

Claystone Waste Business Plan



BUSINESS PLAN

A business plan is required for any municipality or group of municipalities to form a municipally controlled corporation in Alberta. The requirement for a business plan is enshrined in Alberta law through the Municipal Government Act and Municipally Controlled Corporations Regulation. These laws make sure that municipalities practice due diligence when forming a corporation and ensure that the public is consulted and has access to all the information to support a community discussion about whether to establish a municipally controlled corporation.

In this sense, the business plan is the business case for Beaver County, the Town of Tofield, Town of Viking, Village of Holden, and Village of Ryley to form a municipally controlled corporation. It provides details on how the region would benefit from forming a corporation and includes comprehensive information on the proposed corporation's operating plan, management structure, revenue forecasts and capital spending plans.

KEY PROVISIONS

THE BUSINESS CASE FOR CLAYSTONE WASTE

A transition from Beaver Municipal Solutions to Claystone Waste is designed to provide increased community benefit to residents, provide more revenue to support local priorities, and enable waste management operations to be conducted in a more flexible manner. The business plan details how these objectives will be achieved and is separated into five main sections:

- **Business Overview:** Provides a comprehensive overview of the state of operations, description of waste management markets and competition, and details the purpose of the municipally controlled corporation.
- **Sales and Marketing Plan:** Describes near-term and longer-term sales objectives and discusses potential future marketing needs.
- **Operating Plan:** Describes landfill operations and logistics, environmental compliance, and servicing commitments for residents of municipal shareholders.
- **Human Resources Plan:** Provides information on management structure, operating procedures and policies, and training and development in support of safety initiatives.
- **Action Plan:** Provides a summary of key goals related to business continuity, development, diversification, and support to member municipality shareholders.

COMPLIANT WITH UNANIMOUS SHAREHOLDER AGREEMENT AND ALBERTA LAW

The business plan has an important relationship with the Unanimous Shareholder Agreement (USA) and complies with the obligations described in the USA about charting the course for Claystone Waste. Specific information is also required to be included in the business plan by the Municipal Government Act and Municipally Controlled Corporations Regulation. What this information is, and where it can be found within the business plan, is detailed on the following pages.

The Claystone Waste Business Plan is a comprehensive overview of the proposed municipally controlled corporation, including its operating plan, management structure, revenue forecasts and capital spending plans.

Claystone Waste Business Plan

Required Business Plan Information

Municipal Government Act	
Legal Requirement	Claystone Waste Business Plan
The business plan must include information on costs relating to establishing the municipally controlled corporation.	<p>These costs are referenced in Section 1: Business Overview. Total costs of establishing a municipally controlled corporation are expected to be approximately \$410,000 and include legal fees, consulting services, and public advertising and hosting costs.</p> <p>These costs have been paid by Beaver Municipal Solutions and have not been supported by any taxpayer funding.</p>
The value of assets that are to be transferred to the municipally controlled corporation.	Current and projected asset valuations for buildings, equipment and infrastructure that would be transferred from the regional waste services commission to Claystone Waste are provided in Schedules B-3 and B-4 of the business plan.
A cash flow projection for the next 3 years of the municipally controlled corporation's operation.	This projection is included in Appendix 4: 5-year Operational and Capital Plan .
Financial statements for operating and capital budgets for the last five years.	This information is found in Section 1: Business Overview, Table 1.1 Summarized operating results (2014- 2018), Table 1.2 Net Capital Expenditures (2014-2018) .
Municipally Controlled Corporations Regulation	
Legal Requirement	Claystone Waste Business Plan
The business plan must include information on the services the corporation intends to provide.	This information is included in Section 1: Business Overview and Section 2: Sales and Marketing Plan . Claystone Waste would continue to provide waste management services to its shareholding municipalities and broader capital region.
The names of the shareholders of the corporation.	This information is included in Section 1: Business Overview . The shareholding municipalities would be Beaver County, the Town of Tofield, Town of Viking,

	Village of Holden, and Village of Ryley.
The geographic locations in and outside Alberta in which the corporation intends to provide services.	<p>This information is included in Section 1: Business Overview. Claystone Waste would operate the existing landfill in Ryley as well as potentially develop and operate waste diversion sites in other Canadian provinces and in the United States.</p> <p>Under the current business plan, waste from outside the province of Alberta is not permitted to be disposed of at the landfill site in Ryley.</p>
Any potential environmental, financial, labour or other liability risk in controlling the corporation	This information is found in Section 1: Business Overview, Government Regulation and Implications or Risk Factors – Cost Drivers .
Information demonstrating that the corporation will not be dependent on the shareholders for its ongoing operations.	<p>This information is found in Section 3: Operating Plan and Appendices 3 and 4.</p> <p>Beaver Municipal Solutions is already not reliant on its municipal members for operations and that would continue to be the case under Claystone Waste.</p>
The impact of controlling the corporation on each municipality's financial viability.	This information is found in Section 1: Business Overview, Section 3: Operating Plan, and Appendix 4: 5-year Operational and Capital Plan .
The business plan must include a projected rate structure for any utility services.	This information is provided in Schedule D: Fees .
A market impact analysis if municipal control of the corporation would result in competition with similar services provided by the private sector.	This information is found in Section 1: Business Overview, Market and Competition .