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2008 WASTE MANAGEMENT USER FEES

(Regional Council at its meeting on November 15, 2007 referred this clause back to the Committee and also that it be forwarded to staff members at the local municipalities for comment.)

The Solid Waste Management Committee recommends the adoption of the recommendations contained in the following report, October 29, 2007, from the Director, Solid Waste and Administration, subject to:

- 1. Recommendation 1 being amended by adding the words “except for the category relating to proposed fees for Tires in Schedule 1”; and**
- 2. Staff providing comments to Council on November 15, 2007, relating to fees for tires and the possible reduction of charges for tractor tires.**

1. RECOMMENDATIONS

It is recommended that:

1. The user fees for waste management services for 2008, as set out in Schedules 1 through 3 in Attachment 1 of this report, be approved.
2. The Regional Solicitor be authorized to prepare the necessary by-law.
3. The Clerk forward this report to the Clerks of all the local municipalities as notification of the 2008 user fees schedule.

2. PURPOSE

This report updates the user fees for waste management services (*see Attachment 1*) for 2008.

3. BACKGROUND

The Region charges user fees for residential, commercial and municipal customers at its transfer stations. Ontario Regulation 244/02 under the *Municipal Act 2001*, required public notification and a public meeting to change user fees for waste management. Regulation 584/06 repealed this regulation on January 1, 2007 which discontinued the requirements for public notification and a public meeting.

The 2007 fee by-law included charges for waste from local municipal operations which are now waived by Council. York Region now accepts these materials at transfer stations at no cost to the local municipalities and encourages them to adopt aggressive diversion programs for all aspects of their municipal operations.

4. ANALYSIS AND OPTIONS

York Region will receive waste materials from residential and business users at the Georgina Transfer Station and the Vaughan Community Environmental Centre in 2008. The Asian Long-Horned Beetle Site in Vaughan also receives municipal compostable leaf and yard waste and forest product waste from contractors in the designated area. Four sites in Vaughan, Markham, Georgina and East Gwillimbury receive Household Hazardous Wastes from residential users only. The 2007 user fee schedule needs to be updated to reflect current program costs.

York residents also have access to the Miller composting site on Bloomington Road through an agreement with Miller Waste. Miller accepts loads of compostable leaf and yard waste under one cubic yard (approximately 100 kg) at no charge and larger loads on a weight basis. Miller sets the prices at this site through agreement with York Region, however, these charges do not form part of the York Region Waste User Fees By-law.

4.1 York Region Waste Management Costs

York Region's costs include contract costs, transportation and disposal costs, facility maintenance and operating costs, capital depreciation and inter-departmental administrative costs. Table 1 shows these costs, excluding capital depreciation, for various waste streams on a per tonne basis. Costs vary by facility due to waste haulage distances, efficiencies of scale, maintenance costs and contractor costs.

Table 1
2008 Budget

	Estimated Tonnes 2008	2008 Estimated Net Cost	Net Cost/(Revenue) per Tonne
Residual Waste	168,230	\$15,027,368	\$89
Blue Box Materials	83,990	\$1,930,900	\$23
Compostable Leaf and Yard Waste	28,030	\$2,007,100	\$72
Household Hazardous Waste	2,050	\$1,235,296	\$603
Asian Long-Horned Beetle Material	4,470	\$360,000	\$81
Tires	146	\$27,384	\$187
Scrap Metal	1,750	(\$122,238)	(\$70)

York Region costs will increase as new waste management options come on-line. With the start-up of the Dongara plant in the second half of 2008, residual waste disposal costs will rise to \$94.60 per tonne including transportation and loading costs. This will result in 2009 disposal costs above \$95 per tonne. Proposed fees for residual waste disposal reflect cost recovery at current prices that benefit from short-term low cost disposal options in Michigan.

4.2 Rationale for User Fees

Attachment 1 includes proposed fee schedules for the Georgina Transfer Station, the Asian Long-Horned Beetle site and the proposed Vaughan Community Environmental Centre. The fee structure attempts to normalize waste charges at all York Region operations so that a resident using the Georgina Transfer Station pays the same fee as someone using the Vaughan Community Environmental Centre.

The Region's fee structure differentiates between residential users and commercial users as the Region does not collect property taxes for commercial waste management services. Regional fees for commercial customers are based on local market rates. York Region provides waste management services primarily to serve the residential sector and encourages industrial/commercial/institutional customers to pursue private waste disposal options. The Region currently provides access for commercial users at the Georgina Transfer Station and at the Asian Long-Horned Beetle site in Vaughan. Starting in the fall of 2008, residential and low volume industrial/commercial/institutional users will have access to the Community Environmental Centre in Vaughan. Residential users have access to the Georgina Transfer Station, four Household Hazardous Waste facilities, and the Miller Bloomington Road Compost site.

The following sections of this report provide a description of the proposed 2008 waste user fees. Ontario Regulation 584/06 rescinded former Regulation 244/02 and ended the requirement for public meetings relating to waste fees and it is proposed that future changes for waste management fees be included as part of the Region's annual Waste User Fees By-law.

4.2.1 Minimum Transaction Fees

The proposed minimum transaction fees recover costs incurred by small transactions at facilities and includes administration, processing and disposal costs for small transactions. Charges for larger loads will include the transaction fee in the per tonne cost.

4.2.2 Residual Waste

The proposed residential user fee for residual waste of \$89 per tonne represents a cost recovery of operational costs. A minimum transaction fee of \$7 offsets transactional costs for small loads. Non-residential residual waste fees represent the local market price of \$86 per tonne plus \$4 per tonne to avoid competing with local businesses. Industrial/commercial/institutional loads under the minimum weight of approximately 250 kg will pay a minimum transaction fee of \$25 to cover transaction costs. Above the minimum weight, only weight-based charges will apply. Price increases reflect the increased costs of disposal and transfer station operations.

4.2.3 Blue Box Materials

York Region receives blue box material from all sources at no charge to encourage diversion. The overall revenue from the sale of blue box material currently covers the cost of processing.

4.2.4 Compostable Leaf and Yard Waste

It is proposed that administrative and processing charges apply to each load of yard waste. Industrial/commercial/institutional customers will continue to pay a minimum of \$25 per load. York Region will reject over-sized loads at both the transfer stations and Community Environmental Centre, and redirect these customers to the Miller Compost Facility at Bloomington Road. To provide consistent pricing and to offset the cost of compostable leaf and yard waste processing, a new fee of \$72 per tonne applies to residential compostable leaf and yard waste materials and \$90. per tonne for commercial users. No charge will apply to loads under 1 cubic yard (0.75 cubic metres) or 100 kg if weighed.

The imposition of fees for compostable leaf and yard waste will recover costs incurred at the receiving facilities and will encourage residents to effectively use their curbside programs that provide unlimited compostable leaf and yard pickup for appropriately sized and package materials. Community Environmental Centres and Transfer Stations should only receive larger materials.

4.2.5 Household Hazardous Wastes

The Region receives small quantities of hazardous household chemicals at four locations at no charge to divert these materials from the waste stream.

4.2.6 Tires

Tires are processed by a private contractor. In 2008, the contractor costs have increased and, therefore, new fees are required as outlined in Attachment 1. Higher costs for tractor tires reflect the need for pre-processing prior to acceptance by tire recyclers.

4.2.7 Scrap Metal

Revenue from scrap metal offsets the cost of metal handling. Transfer stations will accept clean uncontaminated scrap metal at no cost without an administrative fee.

4.2.8 Asian Long-Horned Beetle

It is proposed that industrial/commercial/institutional customers pay on a load basis as shown in Schedule 3. Industrial/commercial/institutional customers may also provide a certified weigh scale ticket and pay \$100 per tonne. Increased prices reflect increased contract costs.

5. FINANCIAL IMPLICATIONS

User fees account for 3.6% of the total funding in the draft 2008 Solid Waste Management Operating Budget. The proposed user fees for 2008 are noted in Schedules 1 through 3 shown in Attachment 1. It is estimated that \$1.2 million will be raised through the user fees identified in this report for 2008.

Table 2 compares waste fees in York Region with surrounding municipalities. York Region fees currently lag behind neighbouring municipalities, significantly \$22.00 per tonne less for residual waste than Toronto. Currently, York is the only municipality that does not charge for compostable leaf and yard waste brought to transfer stations.

Table 2
Comparison of Fees with Other Municipalities

	York Region (proposed)	Toronto	Simcoe County	Peel	Durham
Minimum Charge (per visit)	\$7.00	\$10.00	\$5.00	no	\$5.00
Residual Waste (per tonne)	\$89.00	\$100.00	\$155.00	\$80	\$120.00
Blue Box Materials (per tonne)	No charge	\$75.00 (first 20 kg free)	free	no charge	\$120.00
Compostable Leaf and Yard Waste (per tonne)	\$72	\$75.00 (first 20 kg free)	\$35.00 to \$55.00	\$80 (under 55 lb – free)	\$120.00
Mixed Recyclables and Residual Wastes (per tonne)			\$230.00		\$120.00
Tires (per tonne)	\$180	\$150.00 per tonne \$75.00	\$275.00	\$80	\$120.00
Scrap Metal	no charge	(first 20 kg free)	\$55.00	\$80	\$120.00

6. LOCAL MUNICIPAL IMPACT

The Region provides municipalities free disposal for all waste material collected in their residential programs and produced by municipal operations. Local municipalities should pursue aggressive waste reduction programs to eliminate recyclable and reusable materials from their waste streams.

The introduction of the Vaughan Community Environmental Center will provide residents in the southern part of the Region a disposal and recycling option so that they no longer have to drive to the Georgina Transfer Station (unless they have a very large load of waste). Staff plan to construct additional community environmental centres across the Region to provide better access to waste management services.

7. CONCLUSION

Ontario Regulation 584/06 rescinded former Regulation 244/02 and ended the requirement for public meetings relating to waste fees. The proposed 2008 solid waste

management fee by-law updates the fees to recover increased contractor and disposal costs.

For more information on this report contact Alec Scott, Program Manager, Waste Disposal and Quality Control of the Solid Waste Management Branch at extension 5712 in the Transportation and Works Department.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)