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REVISED 2008 WASTE MANAGEMENT USER FEES

The Solid Waste Management Committee recommends the following:

- 1. The recommendations contained in the following report, December 3, 2007, from the Director, Solid Waste and Administration, be adopted, subject to recommendation 1 being amended to include the following:**
 - (a) Table 4, of the report headed “Comparison of Fees with Other Municipalities”, be amended by deleting “\$72 (first 50 kg or 1 cubic yard free)” for Compostable Leaf and Yard Waste (per tonne) under the column headed “York Region (proposed)” and replacing it with “No Charge for residents”;**
 - (b) 2008 User Fee Schedules, Schedule 1, be amended by deleting “First 50 kg free \$72.00 / tonne” for Compostable Leaf and Yard Waste under the column headed “Delivered by Residents, Recommended 2008” and replacing it with “No Charge” (see *Revised Council Attachment 1*); and**
 - (c) 2008 User Fee Schedules, Schedule 2, be amended by deleting “\$8.00, \$17.00 and \$25.00” for car or minivan + small utility trailer, car or minivan + large utility trailer and pick up truck, respectively, under the column headed “Delivered by Residents User Fee per Load, Recommended 2008” and replacing each amount with “No Charge” (see *Revised Council Attachment 1*); and**
- 2. Sections 17 – 21 of the Schedule of Fees and Charges referred to in Clause 4 of the Finance and Administration Committee, Report No. 10 be amended accordingly.**

1. RECOMMENDATIONS

It is recommended that:

1. The revised user fees for waste management services for 2008, as set out in Schedules 1 through 4 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. This report revises proposed fees for tires, appliances and yard waste from those reported to the November 15 Council meeting.

3. BACKGROUND

The Region charges user fees for residential, commercial and municipal customers at its transfer stations.

On November 15, 2007 Regional Council referred Clause 2 of Report No. 10 of the Solid Waste Management Committee back to Committee with the suggestion it be forwarded to staff members of the local municipalities for comment.

This report is a revision to the November report (*see Attachment 2*) and provides clarification of proposed user fees and local municipal comments.

4. ANALYSIS AND OPTIONS

York Region receives waste materials from residential and business users at the Georgina Transfer Station and the Vaughan Community Environmental Centre in 2008. Four sites in Vaughan, Markham, Georgina and East Gwillimbury receive Household Hazardous Wastes from residential users only. The East Gwillimbury site also receives appliances and cardboard. The Asian Long-Horned Beetle Site in Vaughan receives municipal compostable leaf and yard waste and forest product waste from contractors in the designated area.

York Region residents also have access to the Miller Waste's composting site on Bloomington Road through an agreement with Miller Waste. Miller accepts loads of compostable leaf and yard waste under one cubic yard at no charge and charges for 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

Program costs include: contractor costs, transportation and disposal costs, facility maintenance and operating costs and administrative costs. Table 1 presents these costs 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)

Program 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, the proposed Vaughan Community Environmental Centre and the East Gwillimbury site. 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.

4.2.1 Market Rates for Commercial Customers

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. York Region municipalities provide waste management services primarily to serve the residential sector. Industrial/commercial/institutional customers have widely varying amounts of disposal / diversion needs and are required to pursue private waste disposal options. Regional fees for commercial customers are based on local market rates. Commercial users currently use the Georgina Transfer Station and 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.

4.2.2 Partial Cost Recovery Rates for Residential Customers

Currently the tax levy is used to significantly reduce the tipping fee charged to residential users at the Georgina Transfer Station which is currently our only facility receiving waste. In 2007 user fees at the Georgina Transfer Station accounted for only 52% of the operational costs. Continuing to subsidize disposal costs presents the Region's waste management facilities as a low cost option to efficient utilization of local municipal curbside diversion systems and potentially jeopardizing local municipal curbside recovery rates. Although a subsidized rate offer a greater benefit to those residents who produce larger than normal amounts of waste, a full cost recovery model allows residents with an alternative to curbside collection but at a price that would not encourage over-use.

Staff are not recommending a policy of full cost recovery in 2008 but the proposed fees will increase the recovery from 52% to 87% for applicable materials.

4.3 Proposed 2008 User Fees

4.3.1 Residual Waste

The proposed residential user fee for residual waste of \$89 per tonne represents a cost recovery of operational costs. A minimum subsidized transaction fee of \$7 offsets transactional costs for small loads for residential users. Industrial/commercial and institutional 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 will pay a minimum transaction fee of \$25 to cover transaction costs. Price increases reflect the increased costs of disposal and transfer station operations.

4.3.2 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.

4.3.3 Compostable Leaf and Yard Waste

Starting in September 2007 there was bi-weekly residential yard waste collection across the entire Region. As a result of this service level increase there is an opportunity to change our service policy to better reflect the true cost of managing yard waste at our facilities. 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 waste pickup for appropriately sized and package materials.

It is proposed that there be no charge for the first 50 kg (approximately one cubic yard) of yard waste. A fee of \$72 per tonne would be charged after that which is full cost recovery.

It is proposed that industrial/commercial/institutional customers continue to pay a minimum of \$25 per load or \$90 per tonne whichever is higher as our facilities are not designed to handle large amounts of commercial yard waste. 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.

4.3.4 Household Hazardous Waste

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

4.3.5 Tires

Tires are processed by a private contractor. It is proposed that the residential tire fees not be increased for 2008 but that the fees for commercial customers be increased to match the market rates charged at other retailers in the Region (see Table 2).

Table 2
Commercial Tire Fees

	Fee per Car Tire
Canadian Tire	\$2.75
S&B Keswick Motors Ltd.	\$4.00
Dave's Custom Exhaust & Auto Service	\$5.00
Hellman Tire Sales	\$4.00
Sterling Tire	\$4.00
Proposed Regional Fee	\$4.00

4.3.6 Scrap Metal and Appliances

Revenue from scrap metal offsets the cost of metal handling. Transfer stations will accept clean uncontaminated scrap metal at no cost. As such metal appliances will continue to be received free of charge. Refrigerators, air conditioners and freezers that have not had their CFC refrigerant removed require that the Region remove the CFCs before disposal. Our contractors charge the Region \$20 per unit for this service and it is recommended that this fee be recovered from our customers.

4.3.7 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 total draft 2008 Solid Waste Management Operating Budget. The proposed user fees for 2008 are noted in Schedules 1 through 4 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 3 presents an estimate of budget recovery of the expenses for the materials that have fees associated with them.

Table 3
Estimated Expense Recovery for User Fee Materials

Material	Tonnes	2008 Budget (\$ 1,000)	Estimated Recovery (\$ 1,000)	Percent Recovery
Residual Waste	18,900	\$2,014	\$1,685	83.7%
Yard Waste	1,700	138	122	88.4%
Metal Appliances with CFCs	1,400 units	28	28	100%
Tires	320	75	115	155%
Asian Beetle yard waste	250	20	20	100%
Total		\$2,274	\$1,970	87%

Table 4 compares the proposed fees in York Region with surrounding municipalities. York Region fees currently lag behind neighbouring municipalities. Currently, York is the only municipality that does not charge for compostable leaf and yard waste brought to transfer stations.

Table 4
Comparison of Fees with Other Municipalities

	York Region (proposed)	Toronto	Simcoe County	Peel	Durham
Minimum Charge for Waste (per visit)	\$7.00	\$10.00	\$5.00	No charge	\$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 (first 50 kg or 1 cubic yard free)	\$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)	NA	NA	\$230.00	NA	\$120.00
Tires (per tonne)	\$180	\$150.00 per tonne	\$275.00	\$80	\$120.00
Scrap Metal	No charge	\$75.00 (first 20 kg free)	\$55.00	\$80	\$120.00
CFC Appliances	\$20 per unit	\$75/tonne \$10 minimum	\$15 Per unit	\$15 curbside	\$120/tonne \$5 minimum

6. LOCAL MUNICIPAL IMPACT

The November Committee report was circulated to Local Municipal Waste Coordinators. As a result of comments received Regional staff have reviewed and revised some of the user fees as presented in this report. Specifically the rate for passenger vehicle tires, appliances without CFCs and yard waste were reconsidered and lowered.

The Region provides to 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

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 and Administration Branch at extension 5712.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)