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BUSINESS PLAN FOR THE COMMUNITY ENVIRONMENTAL CENTRE IN VAUGHAN

The Solid Waste Management Committee recommends the adoption of the recommendations contained in the following report, August 23, 2007, from the Director, Solid Waste and Administration:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize Regional staff to implement an operating program for the Community Environmental Centre in Vaughan based on the principles outlined in this business plan.
2. Council authorize Regional staff to negotiate and the Regional Chair and Clerk to execute leasing arrangements with Goodwill Industries and Habitat for Humanity to operate and provide services at the Community Environmental Centre in Vaughan consistent with the terms outlined in this report.
3. Council authorize Regional staff to proceed with the release of a Request for Proposal for the provision of contract labour and haulage services required for the operations of the Community Environmental Centre in Vaughan in accordance with the Regional purchasing by-law and subject to 2008 budget approval.

2. PURPOSE

This report outlines the proposed business plan for the operation of the Community Environmental Centre in Vaughan.

3. BACKGROUND

On September 22, 2005, Regional Council adopted Clause 3 of Report No. 5 of the Solid Waste Management Committee directing Regional staff to work with the City of Vaughan to identify a site for the construction of a Community Environmental Centre.

On June 21, 2007, Regional Council adopted Clause 3 of Report No. 7 of the Solid Waste Management Committee authorizing Regional staff to proceed with the acquisition of the McCleary Court property for the development of the Region's first Community Environmental Centre, including the required approvals, public consultation and issuance of a construction tender.

The establishment of a network of Community Environmental Centres is a key element of the Region's Solid Waste Management infrastructure, as put forward in the Joint Waste Diversion Strategy and approved by Regional and Vaughan Councils in Fall 2006 (Report No. 6 of the Solid Waste Management Committee).

York Region operates four public drop-off waste management facilities. These facilities are located in East Gwillimbury, Georgina, Markham, and Vaughan and receive various combinations of the following materials:

- Household Hazardous Waste
- Electronics
- White Goods
- Yard Waste
- Recyclables
- Municipal Solid Waste (MSW)

The recycling depot in East Gwillimbury does not accept tires, general garbage and yard waste. Household metal appliances and other scrap metal items are only accepted at the East Gwillimbury and Georgina depots.

The Towns of Markham and Whitchurch-Stouffville also operate their own recycling depots where residents can drop off their recyclables at no charge.

4. ANALYSIS AND OPTIONS

The Region's Community Environmental Centres are intended to provide members of the public with conveniently located points of access to solid waste management services not available curbside. Periodically, residents require services to dispose of excessive amounts of waste materials. This facility will facilitate the reuse, recycling and disposal of residential and small quantities of industrial, commercial and institutional wastes that would otherwise be sent to landfill.

Subject to receipt of the necessary site approvals, construction is anticipated to begin early in 2008 on the Region's first Community Environmental Centre. Commissioning of the facility is anticipated to occur during the summer of 2008.

4.1 Community Environmental Centre Operating Hours

Surveys of public drop-off depots across the province, and traffic data indicate that residential use is lowest during the middle of the week. There is also a need to accommodate residential users of differing work schedules, and religious backgrounds. Based on an examination of the community's needs, it is proposed that the Community Environmental Centre in Vaughan maintain business hours of Thursday to Monday from 9:30 a.m. to 4:30 p.m. From April 1 to October 31, it is proposed that the facility be open until 7:00 p.m. on Thursdays to accommodate the expected customer needs.

These hours of operation may need to be reviewed, once the facility is in operation, to ensure the community's needs are being served.

4.2 Materials Accepted at the Community Environmental Centre in Vaughan

The facility is being designed to facilitate participation in the Three "Rs" Hierarchy (Reduce, Reuse, Recycle). The materials to be accepted at the facility are listed in Table 1, and grouped into reuse, recycle and disposal efforts.

Table 1
Community Environmental Centre Acceptable Material Types

Material Type	Activity
Batteries	Recycling
Blue Box Recyclables	Recycling
Clean Fill	Disposal
Compact Fluorescent Light Bulbs	Recycling
Drywall	Recycling
Electronics	Recycling
Garbage	Disposal
Plastic Film	Recycling
Building Materials	Reuse (Habitat for Humanity)
Household Goods	Reuse (Goodwill Industries)
Scrap Metal	Recycling
Shingles	Recycling
Shredded Paper	Recycling
Styrofoam/ Expanded Polystyrene	Recycling
Tires	Recycling
White Goods	Recycling
Wood	Recycling
Yard Waste	Recycling (Composting)

This Community Environmental Centre is located in close proximity to the Region's Household Hazardous Waste Depot on Rutherford Road. Residents with hazardous waste will be directed to the Rutherford Road depot.

To maintain consistency with the philosophy of the Community Environmental Centres, considerable priority will be given to reuse activities and recycling, and therefore, a higher service fee will be allocated to disposal services. The goal of the fee structure will be to strongly encourage source separation, and participation in diversion services, and discourage disposal activity. Staff proposes to provide, where possible, free recycling services. Recycling services warranting a charge, and residual disposal services will be charged on a cost flow-through basis, where the cost to the Region will be charged with

no mark-up. The fee structure for materials received at the Community Environmental Centre will be outlined in a November, 2007 Solid Waste Management Committee report.

4.3 Community Environmental Centre Facility Charity Partners

An integral component of the facility is the participation of local charities. It is proposed the Region partner with Goodwill Industries and Habitat for Humanity as we have successfully worked with these groups in the past on diversion efforts and they have the experience and infrastructure in place to manage the material. It is expected that these two charities will operate and staff the onsite reuse building. Materials collected by the charities will be directed back to their offsite retail operations for distribution across the Region. Regional staff are seeking Council's authorization to negotiate and execute operating agreements with the two charities. The purpose of the intended operating agreements is to ensure the interests of the charities and the Region are protected and formalize each party's commitment to the operation of the facility. These two well-established, community focused, non-denominational charities are experts in their respective market of reusable materials. Discussions between the charities and staff have indicated a high level of interest in participating in the operation of the Community Environmental Centre. Key business terms to be included in the agreements are:

- Five-year term to begin upon commissioning of the facility.
- Termination of the contract at the discretion of the Region in the event of a breach of contract or performance failure.
- Early termination of the contract upon mutual consent of both parties.
- Insurance and security requirements compliant with Region's standards.
- Provision of sufficient trained staff to receive material from the public during all hours of the facility operation.
- Maintenance of the reuse building in a clean and orderly manner.
- No put or pay obligations by the Region.
- An occupancy lease agreement representative of the fair value of space provided by the Region and the services provided by the charities in question.

The proposed agreements will represent a fair and good value for the residents of York Region.

5. FINANCIAL IMPLICATIONS

The Community Environmental Centre located in the City of Vaughan is expected to commence operations mid-2008. Table 2 summarizes the projected operational costs for the latter half of 2008, and a full year in 2009.

5.1 Advertising and Publicity

Advertising and publicity expenditures in 2008 are higher than in 2009 because of the need for a major advertising and publicity campaign to launch the new facility. The

Community Environmental Centre concept is new to the residents of York Region. An extensive promotion campaign is, therefore, proposed for the launch of the facility to educate the public on the purpose and use of the facility. Regional staff are planning a community-focused, multimedia approach consistent with previous award winning campaigns.

5.2 Facility Costs

It is projected that fees for maintenance, utilities, supplies, and insurance for the Community Environmental Centre will cost approximately \$148,900 annually.

5.3 Staffing Costs

It is proposed the operation of the facility be a combination of contract labourers and a Regional staff site supervisor. This is consistent with the operation of the Region's other waste management facilities where contract staff are used for the routine operational activities. For the operation of this Community Environmental Centre, three full time equivalent contract staff will be required. In addition, a Regional supervisor is necessary to manage the relationships between the contractors and charity partners, the maintenance of the facility, equipment and financial transactions. The supervisor position represents the addition of one full-time-equivalent (FTE) to the current staffing compliment in the Solid Waste Management Branch for 2008. As more Community Environmental Centres are constructed across the Region, it is anticipated the site supervisor, will also assist with the management of those other facilities.

5.4 Waste Haulage Costs

Materials collected at the Community Environmental Centre, with the exception of those managed by the partner charities, will need to be hauled to their respective diversion and disposal facilities. Based on the practices at our other waste management facilities, the service of hauling collected materials will be provided by a contractor. It is anticipated that this service will cost the Region approximately \$324,400 annually. Materials collected by the partner charities, Goodwill Industries and Habitat for Humanity at the Community Environmental Centre will be hauled offsite to their respective distribution centres through their own means.

5.5 Disposal, Revenue and Sale of Materials

The disposal and processing costs of materials collected, represent the second most costly operating expenditure for the Community Environmental Centre. These costs will be offset by revenues of saleable materials, and facility user fees (Table 2).

Table 2
Projected Operating Budget Summary

Item	2008 (Half Year) (\$)	2009 (Full Year) (\$)
Advertising and Publicity	100,000	25,000
Facility Costs	73,000	148,900
Regional Staff	41,000	83,600
Contract Labour	112,500	229,500
Contract Hauling	159,000	404,400
Disposal and Processing	152,500	311,100
Revenue	(122,200)	(254,200)
Sale of Materials	(37,100)	(78,700)
Total Budget	\$478,700	\$869,600
Total Projected Inbound Tonnage	3,880	9,080
Anticipated Cost Per Tonne	\$123	\$96

The total operational cost for a full year of service at the Community Environmental Centre is projected to be \$869,600. The estimated net cost per tonne of material accepted at the facility is expected to cost \$123 during the first partial year of operation, and \$96 in 2009. These cost per tonne figures are consistent with the costs of York Region's other diversion programs. The operational costs for the Community Environmental Centre in Vaughan have been included in the draft Operating Budget for the Solid Waste Management Branch for 2008 for consideration by Council.

6. LOCAL MUNICIPAL IMPACT

The waste management services provided at the Community Environmental Centre will fill the void that currently exists in Vaughan for materials that cannot be effectively managed through the City's curbside services. The Community Environmental Centre will provide the residents of the City of Vaughan and surrounding area, access to the Region's waste management programs, and will support the recommendations of the joint strategy.

7. CONCLUSION

The waste diversion services provided at the Community Environmental Centre in Vaughan demonstrate the Region's commitment to the Joint Municipal Waste Diversion Strategy and provide diversion options for those waste materials not easily managed through a residential curbside program. Key partnerships with Goodwill Industries and Habitat for Humanity will enhance the diversion network of their already successful operations by providing convenient drop-off locations in areas currently under-served. Two operational service contracts, for labour and hauling, and one new full-time-

equivalent staff are required for the successful operation of the Community Environmental Centre in Vaughan. The establishment of a network of Community Environmental Centres across York Region is required in order to reach the established goal of 65% waste diversion.

For more information on this report contact Kelly Spitzig, Policy & Planning Coordinator of the Solid Waste and Administration Branch at extension 5785 in the Transportation and Works Department.

The Senior Management Group has reviewed this report.