Agenda - Executive Policy Committee – June 10, 2009

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – June 9, 2009

Item No. 1 Introduction of Provincial Environmental Levy and Resulting Increase of Tipping Fees at Brady Road Landfill
eFile WT-3

STANDING COMMITTEE RECOMMENDATION:

On June 9, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works submits the following to Council:

1. That the recommendation of the Winnipeg Public Service contained in the report dated March 19, 2009, not be concurred in.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee – June 10, 2009

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – June 9, 2009

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 9, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works did not concur in the recommendation of the Winnipeg Public Service, and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: **INTRODUCTION OF PROVINCIAL ENVIRONMENTAL LEVY AND RESULTING INCREASE OF TIPPING FEES AT BRADY ROAD LANDFILL**

For Submission to: THE STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS

AUTHORIZATION

Author	Department Head	CFO	CAO
Darryl Drohomerski, C.E.T. Manager, Solid Waste Services Division	Barry MacBride, P. Eng.	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. That the maximum weight for small loads be reduced from 1 tonne (1000 Kg) to 0.5 tonne (500 Kg).

2. That, in order to accommodate the new Waste Reduction and Recycling Support (WRARS) levy imposed by the Province of Manitoba, Schedule A of the Solid Waste By-Law be amended as per the draft attached as Appendix A to provide that the charges for solid waste disposal at the Brady Road Landfill be increased by:

    - $5.00 per load for small loads up to one-half tonne; and
    - $10.00 per tonne for all other loads.

3. That the increase in charges for solid waste disposal at the Brady Road Landfill takes effect July 1, 2009.

HISTORY

On March, 26, 2008, City Council increased tipping fees to $33.50 for commercial waste disposal and $5 per load for loads under one tonne effective April 1, 2008.

In the Provincial Budget Speech on March 25, 2009, the Provincial Government announced its intention to amend the Waste Reduction and Prevention Act in order to impose a Waste Reduction and Recycling Support (WRARS) levy in the amount of $10.00 per tonne on the operators of all Manitoba landfills, including the City of

Winnipeg. In a letter to Chief Administrative Officer Laubenstein (attached as Appendix B), the Province indicated that it will use revenue from the new levy to encourage sustainable waste management practices and improve waste diversion activities such as recycling and composting.

DISCUSSION:

The Province is phasing in the new Waste Reduction and Recycling Support (WRARS) levy over the next two years:

- landfills that accept at least 30,000 tonnes per year will be required to apply the levy as of July 1, 2009 – Brady Road Landfill accepts approximately 420,000 tonnes per year and therefore falls into this category,
- remaining Class 1 landfills will be required to apply the levy by January 1, 2010,
- operators of Class 2 and 3 landfills will be required to apply the levy as early as 2011.

The levy for 2009/10 is $10 per tonne for all waste disposed in the landfill. The levy would not be applied to loads made up solely of recyclable materials (e.g., toilets, yard waste, hot water tanks).

Using 2008 disposal tonnes at Brady Road Landfill as a baseline, the levy is expected to result in charges of approximately $3.8 million per year which the City must remit to the Province.

In order to recoup the costs of the new provincial levy, this Report recommends an increase in disposal fees effective July 1, 2009, as below:

Classification	Existing fee	Fee with levy	Expected to be remitted to Province
City Collection of Residential Garbage	$22.50/tonne	$32.50/tonne	$2,300,000.00
Civic Departments	$22.50/tonne	$32.50/tonne	$335,000.00
Commercial and Other Municipalities	$33.50/tonne	$43.50/tonne	$796,000.00
Small Loads (up to half tonne)	$5/load	$10/load	$386,000.00
Total expected to be remitted to Province annually			**$3,817,000.00**

The financial impact of this levy will be significant on the City. Tipping fees will increase for:

- City collection of residential garbage by about $2.3 million per year based on 2008 tonnes.

- Other City departments by about $450,000 per year, including collection costs.

Tipping fees will also increase for private customers of the Brady Road Landfill:

- Small commercial customers by about $100,000 per year including collection costs.
- Commercial and charitable organization customers by about $796,000.00 per year.
- Homeowners and other customers depositing small loads of household waste by double. **Note:** Currently, the tipping fee is a flat fee of $5.00 for small loads (up to 1 tonne). Increasing the flat fee $5.00 to $15.00 per load would be justified in order to fully pass on the provincial levy. However, rather than potentially tripling the cost for small loads, it is proposed that this fee be raised by only $5.00, for a total of $10.00 for small loads. However, in order to ensure that the provincial fee is passed on appropriately, it is also proposed that the maximum weight for small loads be reduced to half a tonne. This lower maximum would still allow property owners to bring in their own household waste by utility trailer or half-ton pick-up truck. Indeed, most pick-up trucks carrying more than half a tonne would exceed the limit imposed by the manufacturer and, in many cases, by *The Highway Traffic Act*. However, it would mean that large trucks with loads weighing more than half a tonne would pay the $43.50 rate as commercial solid waste. Upon request, small loads can be weighed if a customer wants to verify whether the load is under a half tonne.

As noted above, the Province will use the revenue from the new levy to encourage sustainable waste management practices and improve waste diversion activities such as recycling and composting. Under the WRARS program, the Province will:

- return 80% of revenue from the levy to municipalities based on their annual recycling tonnage relative to all municipal recycling tonnage collected in Manitoba, and
- use the remaining 20% to support and enhance their household hazardous waste and e-waste programs.

The City is required to remit the levy to the Province on a semi-annual basis, with the first remittance due January 31, 2010. Any revenue from the Province will be provided to the City by March 1, 2010.

The initial rebate model will be based on the MPSC eligible tonnes recycled in the last fiscal year for the municipality divided by the total tonnes collected in the Province through municipal programs times 80% of the levy collected. Winnipeg is expected to receive a grant larger than it remits from this program. While the future direction is not finalized by the Province, there is speculation that total diversion rates may be the determining factor for grants to municipalities in 2011 and beyond.

While the final framework has not been decided by the Province, it is expected to stipulate that grant funding can only be used on environmentally sustainable programs.

Assuming the fee is passed on to customers as proposed by this Report, a positive impact on the overall City budget of $1,835,000 per year is expected as a result of the WRARS program.

The table below reflects the estimated net benefit to the City on an annual basis:

Estimated grant from Province based on 2007 MPSC Annual Report	$4,470,000.00
Increased cost to City services as shown above	($2,635,000.00)
Net Revenue to Winnipeg (12 month period)	**$1,835,000.00**

2009 Net Revenue (6 month period) is expected to be $918,000.00.

The Winnipeg Public Service will review the specific implications of the revenue from the WRARS program and will provide a report later this year.

IMPLICATIONS OF THE RECOMMENDATIONS

Increase in Tipping Fees at Brady Road Landfill.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
X	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment(s): The increase is effective July 1, 2009.

Policy Implications

x	No
	Yes

Comment(s):

Regulatory Implications

x	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Comment(s):

Environmental Implications

	No
X	Yes

Comment(s):

Human Resources Implications

x	No
	Yes

Comment(s):

Financial Implications

	Within approved current and/or capital budget
x	Current and/or capital budget adjustment required

Comment(s): The increase in Tipping Fees has not been budgeted in 2009

FINANCIAL IMPACT

Financial Impact Statement

Date: May 21, 2009

Project Name:

First Year of Program **2009**

INTRODUCTION OF PROVINCIAL ENVIRONMENTAL LEVY AND RESULTING INCREASE OF TIPPING FEES AT BRADY ROAD LANDFILL

	2009	2010	2011	2012	2013
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants					
Reserves, Equity, Surplus					
Other -					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,317,500	$ 2,635,000	$ 2,635,000	$ 2,635,000	$ 2,635,000
Less: Incremental Revenue/Recovery	2,235,000	4,470,000	4,470,000	4,470,000	4,470,000
Net Cost/(Benefit)	$ (917,500)	$ (1,835,000)	$ (1,835,000)	$ (1,835,000)	$ (1,835,000)
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ (917,500)	$ (1,835,000)	$ (1,835,000)	$ (1,835,000)	$ (1,835,000)

Additional Comments:

"Original signed by D. Capp, C.G.A."
Darlene Capp, C.G.A.
Acting Manager of Finance & Administration

CONSULTATION

In preparing this Report there was consultation with:

Legal Services Division, Corporate Support Services Department

SUBMITTED BY

Water and Waste Department
Solid Waste Division
Prepared by: Darryl Drohomerski, C.E.T.
Date: May 19, 2009
File No. 011-15-06-16-00

Attachment:


tippingFee.pdf


solid waste amend by-law may15 09.doc

Manitoba

Deputy Minister of
Conservation

Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

Received
APR 0 1 2009
Director
Water

ROUTE

	Act	Info		Act	Info
BDM			KK		
MLG			BRP		
MAS			WJB		
CFS			DPS		
DED			RL		
File	2104.03.14.00				

Mr. Glen Laubenstein
Chief Administrative Officer
City of Winnipeg
510 Main Street
Winnipeg MB R3B 1B9

Dear Mr. Laubenstein:

Please be advised that the Province proposes to amend the Waste Reduction and Prevention (WRAP) Act to implement a provincial waste levy at all Manitoba landfills. For 2009/10, the levy has been set at $10 per tonne of waste disposed.

The Waste Reduction and Recycling Support (WRARS) levy will be phased in, beginning on July 1, 2009 at the four largest Class 1 landfills in Manitoba, including Winnipeg, Brandon, BFI and Mid-Canada. The remaining Class 1 landfills will be given additional time for administration and implementation purposes with the levy effective on January 1, 2010. Operators of Class 2 and 3 landfills will be subject to the levy as early as 2011.

The purpose of the new levy is to encourage sustainable waste management practices and to improve waste diversion activities such as recycling and composting. Under the WRARS program, 80% of revenue will be returned to municipalities based on their recycling tonnage, as reported to the Manitoba Product Stewardship Corporation (MPSC). The remaining 20% will be used to support and enhance the Province's Household Hazardous Waste (HHW) and E-Waste collection programs, as well as other waste diversion initiatives.

Details of the program are currently being finalized and further information will be provided to you shortly regarding reporting requirements and the grant awarding process. At that time we also will be in contact with you to schedule a meeting to further explain the program. Meanwhile, should you have additional questions, please contact Jim Ferguson, of Green Manitoba, at (204) 945-7042.

Yours sincerely,

Don Cook
Deputy Minister

c.c. Barry MacBride

2010

THE CITY OF WINNIPEG

BY-LAW NO. .

A By-law of THE CITY OF WINNIPEG to amend Schedule A of the Solid Waste By-law in order to pass on the new Waste Reduction and Recycling Support (WRARS) levy imposed by the Province of Manitoba

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1 Schedule A of the Solid Waste By-law No. 1340/76 is repealed and the document attached as Appendix A to this By-law is substituted.

DONE AND PASSED, this day of , 2009.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of

Approved as to form:

_____
For Acting City Solicitor/Manager of
Legal Services

2011

APPENDIX A TO By-law No. .

SCHEDULE A TO BY-LAW NO. 1340/76

The following charges are imposed for the collection and disposal of Solid Waste

Disposal of solid waste in accordance with clauses14(b), (c)(i) and (f) and 24(b), (c), (d), (e) and (f)	$32.50 per tonne
Disposal of any load of privately delivered solid wastes originating from a residential premises or apartment block	Loads up to 500 kg in weight - $10.00 per load. Loads in excess of 500 kg charged at rate of $43.50 per tonne
Disposal of solid wastes delivered to sanitary land fill sites in accordance with Subsection 14(d)	$43.50 per tonne. Exceptions: • No charge for Winnipeg Harvest Inc. • 25% of this rate charged for any registered charitable organization which can demonstrate to the satisfaction of the Designated Officer a greater than 70% waste reduction benefit to the City of Winnipeg
Subject to any agreement, disposal of solid wastes from municipalities outside the City of Winnipeg delivered to sanitary landfill sites	$43.50 per tonne
Collection and disposal of solid wastes in accordance with Clause 14(c)(ii) or Subsection 24(d)	$3.50 per cubic metre of container capacity
Collection and disposal of bulky wastes in accordance with Section 14(e)	$20.00 per premises per collection
Collection and disposal of special wastes	At cost calculated by the Designated Officer
Surcharge to be added for any load that is not covered or otherwise loaded or secured in accordance with subsection 16(2)	$50.00 per load
Late payment charge after 3 months	$25.00
Interest on arrears	12% per annum