**269 -** Appendix "A" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

## SOLID WASTE ASD STUDY RECOMMENDATIONS ADOPTED BY COUNCIL ON JULY 19, 1999

I. That the City of Winnipeg maintain the responsibility of providing solid waste collection and disposal services to its citizens.

II. That City forces continue in the direct delivery of solid waste collection services.

III. That the City consider implementing cost recovery for solid waste collection and disposal (user pay) on a phased basis considering the principles of environmental sustainability, equity, economic sustainability and customer consultation, pursuant to a public education and consultation program and submission of an interim report on cost-recovery to be considered by the Alternate Service Delivery Committee and Standing Policy Committee on Public Works early in 2000.

IV. That the City retain ownership of the Landfill.

V. Contingent on Recommendations III and VI, that the Water and Waste Department be authorized to proceed with the development of a Business Plan to combine solid waste collection and solid waste disposal into a Special Operating Agency (SOA).

VI. Contingent on approval of Recommendation V, that the Solid Waste SOA Business Plan consider the following:

a) Implementation of the Council approved Waste Minimization Strategy.
b) The potential of entering the overhead collection business for collection of apartment solid waste and for commercial collection on a competitive basis.
c) The phasing out of manual collection and implementation of automated collection.
d) That the Landfill move to a Public Private Partnership (PPP), where the private partner will bring market share and marketing expertise to the existing operation.

VII. Contingent on approval of Recommendations II and IV, that the Administration continue implementation of internal improvements and cost reductions for solid waste collection and landfill operation as identified in the Alternate Service Delivery Feasibility Study.

Should the preparation of a Solid Waste SOA Business Plan not be proceeded with, that the Administration consider items a), b), c), and d) as identified in Recommendation VI above, in its Water and Waste Department Business Plan.

Appendix “B” referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

## EPIC ENVIRONMENTAL MODEL

The Manitoba Product Stewardship Corporation assisted with the environmental assessment of the options, using a computer model to quantify the energy consumed and the emissions released from alternative solid waste management systems.

In order to assess the environmental impact of the various options being considered, the Manitoba Product Stewardship Corporation assisted KPMG and the City by supplying an environmental model. This model was developed by the Environment and Plastics Industry Council (EPIC) and is the most widely used model of this type in Canada.

The model measures the environmental impact of integrated solid waste management programs in terms of greenhouse gases produced and energy consumed. The model considers all of the activities associated with materials in the waste stream including production, recycling, collection and disposal. The amount of greenhouse gases and energy consumed is then predicted for each option. The results of the model are incorporated into the evaluation.

Appendix "C" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

# DETAILED FINANCIAL CONSIDERATIONS

## Recommended Program Costs vs. Existing Program

Implementation of the waste minimization strategy will result in less garbage going to the landfill and lower costs in garbage collection. It does, however, require expansion of the existing recycling program to make blue box recycling more accessible, to provide a yard waste recycling program for single-family dwellings, and to extend services to multi-family dwellings. The shift in program costs (based on the 2000 budget) and investment required is summarized below:

| | Existing Program Cost 2000 Budget | Investment in New Programs (Reduction in Existing Programs) | Estimated Recommended Program Cost |
|---|---|---|---|
| Garbage Collection (Note 1) | $15,816,000.00 | ($1,547,000.00) | $14,269,000.00 |
| Recycling (Note 2) | 1,134,000.00 | 1,813,000.00 | 2,947,000.00 |
| Other Costs (Note 3) | N/A | 599,000.00 | 599,000.00 |
| | $16,950,000.00 | $865,000.00 | $17,815,000.00 |

Notes:

1) Refuse Collection
The cost reduction is based upon an approximate diversion rate of 26% with the introduction of multi-family recycling and yard waste recycling.

2) Recycling
The investment in recycling consists of:

| | |
|---|---|
| Multi-family program | $ 341,000.00 |
| Yard waste program | 2,352,000.00 |
| Single-family program | (880,000.00) |
| | $ 1,813,000.00 |

Reduction in single-family program costs as a result of favourable market prices for the sale of recyclable materials and the assumption that the Manitoba Product Stewardship Corporation (MPSC) will continue its funding of $128.00 per tonne.

3) User Pay Costs
Includes tag production and distribution, billing for multi-family subscription, and customer services, at an estimated cost of $0.4 million.
Includes enforcement costs at an estimated cost of $0.2 million.

## Program Costs

The estimated user-pay program costs are based upon detailed cost estimates, and the major service components are listed below.

| Program | COST |
|---|---|
| Single-Family Garbage/Recycling | $ 9,072,000.00 |
| Single-Family Yard Waste | 2,490,000.00 |
| Multi-Family Garbage/Recycling | 3,724,000.00 |
| AutoBin Garbage | 2,529,000.00 |
| Total | $17,815,000.00 |

The above costs are based upon a series of assumptions. The major assumptions and associated risks are:

1. Volumes, weights and waste diversion (upon which the model is based) come from industry experience and results in other jurisdictions.

2. Collection contract cost reduced according to existing rates and reduced tonnage.

Appendix "C" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001 (continued)

3. The MPSC grant for the blue box program continues at $128.00 per tonne. This was based upon an 80/20 formula, whereby MPSC funds 80% of the net program costs and the City funds 20%. Because of the current commodity prices, MPSC support is more than 80%. If MPSC invokes the 80/20 formula, funding could be reduced by approximately $1.0 million, since higher commodity prices are reducing the net program costs. A grant reduction would result in higher recycling program costs.

4. Commodity prices for recyclables are estimated at $60.00 per tonne. Prices could decrease which would result in higher recycling program costs.

5. Start-up costs for public education and construction of a yard waste composting facility, estimated at $1.5 million, would be funded from the Utility's retained earnings.

The current program is funded from the mill-rate and subsidy from the Solid Waste Utility.

The recommended financing option, which eliminates the subsidy from the Solid Waste Utility, is as follows:

| Funding Source | Funding Amount |
|---|---|
| Sale of additional tags | $1,219,000.00 |
| Multi-family subscription | 1,717,000.00 |
| Mill-Rate Support | $14,879.000.00 |
| | $17,815,000.00 |

The recommended financing model includes:

- Garbage tag fee of $1.50 per bag in excess of two per collection cycle per dwelling for non-AutoBin single-family dwellings.
- Yard waste collection and composting provided at no charge.
- Subscription rate for multi-family dwellings based upon full cost recovery for this service.
- A mill-rate reduction of $300,000.00, based upon the 2000 mill-rate support budget ($15.2 million less the $14.9 mill rate per above).

The financial analysis is based upon a single-year analysis of the 2000 budget adjusted for user-pay. Should user-pay proceed, a multi-year rate plan would be required. A long-range financial plan would allow for changes over time, and would be an essential tool for measuring actual program experience, as it becomes known.

The financial impact of not proceeding with this program is illustrated in the following table:

| | 2000 Budget | 2 Free Bags<br>$1.50 additional | Status Quo |
|---|---|---|---|
| Total Program Costs | $16,950,838.00 | $17,815,590.00 | $17,254,000.00 |
| Less Transfers | 1,745,838.00 | -- | |
| Less Sale of Tags | | 1,219,233.00 | |
| Less Subscription | | 1,717,167.00 | |
| Equals Tax Support Required | $15,205,000.00 | $14,879,190.00 | $17,254,000.00 |
| Tax Reduction (Increase) | | $325,810.00 | ($2,049,000.00) |
| Tax change | 0.00% | -0.08% | 0.53% |

Appendix "D" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

## PUBLIC CONSULTATION

To ensure that any alternative financing program adequately identified the concerns of the various sectors, a Solid Waste User Pay Task Force was established to review the methodology, goals and options. The organizations/sectors represented on the Task Force included Apartment Owners, Condominium Owners, Consumers' Association of Canada, Manitoba Product Stewardship Corporation, Manitoba Society of Seniors, Canadian Taxpayers Association, Resource Conservation Manitoba, Social Planning Council, Waste Industry, and Winnipeg Chamber of Commerce. Representation from the Waste Minimization Advisory Committee was through its various member organizations on the Task Force. Six meetings of the Task Force were held between November 4, 1999, and May 11, 2000.

The firm of KPMG Consulting LP was retained to assist in the analysis. The methodology employed for the user-pay investigations included the following activities:

- Investigation of existing information on user-pay solid waste systems from other municipalities and organizations in North America
- Developing specific goals
- Developing alternatives and associated costs
- Testing alternatives against the goals
- Preparing a short list of alternatives
- Carrying out public education and consultation
- Assisting with preparing and presenting final recommendations for consideration by Council

Goals for the user pay alternatives were identified with the assistance of the Task Force. The goals, under the categories of environmental sustainability, equity, and economic sustainability, are as follows:

Environmental Sustainability

- Reduce refuse quantity to minimize required landfill capacity and attendant costs
- Increase single-family and multi-family recycling rates to reduce dependence on raw materials and energy required to supply our material needs
- Increase composting rates to return valuable nutrients to the earth
- Increase reuse or repair of items to increase the life cycle of goods
- Encourage reduction through attentive/informed purchasing (less packaging and only buying amount needed)
- Make the public aware of the true cost of waste management, while providing a viable alternative to control future costs associated with refuse collection and disposal
- Ease of use – the ability of the average resident to understand and use the option and its associated system

Equity

- Accommodate ability to pay for economically disadvantaged persons
- Accommodate ability to recycle
- Reinforce the principle of "Polluter Pays" – the less waste that is generated, the less that is paid. Resident has control over costs
- Allocation of cost based on level of services provided

### Economic Sustainability

- Generating sufficient revenue to cover waste management costs. Options must result in a predictable income
- Aim for total system cost effectiveness
- Implementation time – realizing the benefits of an option earlier
- Management infrastructure that will set and implement the highest quality standards for effective internal management and fiscal responsibility
- Risk of not meeting the goals – option not working as planned and costing too much

Appendix "D" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001 (continued)

Options Considered

| SOLID WASTE USER PAY OPTIONS | |
|---|---|
| Option | Description |
| 2 Bags (Tax Support) and Tags | Recover program costs from property taxes plus every bag in excess of two per cycle requires a tag for collection |
| 2 Bags (Flat Rate) and Tags | Collect revenues from utility bill on a flat rate basis plus every bag in excess of two requires a tag for collection (no tax support) |
| Tags Only | Collect revenues from tags sold for every bag requiring collection (no tax support) |
| Subscription | Collect revenues from all subscribers to service based on container size (no tax support) |

Public Education/Consultation and Feedback

Numerous opportunities were made available to interested residents for input into the consideration of a user-pay system.

- Six focus group meetings were held
- A telephone feedback line was established
- Eight open houses were held at various locations around the City, and residents had the opportunity to complete a comment form. Residents could fax their comments or access a comment form on the website
- An informational pamphlet was produced and distributed at the open houses and placed on the City website
- Four newspaper ads were placed in the daily newspapers to provide Winnipeg residents with answers to the questions most often asked by those that attended the open houses
- A comprehensive random telephone survey was conducted of 1,215 residents

The United States Environmental Protection Agency (US EPA) provides a number of documents to assist communities in developing user-pay systems. One of their documents states:

> *"When first reaching out to residents during the planning stage, don't be surprised if many residents react with scepticism to the idea of unit pricing. Initial opposition is often related to a perception that unit pricing will result in an additional financial burden. Opposition also might be due to a natural resistance to change. Resistance to unit pricing is especially prevalent in communities where solid waste management fees are hidden in general or property taxes."*

As predicted, many members of the public did react with scepticism to the concept of user-pay for garbage. Overall, the reaction was mixed, with some residents supporting the concept. The following comments are taken from the results of the random telephone survey.

- 48% of residents felt that a user-pay system would be somewhat or much worse than the current system
- 62% of these residents felt that it would cost more or that it would lead to illegal dumping
- 28% of residents felt that a user-pay system would be much or somewhat better than the current system
- 92% of these residents felt that it would promote recycling, be fairer to the public, or be more cost effective
- 23% of residents were unsure or stated that it depended on whether or not taxes were reduced or the quality of the service received
- 64% of residents felt that user-pay was a good way to encourage recycling
- 61% of residents felt that the City was considering a user-pay system as a "tax grab"

Appendix "D" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001 (continued)

- 63% of residents would prefer a mill-rate reduction (vs. fixed rate rebate) on their property tax bill if user pay became a reality

- 93% of residents were satisfied with the garbage service they now received

The remainder of the public consultation program identified a number of issues related to a user-pay system, both from a negative and positive perspective. These are:

- Increased cost of administration
- Increased illegal dumping and the effectiveness of enforcement
- Impact on large families
- Impact on lower income families
- Unfairness of existing system
- Fairness of existing system whereby commercial property taxes subsidize residential taxes
- Increased recycling opportunities/environment
- AutoBins
- Make the system simple to understand
- Impact on residents who do not generate wastes for periods during the year
- Convenience
- Reduce taxes
- Recycling opportunities in apartments
- Yard waste
- Public education

Specific interest groups and organizations also provided their positions on this issue. The City of Winnipeg Waste Minimization Advisory Committee (WMAC), a multi-stakeholder organization that provides advice to the Standing Policy Committee on Public Works, *"supports a pay as you throw concept that has incentives for waste minimization based on the Waste Minimization Strategy and its components in accordance with the principles of WMAC."*

Resource Conservation Manitoba *"endorses the introduction of a* ***variable-rate*** *user pay system for municipal waste collection, conditional upon first having in place comprehensive recycling and composting programs as part of an integrated waste minimization strategy, and also upon including measures to discourage illegal dumping and to accommodate the needs of low-income households."*

The Council of Women indicated that the tag system would have the greatest environmental impact. However, they are of the opinion that the community is not ready for that step, and recommend continuation of service funded by general revenues. The tags for more than two bags option comes closest to their recommendations, provided the two bags are provided as a subsidized service to homeowners through general revenue.

Appendix "E" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

**DESCRIPTION OF RECOMMENDED WASTE MINIMIZATION STRATEGY**

| Service Group | Product | Current Program | Proposed Program |
|---|---|---|---|
| Residential Curbside Collection | Garbage | Any amount of garbage, in either cans or bags, can be placed out for collection.<br><br>Up to five bulky waste items are collected for a fee of $10.00 and it is scheduled.<br><br>Garbage is collected every cycle or approximately 50 times per year. | Up to two garbage bags or cans would be collected per cycle at no charge. Excess bags or cans would require a garbage collection tag. This would include **all** normal sized garbage bags (26 inches by 36 inches or 77 litres) or normal sized (77 litre) garbage cans. For cans, tags can be placed on the actual garbage, not the can. Oversized cans can be used as long as an attempt is made to place the equivalent amount of garbage in the can. A weight limit of 18 kg per bag would be imposed. Collection tags are available at retailers at a cost of $1.50 each.<br><br>Bulky wastes are collected provided there are two collection tags placed on each item. No requirement for scheduling collection as it would be collected on the scheduled day.<br><br>Garbage would be collected every cycle or approximately 50 times per year. |
| | Recyclables | Only materials having an acceptable end use are collected.<br><br>Blue boxes are available at a cost of $7.40 each (picked up in Inkster Industrial Park) or $12.40 each delivered to the home.<br><br>Recycling is collected every cycle or approximately 50 times per year. | Only materials having an acceptable end use would be collected. It is not anticipated that any materials would be added to the current materials list at this time.<br><br>Blue boxes would be readily available at a subsidized cost of $5.00 each through various retail outlets.<br><br>Recycling would be collected every cycle or approximately 50 times per year. |
| | Yard Waste | Yard waste is collected along with the regular garbage or residents can take it to one of nine Leaf It depots in the Fall. | Yard waste (grass and leaves – no branches) could be placed in either a clear plastic normal sized garbage bag (26 inches by 36 inches or 77 litres) or paper yard waste bag.<br><br>Yard waste is collected every second cycle from April 1 to October 30 or approximately 15 times per year. Yard waste would be composted. |
| Residential AutoBin Collection | Garbage/Yard Waste | Up to four dwellings share a 600 gallon bin. The bin is serviced once per cycle.<br><br>Up to five bulky waste items are collected for a fee of $10.00 and it is scheduled.<br><br>Yard waste is collected along with the regular garbage or residents can take it to one of nine Leaf It depots in the Fall. | Up to four dwellings share a 600 gallon bin. The bin is serviced once per cycle. Yard waste would be collected along with the garbage in the AutoBin.<br><br>Bulky wastes are collected provided there are two collection tags placed on each item. No requirement for scheduling collection as it would be collected on the scheduled day. |

Appendix "E" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001 (continued)

| Service Group | Product | Current Program | Proposed Program |
|---|---|---|---|
| Residential – AutoBin Collection | Recyclables | Only materials having an acceptable end use are collected.<br><br>Blue boxes are available at a cost of $7.40 each (picked up in Inkster Industrial Park) or $12.40 each delivered to the home.<br><br>Recycling is collected every cycle or approximately 50 times per year. | Only materials having an acceptable end use would be collected. It is not anticipated that any materials would be added to the current materials list at this time.<br><br>Blue boxes would be readily available at a subsidized cost of $5.00 each through various retail outlets.<br><br>Recycling would be collected every cycle or approximately 50 times per year. |
| Apartment | Garbage | Collection service is provided to owner supplied bins. There is no restriction on the number of bins. | Collection service is provided to owner supplied bins. Apartment owners could subscribe to a level of service (e.g. 3 cubic metre bin dumped twice per week or 6 cubic metre bin dumped once per week).<br><br>If an apartment decides to select a level of service greater than the equivalent of two bags per collection cycle per dwelling unit, an excess waste charge equal to that for single-family residences, would be invoiced quarterly. |
| | Recyclables | Residents can take recyclables to one of six recycling depots. | Apartment owners would select one of three types of recycling services depending upon the configuration of the dwelling units. These types include blue boxes for each dwelling unit brought out for collection on a scheduled cycle day; wheeled totes placed on each floor and brought out for collection on a scheduled cycle day or, for the larger complexes, larger containers placed in parking lots and collected as required.<br><br>There would be no direct charge for this service. The six recycling depots would be removed. |
| Small Commercial | Garbage | Service is provided using bins subject to the amount of waste being less than 3 cubic metres per week. | Service would be provided using bins. Owners who require less than 3 cubic metres of collection per week could select and subscribe to a level of service (e.g. 0.75 cubic metre bin dumped twice per week or 1.5 cubic metre bin dumped once per week).<br><br>The cost of providing this service would be invoiced quarterly.<br><br>Alternatively, owners could tag all bags in excess of two and place garbage out for collection on the scheduled cycle day. |
| | Recyclables | Owners can take recyclables to one of six recycling depots. | Only materials having an acceptable end use would be collected. It is not anticipated that any materials would be added to the current materials list at this time.<br><br>Blue boxes would be readily available at a subsidized cost of $5.00 each through various retail outlets.<br><br>Recycling would be collected every cycle or approximately 50 times per year. The six recycling depots would be removed. |

Appendix "F" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

# COMMUNICATION PLAN

OBJECTIVES

- ➔ To communicate the importance of taking immediate action to protect our environment by reducing the amount of garbage we generate
- ➔ To help residents understand the relationship between increasing amounts of garbage and increased pollution and the resulting destructive effects on our environment
- ➔ To explain that the amount residents currently pay for garbage collection on their taxes now covers a basic or core level of service. If residents use more than the basic provision, they must pay for the service
- ➔ To inform residents that the benefits of this program are the ability to collect and compost residential yard waste and to expand the recycling program to include multi-family dwellings
- ➔ To reassure residents that a strong education campaign and a stringent enforcement program will address illegal dumping
- ➔ To advise residents served by AutoBins that this garbage collection system will remain as is pending the results of a study
- ➔ To inform residents of the new program details
- ➔ To educate residents on how to minimize the amount of garbage they generate by reducing, reusing, recycling, and purchasing products that are not overly packaged
- ➔ To inform residents how well we have done as a community to reduce garbage and recycling on the first anniversary of the program

Appendix "F" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001 (continued)

➔ **Communication Strategy cont'd**

| Market Segment | Key Messages | Communication Activities | Timing |
|---|---|---|---|
| All customers | The reasons for changing the garbage collection system (to protect the environment message and establish a basic or core level of tax supported service)<br>Overview of program details, including:<br>• Effective date<br>• New rates for bulky waste pickup<br>• Materials that can be recycled<br>• Where to purchase blue boxes and the cost<br>• Tips on how to reduce garbage, such as composting and purchasing products that aren't overly packaged<br>• Enforcement program, including how to report illegal dumping and penalties for illegal dumping under City of Winnipeg By-laws<br>• Social assistance program<br>• Expanded hours at Customer Service Centre during the implementation period | Multi-media including radio, print and community events such as malls, St. Norbert Market, Home Expressions<br><br>Telephone surveys | Beginning with Council approval and ongoing<br><br>Periodic |
| Residential dwellings<br>*Garbage* | The first two bags per collection cycle are free; additional bags must have a tag, tags cost $1.50 each.<br>Locations that sell tags | Multimedia including radio, print, direct mail and community events | March to the end of May 2001 |
| *Yard waste collection* | Yard waste will be picked up and composted seasonally at no charge every second collection cycle.<br>Must be packaged in clear plastic bags or paper yard waste bags | | September – December 2001 |
| | Other methods of reducing yard waste, such as grass cycling, xeriscaping, mulching | | March 2002 |

Appendix "F" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001 (continued)

| Market Segment | Key Messages | Communication Activities | Timing |
|---|---|---|---|
| Multi-family dwellings and small commercial businesses<br>*Garbage*<br><br>*Recycling* | Subscription service<br><br>Buildings would be asked to select their preferred option - individual blue boxes, totes for each floor, or mini-depots for their parking lots | Direct mail to residents<br>In-person contact with property managers | March to the end of May 2001<br><br>Reminder notices September – October 2001 |
| AutoBin customers | AutoBin garbage collection will remain as is pending the results of a study<br>Will not receive curbside residential yard waste collection<br>Encourage residents to be particularly watchful and report illegal dumping<br>Results of AutoBin Study | Direct mail<br><br>September 2001 | March to the end of May 2001<br><br>Reminder notices September – October 2001 |
| Large commercial businesses | May want to consider adding locks to their garbage bins to prevent illegal dumping | Direct mail<br>Print ads in the Business Section of the daily papers | March – May 2001<br>Reminder notice September – October 2001 |
| Landlords | Per City of Winnipeg By-laws, owners/occupants of any property are responsible for keeping the grounds free from garbage. Properties not cleaned up are subject to the City of Winnipeg performing the cleanup and charging the expenses to the owner<br><br>New process and fee for bulky waste pick-ups | Direct mail<br>Notice in related newsletters, such as Professional Property Managers Association<br>Notices and handouts available at the Residential Tenancies Branch | September – December 2001<br>Periodic reminder notices |

Appendix “G” referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

# IMPLEMENTATION ACTIVITIES

Recommended Implementation Date - November 1, 2001

Rationale
Garbage volumes decreasing – minimal impact, start program on right foot!
September - October prior ideal for education efforts
Concentrate on rollout of apartment recycling
Yard waste program - April 1, 2002
Time required to complete all the tasks listed below

Implementation Tasks

Council approval
Rewrite Solid Waste By-law
Finalize rates for tags/AutoBin/apartments/small commercial
Revise Rate By-law
Develop program details for multi-family recycling
Tender for multi-family recycling (allow time for equipment acquisition)
Develop program details for yard waste collection and composting
Environmental approvals for composting at Brady Landfill Site
Composting tender (allow time for equipment acquisition)
Tender for tags
Develop retail network for selling tags
Develop Public Education program
Conduct preliminary Public Education program (May - June, 2001)
Conduct comprehensive Public Education program (September - October, 2001)
Renegotiate prices in existing residential waste collection contracts
Renegotiate prices/scope for recyclable processing
Revamp City forces collection system (CUPE involvement)
Billing system for apartments and small commercial
Subscribe each apartment and small commercial building
Enforcement protocol and staffing
Construct composting site

Appendix "H" referred to in Clause 3 of the Report of the Alternate Service Delivery Committee dated January 12, 2001

## FINANCIAL IMPACT

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenses Required | $ 1,500,000 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | - | - | - | - | - |
| Additional Capital Budget Required | $ 1,500,000 | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt | $ - | $ - | $ - | $ - | $ - |
| Grants | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Solid Waste Utiltiy R/E | 1,500,000 | - | - | - | - |
| Total Funding | $ 1,500,000 | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ 1,500,000 | | | | |
| Total Additional Funding Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ 15,147,000 | $ 17,815,590 | $ 17,815,590 | $ 17,815,590 | $ 17,815,590 |
| Less: Incremental Revenue/Recovery | - | 2,936,400 | 2,936,400 | 2,936,400 | 2,936,400 |
| Net Cost/(Benefit) | $ 15,147,000 | $ 14,879,190 | $ 14,879,190 | $ 14,879,190 | $ 14,879,190 |
| Less: Existing Budget Amounts | 15,147,000 | 15,574,000 | 14,574,000 | 14,879,190 | 14,879,190 |
| Net Budget Adjustment Required | $ - | $ (694,810) | $ 305,190 | $ - | $ - |

**Additional Comments:**

The waste minimization strategy would be funded through property taxes and revenues generated from excess waste charges.

The waste minimization strategy's start up costs of $1.5 million for the construction of a composting facility and for the delivery of a public education program would be funded from the Solid Waste Utility's retained earnings.

The progam costs of $17.8 million are based upon a single year analysis and do not take into consideration changes in costs and/or revenues over time.

The program would be implemented on November 1, 2001 and is not expected to impact the refuse collection mill-rate support in 2001.

The 2002 and 2003 budget adjustments represent the difference between the waste minimization program costs and the existing refuse collection mill-rate support in the current budget that was approved by Council on December 12, 2000. The program costs are based on a single year analysis.

Moira L. Geer, CA
Manager of Finance and Administration