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SOURCE SEPARATED ORGANICS (SSO) IMPLEMENTATION IN THE TOWN OF MARKHAM

(Regional Council at its meeting on April 21, 2005 amended the following report by adding the following recommendation:

- “3. The Region enter into a six month contract starting July 4, 2005 with GSI Environment Ltd. for the haulage and processing of household organic waste at a cost of \$138 per tonne for an estimated contract value of \$1.2 million.”)***

The Solid Waste Management Committee recommends the adoption of the recommendations contained in the following report, April 8, 2005, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. York Region support the Town of Markham’s proposal to start their town-wide three-stream collection program early by receiving and processing source separated organics from the entire Town as of July 4th, 2005 rather than September, 2005 as currently budgeted.
2. The Town of Markham pay 50% of York Region’s increased costs to accommodate this change in schedule, (50% share estimated to be \$79,188).

2. PURPOSE

The purpose of this report is to reply to the request from the Town of Markham to advance the processing schedule for its SSO material from September to July, 2005.

3. BACKGROUND

On March 25, 2004, Regional Council adopted Clause 1 of Report No. 2 of the Commissioner of Transportation and Works to implement a pilot project in the Town of Markham for household source separated organic (SSO) waste diversion. Included in this report was a recommendation for Markham to pay 50% of the pilot’s costs as it was not included in the Transportation and Works 2004 budget. Moreover, Markham proposed to switch the pilot area to commingled blue box collection at the same time. As

the Region's new single stream recycling facility in East Gwillimbury was not yet built, accommodating the Town's request meant that the associated blue box materials had to be shipped to the City of Toronto for processing at substantial cost to the Region.

On December 16, 2004, Council adopted Clause 1 of Report No. 8 of the Solid Waste Management Committee which stated that all the local municipalities would implement the SSO program no later than June 1, 2006 or on the renewal of its collection contracts.

During the 2005 budget process, the Region reduced the Solid Waste Management Operating Budget for SSO to fit the collection schedules provided by the local municipalities. The Town of Markham was the only municipality planning to expand the program this year, confirming a start date of September, 2005.

At Regional Council on March 31, 2005, Councillor Jack Heath noted that Markham Council had recently adopted a motion (*see Attachment 1*) to implement SSO collection for the entire Town starting July 4th. In addition, the Town offered the program costs for July and August, 2005 be equally shared as the Town was aware that the Region did not budget for this expenditure in 2005. Markham believes the increased program costs, to be shared, to be \$154,600.

4. ANALYSIS AND OPTIONS

The SSO program is expected to reduce York Region's landfill needs by approximately 25 to 30 percent. Markham started with a pilot program in September, 2004 with SSO collections on their Friday route only. Approximately 50 tonnes per week of material was collected. This material is processed at the Halton Recycling facility in Newmarket. Markham notified the Region they wanted to start SSO collection for the balance of the Town in September, 2005.

Markham has asked the Region if its collection schedule for the balance of the Town could be advanced from September to July 4, 2005. The Region's approved 2005 Solid Waste Management Operating Budget is based on Markham's September schedule.

4.1 Waste Management Jurisdiction

The Region is responsible for establishing waste management programs under Section 11 of the Ontario Municipal Act. As such, the Region is required to implement waste management and waste reduction programs and inform the lower tier municipalities before the collection can begin. It is therefore recommended that the Region authorize the Town of Markham to commence its SSO program on July 4, 2005.

5. FINANCIAL IMPLICATIONS

The estimated cost increase to start SSO collection in Markham in July instead of September, 2005 is \$158,375. It is proposed Markham pay 50% of this cost increase, estimated to be \$79,188. The balance of this increase can be funded from savings or budget surpluses in the Solid Waste Management or Transportation and Works operating budgets.

5.1 Solid Waste Management Operating Budget

The approved 2005 budget for SSO is presented in Table 1.

Table 1
SSO Operating Budget

Item	Quantity	Unit Cost	Total Cost
Transfer/Haul	5000	\$24.31	\$121,550
Processing	500	102.00	510,000
Inter-Departmental Allocations	Lump Sum		47,944
Promotion (including new blue box materials)	Lump Sum		227,000
Total			\$906,494

The expenditures required for Markham's July start date is shown in Table 2.

Table 2
Revised SSO Operating Expenditures

Item	Quantity	Unit Cost	Total Cost
Transfer/Haul	7,500	\$24.31	\$182,325
Processing	7,500	102.00	765,000
Inter-Departmental Allocations	Lump Sum		47,944
Promotion (including new blue box materials)	Lump Sum		227,000
Sub-Total			\$1,222,269
Less-Landfill avoided costs	2,500	62.96	(157,400)
Total			\$1,064,869

Therefore, the net cost increase for the Region to start the SSO program in July versus September is \$158,375. If the cost increase is to be shared with the Town of Markham on a 50/50 basis, the shared amount would be \$79,188 each.

The additional expenditures will be funded through savings or budget surpluses in other areas of the Solid Waste Management or Transportation and Works operating budgets.

6. LOCAL MUNICIPAL IMPACT

The adoption of the recommendations of this report will allow the Town of Markham to start collecting SSO materials in July, 2005 instead of September. This change will reduce the Region's landfill needs by 2,500 tonnes (1%) in 2005.

There is no impact on the other local municipalities as they do not have plans to implement SSO in 2005.

7. CONCLUSION

The Town of Markham has requested the Region to allow an advancement of its SSO collection from September to July, 2005. Regional staff support this change.

The Senior Management Group has reviewed this report.

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