</b>	9,849,082
<b>EXPENSES</b>			
Advertising and promotion	-	74,113	139,472
Amortization	-	932,244	935,311
Bad debts	-	186,971	209,236
Business taxes, licenses and memberships	-	33,166	19,497
Directors fees	-	86,355	97,355
Insurance	-	106,215	86,824
Interest and bank charges	-	41,399	35,114
Interest on obligations under capital lease	-	16,137	22,250
Office	-	54,777	53,400
Regional waste management operations	-	359,671	176,889
Waste collection operations	-	3,155,927	3,357,931
Waste recovery facilities - site development	-	309,154	247,496
Professional fees	-	115,495	66,778
Rental	-	139,487	150,880
Repairs and maintenance	-	44,456	40,719
Salaries and wages	-	2,045,098	2,003,296
Telephone	-	40,590	37,455
Training	-	28,690	57,545
Travel	-	48,851	72,544
Vehicle	-	1,017,129	836,514
	-	<b>8,835,925</b>	8,646,506
<b>SURPLUS FROM OPERATIONS</b>	-	<b>852,056</b>	1,202,576
<b>OTHER INCOME</b>			
Interest income	-	344,482	363,303
Tipping Fees Clarenville	-	(327,451)	(284,683)
Miscellaneous revenue	-	15,278	19,858
	-	<b>32,309</b>	98,478
<b>ANNUAL SURPLUS</b>	\$ -	\$ <b>884,365</b>	\$ 1,301,054

See notes to financial statements

**EASTERN REGIONAL SERVICE BOARD**  
**Statement of Changes in Accumulated Surplus**  
**Year Ended December 31, 2017**

	<b>2017</b>	2016
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 8,423,041</b>	\$ 7,121,987
<b>SURPLUS FOR THE YEAR</b>	<b>884,365</b>	1,301,054
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 9,307,406</b>	\$ 8,423,041

DRAFT

**EASTERN REGIONAL SERVICE BOARD**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2017**

	2017	2016
<b>ANNUAL SURPLUS</b>	<b>\$ 884,365</b>	<b>\$ 1,301,054</b>
Amortization of tangible capital assets	932,244	935,312
Purchase of tangible capital assets	(973,006)	(991,871)
Increase in prepaid expenses	(17,459)	(16,788)
	<b>(58,221)</b>	<b>(73,347)</b>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>826,144</b>	<b>1,227,707</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>3,647,706</b>	<b>2,419,999</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 4,473,850</b>	<b>\$ 3,647,706</b>

DRAFT



**EASTERN REGIONAL SERVICE BOARD****Statement of Cash Flows**

Year Ended December 31, 2017

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Surplus	\$ 884,365	\$ 1,301,054
Item not affecting cash:		
Amortization of tangible capital assets	932,244	935,311
	<b>1,816,609</b>	<b>2,236,365</b>
Changes in non-cash working capital:		
Accounts receivable	(120,773)	(190,620)
Accounts payable	9,080	(261,565)
Deferred income	226,899	(1,231,286)
Prepaid expenses	(17,459)	(16,787)
Harmonized sales tax payable	234,269	(151,185)
Employee deductions payable	20,409	(32,761)
	<b>352,425</b>	<b>(1,884,204)</b>
Cash flow from operating activities	<b>2,169,034</b>	<b>352,161</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(973,006)	(991,871)
Purchase of guaranteed investment certificates	(34,218)	(248,517)
Cash flow used by investing activities	<b>(1,007,224)</b>	<b>(1,240,388)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of obligations under capital lease	(131,152)	(125,039)
Cash flow used by financing activity	<b>(131,152)</b>	<b>(125,039)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>1,030,658</b>	<b>(1,013,266)</b>
Cash - beginning of year	414,721	1,427,987
<b>CASH - END OF YEAR</b>	<b>1,445,379</b>	<b>414,721</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ (344,482)	\$ (363,303)
Interest paid	\$ 57,537	\$ 57,365

See notes to financial statements

# EASTERN REGIONAL SERVICE BOARD

## Notes to Financial Statements

Year Ended December 31, 2017

---

### 1. PURPOSE OF THE ORGANIZATION

The Eastern Regional Service Board (the "organization") was established in September of 2011 by the Province of Newfoundland under the authority of the Regional Services Board Act, 2012. The Board has been given the mandate to modernize the waste management system in the region, develop regional fire protection and work with several clusters of communities to improve drinking water and waste water treatment under the Community Sustainability Partnership.

In order to fulfill these mandates the Board has completed a network of infrastructure for the waste management system including a transfer station in Clarenville, ten waste recovery facilities (including one at the Clarenville site), and developed a fleet of vehicles and hired staff for a curbside collection program. To assist communities with drinking water and waste water treatment the Board has hired an engineer to provide advice to communities. As a service provider for fire protection the Board has contracted with one municipality to provide services through their volunteer fire department in the unincorporated area adjacent to the municipality. This model of service delivery was expanded in 2017.

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS).

#### Revenue recognition

Government transfers with stipulations restricting their use are recognized as revenue when the transfer is authorized and the eligibility criteria are met, except when and to the extent the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes a liability, the transfer is recognized in revenue when the liability is settled.

Government transfers received with associated stipulations relating to the purchase of capital assets, are recognized as revenue when the related assets are acquired.

Tipping fee revenues are provided to the extent required in the organization's annual budget and are recognized as revenue when received. Tipping fees received in advance are recorded as deferred income.

Waste management fee revenues are invoiced annually and are recognized as revenue when invoiced to customers. Metals recycling revenues are also recognized as revenue when invoiced.

#### Cash and cash equivalents

Cash and cash equivalents include balances with the bank and investments held in cashable guaranteed investment certificates. Cashable guaranteed investment certificates are valued at cost plus accrued interest.

#### Guaranteed investment certificates

Guaranteed investment certificates include those certificates which are locked in and have maturities beyond one year. These investments are carried at cost plus accrued interest.

*(continues)*

---

## EASTERN REGIONAL SERVICE BOARD

### Notes to Financial Statements

Year Ended December 31, 2017

---

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land		non-depreciable
Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	55%	declining balance method
Computer software	100%	declining balance method
Heavy equipment	30%	declining balance method
Heavy equipment under capital lease	30%	declining balance method
Leasehold improvements	5 years	straight-line method
Motor vehicles	30%	declining balance method

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

##### Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

##### Non-financial assets

Non-financial assets include all assets of a fixed or permanent nature, claims to goods and services, and consumable goods.

##### Deferred income

Deferred income is comprised of the unspent portions of government grants designated for the construction and engineering of the Clarendville waste transfer station, waste recovery facilities, as well as costs associated with the closure of various dump sites previously used in the eastern region. Due to the nature of this liability, these amounts will be recognized into income as the funds are spent on approved projects.

##### Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

---

**EASTERN REGIONAL SERVICE BOARD**

**Notes to Financial Statements**

**Year Ended December 31, 2017**

**3. CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
Capital reserve - Regional	\$ 856,234	\$ 536,234
Capital reserve - Curbside	280,000	130,000
Operational reserve	1,319,200	969,200
Unrestricted cash	3,357,187	3,112,311
	<b>\$ 5,812,621</b>	<b>\$ 4,747,745</b>

**4. ACCOUNTS RECEIVABLE**

	<b>2017</b>	<b>2016</b>
Waste management fees receivable	\$ 1,647,341	\$ 1,339,596
Allowance for doubtful accounts	(676,082)	(489,111)
	<b>\$ 971,259</b>	<b>\$ 850,485</b>

**5. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2017 Net book value</b>	2016 Net book value
Land	\$ 1,014,669	\$ -	\$ 1,014,669	\$ 724,417
Buildings	1,427,037	111,188	1,315,849	1,370,676
Computer equipment	34,669	32,716	1,953	2,651
Computer software	5,544	5,544	-	528
Furniture and equipment	87,835	44,271	43,564	33,812
Heavy equipment	4,381,634	2,245,419	2,136,215	2,247,301
Heavy equipment under capital lease	874,864	749,881	124,983	178,547
Leasehold improvements	3,106	2,174	932	1,553
Motor vehicles	268,649	180,167	88,482	126,403
	<b>\$ 8,098,007</b>	<b>\$ 3,371,360</b>	<b>\$ 4,726,647</b>	<b>\$ 4,685,888</b>

**6. ACCOUNTS PAYABLE**

	<b>2017</b>	<b>2016</b>
Trade payables	\$ 351,215	\$ 400,311
Other accruals	277,016	168,841
	<b>\$ 628,231</b>	<b>\$ 569,152</b>

## EASTERN REGIONAL SERVICE BOARD

### Notes to Financial Statements

Year Ended December 31, 2017

#### 7. DEFERRED REVENUE

	2017	2016
Deferred income - beginning of year	\$ 1,313,472	\$ 2,544,758
Government funding	-	-
Transfer station - site development	-	-
Waste recovery facilities - site development	-	-
2018 Tipping fees from City of St. John's	836,849	-
Revenue recognized for government funded capital assets	(609,950)	(489,520)
Funding overpayment from City of St. John's	-	-
Funding overpayment from City of St. John's - prior year	-	(715,941)
Regional Water/Wastewater Operator	-	19,375
Regional Water/Wastewater Operator prior year	-	(45,200)
	<b>\$ 1,540,371</b>	<b>\$ 1,313,472</b>

In 2015, the organization received government funding in the amount of \$1,794,915 for the construction and engineering of waste recovery facilities, costs associated with the closure of various dump sites previously used in the eastern region, construction and engineering of the Clarendville Transfer Station, and the purchase of land in Whitbourne where the organization is planning to build a depot for its trucks near the Whitbourne waste recovery facility. This deferred income will be recognized as revenue when spent on approved projects.

During the year, the organization also received \$77,500 from the Provincial government to fund a Regional Water/Wastewater Operator Pilot Program. At December 31, 2017, \$19,375 of this funding remained unspent and is included in the opening balance of \$1,313,472.

#### 8. ACCUMULATED SURPLUS

	2017	2016
<u>The accumulated surplus consists of fund surplus and reserves as follows:</u>		
Invested in tangible capital assets	\$ 4,726,647	\$ 4,685,888
Capital reserve - Regional	856,234	536,234
Capital reserve - Curbside	280,000	130,000
Operational reserve	1,319,200	969,200
Unappropriated surplus	2,125,324	2,101,718
	<b>\$ 9,307,405</b>	<b>\$ 8,423,040</b>

## **EASTERN REGIONAL SERVICE BOARD**

### **Notes to Financial Statements**

**Year Ended December 31, 2017**

---

#### 9. TIPPING FEES

The Government of Newfoundland and Labrador has officially designated the Robin Hood Bay Waste Management Facility, which is owned and operated by the City of St. John's, as the site for the Eastern Region's Integrated Waste Management Facility. Eastern Regional Service Board contracts with the City of St. John's to provide waste disposal services for other municipalities in the Eastern Region.

Tipping fees charged per tonne at the Robin Hood Bay Waste Management Facility are determined annually by Eastern Regional Service Board based on estimated tonnage and budgeted costs to operate both Eastern Regional Service Board and the Robin Hood Bay Waste Management Facility. Operational funding is provided to Eastern Regional Service Board from tipping fees collected from facility users to the extent required in its annual budget.

---

DRAFT

**EASTERN REGIONAL SERVICE BOARD****Notes to Financial Statements****Year Ended December 31, 2017****10. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2017</b>	2016
TD Equipment Finance lease bearing interest at 4.78% per annum, repayable in monthly blended payments of \$12,274. The lease matures on November 1, 2019 and is secured by equipment.	<b>\$ 257,754</b>	\$ 388,905

Future minimum capital lease payments are approximately:

2018	\$ 147,289	
2019	110,465	
Total minimum lease payments	<b>\$ 257,754</b>	

**11. ACCUMULATED SURPLUS**

	<b>2017</b>	2016
Accumulated net assets from operations	\$ -	\$ 3,695,071
Net assets invested in tangible capital assets	-	4,685,888
Accumulated surplus	<b>\$ -</b>	<b>\$ 8,380,959</b>

**12. LEASE COMMITMENTS**

The organization has a long term lease with respect to its premises, which expired April 1, 2017. A new 5 year lease was then signed which expires March 31, 2022. Future minimum lease payments , excluding HST, as at December 31, 2017, are as follows:

2018	\$ 77,012
2019	77,012
2020	77,012
2021	77,012
2022	<b>\$ 77,012</b>

**13. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2017.

*(continues)*

## **EASTERN REGIONAL SERVICE BOARD**

### **Notes to Financial Statements**

**Year Ended December 31, 2017**

---

#### 13. FINANCIAL INSTRUMENTS *(continued)*

##### ***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

##### ***(b) Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

##### ***(c) Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

---



**EASTERN REGIONAL SERVICE BOARD****Notes to Financial Statements****Year Ended December 31, 2017****14. EXPENSES BY OBJECT**

	<b>2017</b>	<b>2016</b>
Advertising and promotion	\$ 74,113	\$ 139,472
Amortization	932,244	935,311
Bad debts	186,971	209,236
Business taxes, licenses and memberships	33,166	19,497
Directors fees	86,355	97,355
Insurance	106,215	86,824
Interest and bank charges	41,399	35,115
Interest on obligations under capital lease	16,137	22,250
Office	54,777	53,400
Professional fees	115,495	66,778
Regional travel and professional development	48,851	72,544
Regional waste management operations	359,671	176,889
Rental	139,487	150,880
Repairs and maintenance	44,456	40,719
Salaries and wages	2,045,098	2,003,296
Telephone	40,590	37,455
Training	28,690	57,545
Tipping fees	327,451	284,683
Vehicle	1,017,129	836,514
Waste collection operations	3,155,927	3,357,931
Waste recovery facilities - site development	309,154	247,496
	<b>\$ 9,163,376</b>	<b>\$ 8,931,190</b>

**15. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**(4)(a)(3) Waste Collection Tenders  
for Southern Shore, Bay de Grave  
and Bell Island**

## BRIEFING NOTE

# Southern Shore and Bay de Grave Waste Collection Tenders

## BACKGROUND

Waste collection in the Southern Shore and Bay de Grave areas is completed by external contractors.

Tenders for waste collection for the next three years for both areas closed on Tuesday, February 27, 2018 at 2:00 p.m.

Five potential bidders picked up a package for the Southern Shore Tender, and three for the Bay de Grave Tender. There was one bid received per Tender, which is outlined in more detail below.

A pre-award letter was sent to the single bidder for both contracts on Thursday, March 8. All necessary certifications and approvals with WorkplaceNL and other agencies will be confirmed before service agreements are signed.

## SOUTHERN SHORE

The bid received for the Southern Shore Tender was from T2 Ventures Inc. and represents a cost of \$291.63 per household (plus HST) for a period of 36 months. This equates to \$97.20 per household per year. The annual per household cost of the previous contract was \$96.00 before tax.

The total value of the Tender bid was \$1,170,000 before taxes, or \$1,345,500 HST included.

The current contract with T2 Ventures Inc. expires on June 30, 2018. The new contract will commence on July 1, 2018.

## BAY DE GRAVE

The bid received for the Bay de Grave Tender was also from T2 Ventures Inc. and represents a cost of \$334.71 per household (plus HST) for a period of 36 months. This equates to \$111.60 per household per year. The annual per household cost of the previous contract was \$109.80 before tax.

The total value of the Tender bid was \$324,000 before taxes, or \$372,600 HST included.

The current contract with T2 Ventures Inc. expires on June 30, 2018. The new contract will commence on July 1, 2018.

## RECOMMENDATIONS

1. It is recommended that the contract for multi-stream waste collection, including recycling and bulk pick-up for the Southern Shore area be awarded to T2 Ventures Inc. at a cost of \$1,170,000 before taxes for the period of July 1, 2018 to June 30, 2021.
2. It is recommended that the contract for multi-stream waste collection, including recycling and bulk pick-up for the Bay de Grave area be awarded to T2 Ventures Inc. at a cost of \$324,000 before taxes for the period of July 1, 2018 to June 30, 2021.

Eastern Regional Service Board  
Tender For Snow Clearing

SUPPLY OF Multi-Stream Waste Collection Including Recycling & Bulk Pick-Up – Southern Shore

Closing Date and Time: Tuesday, February 27, 2018 @ 2pm

Tender Description: Supply of Multi-Stream Waste Collection Including Recycling & Bulk Pick-Up – Southern Shore

Project Number: \_\_\_\_\_

Name	Base Bid	HST	Tender Total
T2 Ventures Inc.	1,345,500.00	incl.	1,345,500.00

\_\_\_\_\_  
Christie Dean  
Manager Waste Operations  
Eastern Waste Management

\_\_\_\_\_  
Witness  
CND

Eastern Regional Service Board  
Tender For Snow Clearing

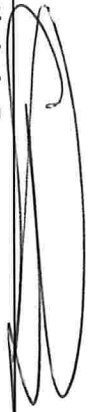
**SUPPLY OF Multi-Stream Waste Collection Including Recycling & Bulk Pick-Up – Bay De Grave Area**

Closing Date and Time: \_\_\_\_\_ Tuesday, February 27, 2018 @ 2pm \_\_\_\_\_

Tender Description: Supply of Multi-Stream Waste Collection Including Recycling & Bulk Pick-Up – Bay De Grave Area

Project Number: \_\_\_\_\_

Name	Base Bid	HST	Tender Total
T2 Ventures Inc.	372,600.00	incl.	372,600.00

  
 Christie Dean  
 Manager Waste Operations  
 Eastern Waste Management

  
 Witness  
 CWJ

## BRIEFING NOTE

# Bell Island Waste Collection Tender

### BACKGROUND

Multi-stream waste collection, including recycling and bulk pick-up on Bell Island will commence on July 1, 2018. This is one of the final areas for the full implementation of curbside collection throughout the Eastern Region.

The Tender for the Bell Island service agreement, which is for 1,419 properties for the next three years (36 months), closed on Monday, March 12 at 2:00 p.m.

Six potential bidders picked up a Tender package. There were two bids accepted. One bid was rejected whereas it did not meet the Tender Specifications.

The individual cost of the two accepted bids are as follows:

1. T2 Ventures Inc. - \$724,500 (Including HST)
2. SAG Holdings Ltd. - \$1,925,100 (Including HST)

The lowest bid, T2 Ventures Inc., represents a cost of \$443.98 per household (plus HST) for a period of 36 months. This equates to \$147.99 per household per year.

### RECOMMENDATIONS

**It is recommended that the contract for multi-stream waste collection, including recycling and bulk pick-up for Bell Island be awarded to T2 Ventures Inc. at a cost of \$630,000 before taxes for the period of July 1, 2018 to June 30, 2021.**

Eastern Regional Service Board


SUPPLY OF Multi-Stream Waste Collection including Recycling & Bulk Pick-Up on Bell Island


Closing Date and Time: Monday, March 12, 2018 @ 2pm

Tender Description: Supply of Multi-Stream Waste Collection including Recycling & Bulk Pick-Up on Bell Island

Project Number: \_\_\_\_\_

Name	Base Bid	HST	Tender Total
T2 Ventures Inc.	724,500.00	incl.	724,500.00
SAG Holdings Ltd.	1,925,100.00	incl.	1,925,100.00

  
 Christie Dean  
 Manager Waste Operations

  
 Witness

**LYNN B TUCKER**  
 A Commissioner for Oaths  
 in & for Province of Newfoundland & Labrador  
 My commission expires on December 31, 2018

**(4)(a)(4) Whitbourne Maintenance  
Depot Tender Update**



## BRIEFING NOTE

# Update on Tender - Whitbourne Waste Recovery Facility Depot

### BACKGROUND

A new Tender will soon be issued by the Government of Newfoundland and Labrador, Department of Municipal Affairs and Environment (DMAE), for the construction of a depot at the Whitbourne Waste Recovery Facility. The Tender will close on March 29 or April 2.

The closing date may occur between the current Finance & Audit Committee meeting in March and the upcoming monthly Board meeting. Therefore, Board members are advised the Tender submissions may not be presented to Committee before they are advanced to the Board for approval.

The bids from the previous Tender ranged from \$1,363,315.66 to \$1,669,434.79. The budget for the project is \$1,500,000 (including HST).

As Board members may recall, upon review of the submissions received for the first Tender issued, Amec Foster Wheeler (the engineer working on behalf of the Owner) and DMAE identified some issues with the submissions that required a legal review. After meeting with DMAE's legal representative on July 19, 2017, officials within the department and Amec Foster Wheeler decided that the contract should not be awarded due to the errors in the bids. Namely, only one of five bidders made the bid bond out in favour of the Owner (Eastern Regional Service Board), which is a requirement of the process per *Section 3(a) - Instruction to Bidders* in the Tender document.

### RECOMMENDATION:

- 1. It is recommended that the Board proceed to review and approve the Tender results as they become available.**

**(4)(b) Strategy & Policy Committee**

# **(4)(b)(1) Proposed Public Engagement Strategy**

---

**To:** Ken Kelly

---

**From:** AnnMarie Boudreau, Jill Pitcher

---

**Date:** March 7, 2018

---

**Subject:** Engagement Strategy Scoping

---

Our NATIONAL team excels at working with clients to translate complex subject matter into stories people can understand, care about, as well as engage in conversation and contribute an informed opinion on. The story behind the Eastern Regional Service Board and the important role it plays in the delivery of Regional Services is one that NATIONAL is uniquely qualified to help you shape and articulate.

We will work with you to develop an online communications and community engagement strategy that shares this story, addresses questions and concerns, and builds confidence and support for your efforts.

## OVERVIEW

An engagement program will target both permanent and seasonal residents of your service area. This provides a safe environment for all residents to share their thoughts and feedback, while avoiding a public event that has the potential confrontational. Questions would reflect all ERSB service areas, to diffuse the polarization and current negativity around the issue of fees.

Residents would be informed of the survey through direct mail, which would position the issues and value proposition of ERSB with a clear message – “we acknowledge there are concerns, and we are listening.” The survey would be housed through an online engagement hub where respondents would be required to watch a short educational video in advance of answering the questions.

It is important to note there would be careful language applied to the scenario you are entering into. ERSB does not need to make a commitment to “do” the option that most seem in favour of. We would carefully structure the commitment that you make—the commitment ERSB makes throughout this process to facilitate a discussion that is important to residents and ERSB as an organization.

### Opportunity

- Gain a deeper understanding of resident’s concerns by giving residents a platform to discuss concerns, share preferences and provide feedback on service delivery.
- Demonstrate an openness to listening to resident concerns about the issues that matter most to them.
- Inform decision-making processes, while improving stakeholder relationships.

Considerations

- An engagement survey can provide ERSB with measured, qualitative and qualitative data and information that supports various positions, but may also demonstrate dissatisfaction and disagreement with ERSB’s policies.
- Trust may be broken if ERSB does not show a genuine interest in listening and applying the key learnings from the engagement survey to information decision-making processes.

**APPROACH**

As discussed, please find below a proposed scope of work for NATIONAL to provide support with public engagement on delivery of regional services. Our objective is to be a helpful resource to you and the ERSB team as you develop and implement this engagement initiative.

ITEM	COST ESTIMATE
<p><b>Discovery session to inform survey development and align on:</b></p> <ul style="list-style-type: none"> <li>• Objectives of the public engagement program</li> <li>• Parameters of what the public and stakeholders will have the opportunity to influence</li> <li>• Engagement schedule (content, timing)</li> <li>• Audience review and segmentation</li> <li>• Resource requirements and risk assessment</li> <li>• Survey incentive?</li> </ul>	<p><b>2,500</b></p>
<p><b>Engagement Plan</b></p> <p>Draft a summary document to define the goals, objectives and metrics that will be used to measure success. Also include a clear articulation of the Engagement Narrative, audience mapping, definition of regional service areas to be covered, invitation approach and media plan.</p>	<p><b>2,500</b></p>
<p><b>Concept Development</b></p> <p>Development of a ‘campaign’ concept to be applied to the materials that will be developed and distributed, i.e. direct mail, website, ads, etc.</p>	<p><b>3,000 – 5,000</b></p>
<p><b>Engagement Hub</b></p> <ul style="list-style-type: none"> <li>• Visualization of Hub – layout and design of hub, allows for 2 rounds of revisions.</li> </ul>	<p><b>13,500</b></p>

<ul style="list-style-type: none"> <li>• Development of copy and content for hub, allows for 2 rounds of revisions.</li> <li>• Programming of engagement strategy content</li> <li>• Programming of survey tool</li> </ul>	
<p><b>Production of a pre-engagement video</b></p> <ul style="list-style-type: none"> <li>• Production coordination</li> <li>• Review and revisions to script</li> <li>• Review and feedback on style, storyboards, and video cuts</li> <li>• Ensuring overall integration with online feedback tool and other campaign elements</li> </ul>	<p><b>5,000 – 10,000</b></p>
<p><b>Survey Design</b></p> <ul style="list-style-type: none"> <li>• Draft survey questions, two rounds of revisions</li> </ul>	<p><b>3,500</b></p>
<p><b>Direct Mail</b></p> <ul style="list-style-type: none"> <li>• DM creative development (2 concepts, 2 round of revisions, based on approved video/web creative)</li> <li>• DM production – design &amp; copywriting (print, social); coordination &amp; delivery of final files to printer</li> </ul>	<p><b>3,000 – 5,000</b></p>
<p><b>Ad Graphic</b></p> <ul style="list-style-type: none"> <li>• Create 2 shareable graphics that can be used via the Community Leaders forum or distributed via email, allows for 2 rounds of revisions</li> <li>• Adapt for digital and print ad.</li> </ul>	<p><b>2,000 – 3,500</b></p>
<p><b>SEM</b></p> <ul style="list-style-type: none"> <li>• Program an ad group to appear for related searches geo-targeting the eastern Newfoundland waste management region.</li> </ul>	<p><b>1,000</b></p>
<p><b>Final Report*</b></p> <p>Production of a report summarizing engagement efforts, findings and key insights from in-person (stakeholder engagement session) and online efforts.</p> <ul style="list-style-type: none"> <li>• Production of a comprehensive report on the outcome of the engagement process             <ul style="list-style-type: none"> <li>○ Draft summary report content</li> <li>○ Write, revise and finalize content</li> <li>○ Prioritizing feedback and recommending content for inclusion, including areas for emphasis and/or omission</li> </ul> </li> <li>• Copywriting and design of visual summary of the feedback and participation throughout the public engagement program</li> </ul>	<p><b>5,500</b></p>
<p><b>Data Analysis</b></p>	<p><b>2,000</b></p>

<ul style="list-style-type: none"><li>Quantitative and qualitative feedback analysis</li></ul>	
<b>Project Management</b> <ul style="list-style-type: none"><li>Establish timelines and work backs, regular communications with client, coordination of revisions and approvals, schedule management, liaison with suppliers, production and media planning support.</li></ul>	<b>5,000 – 7,000</b>
<b>TOTAL</b>	<b>\$48,500 - \$61,000</b>
<b>Post Survey Community Sessions (IF REQUIRED)</b>	
We recommend beginning with the online engagement and monitoring response. If required, community sessions can be scoped as an additional tactic.	<b>TBD</b>

**Please note:** Our normal practice is to recover out-of-pocket expenses for incremental long-distance, cell phone, postage, faxing, and copying charges with a six per cent administrative and cost recovery charge on professional fees. We also charge normal mark-ups (17.65 per cent) for any outside supplier hard costs associated with creative development and production, such as translation, printing and photography. Unless otherwise agreed upon, invoices are issued in the first week of each month and payment is due within 30 days. HST is not included in project estimates. Pricing is in Canadian dollars.

**Next Steps**

Thank you again for the opportunity to prepare this proposed scope of work. I would be happy to discuss it together and determine what next steps are most appropriate to move the initiative forward.

**(4)(c) Governance Committee**



## **(4)(c)(2) Process and Vote to Select Vice Chairperson**

**REGIONAL SERVICE BOARDS ACT, 2012**

Amended:  
2014 cC-10.1 s64; 2015 c15

**CHAPTER R-8.1**

**AN ACT RESPECTING REGIONAL SERVICE BOARDS IN THE PROVINCE**

---

**Chairperson and vice-chairperson**

5. (1) The members of a board shall, by resolution, elect a chairperson from among the members of the board or from outside the board.

(2) The members of a board shall, by resolution, elect a vice-chairperson from among the members of the board.

(3) In the absence or incapacity of the chairperson, or where the office of the chairperson is vacant, the vice-chairperson has the powers and shall exercise the duties of the chairperson.

[2015 c15 s2](#)

## **(6)(a) ERSB Committee List**

## **(6)(a) ERSB Committee List**

## **2018 ERSB COMMITTEE LIST**

### **Finance and Audit Committee**

Chairperson: Sandy Hickman

Members: Danny Breen, Harold Mullooney, Hilda Whelan and Bill Bailey

### **Strategy and Policy Committee**

Chairperson: Sam Whalen

Members: Gerard Tilley, Ian Froude, Hope Jamieson, Sterling Willis and Sandy Hickman

### **Governance Committee**

Chairperson: Harold Mullooney

Members: Glenn Clarke, Kevin McDonald, Peggy Roche, Deanne Stapleton and Lucy Stoyles