Agenda - Executive Policy Committee – December 5, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – November 26, 2012

Item No. 1 Amendments to Waste Diversion Fee Billing Practices

STANDING COMMITTEE RECOMMENDATION:

On November 26, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the following changes to the Solid Waste By-law No. 110/2012 and the fee structure for solid waste services for residential properties with two to seven dwelling units, be approved, (draft by-law attached as Appendix A):

    A. The property owner can apply for a reduction to the standard level of garbage and recycling service and to the waste diversion user fee, as long as the waste diversion user fee for the entire building is billed to the property owner.

    B. The By-law would provide the Director with the authority to reject an application or reverse permission to reduce the level of garbage and recycling service under this Recommendation if:

        i. the tenants are not getting adequate access to these services
        ii. garbage is accumulating on the property in violation of the Neighbourhood Liveability By-law, or
        iii. public health concerns are being raised.

    C. Property owners of residential properties with two to seven dwelling units, or their designated property manager, who apply for a change to the standard level of garbage and recycling service under this Recommendation, will be charged:

        i. an initial application fee of $100
        ii. a $30.00 administration fee for every subsequent request for change in service within a twelve month period.

    D. The application fee will not apply to owner occupied properties.

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 – December 5, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – November 26, 2012

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 26, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On October 24, 2012, Council concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and granted the Winnipeg Public Service an extension of time of 60 days to allow the Winnipeg Public Service to report back to the Standing Policy Committee on Infrastructure Renewal and Public Works on the Council Motion of September 27, 2012.

On September 27, 2012, Council ruled automatic referral of the following motion to the Standing Policy Committee on Infrastructure Renewal and Public Works:

Moved by Councillor Vandal,
Seconded by His Worship Mayor Katz,

THAT the Winnipeg Public Service develop a "reasonable accommodation" policy for addresses with multiple dwelling units at the same address or for addresses where there is an incongruity between the number of living units on the assessment roll and the actual situation;

THAT under no circumstance will billing occur for a dwelling unit which does not exist or where services are not being delivered to that dwelling unit.

ADMINISTRATIVE REPORT

Title: **AMENDMENTS TO WASTE DIVERSION FEE BILLING PRACTICES**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works - Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
M. L. Geer, CA Manager of Finance	D. P. Sacher, P. Eng. Director, Water and Waste Department	M Ruta	D Joshi COO

RECOMMENDATIONS

This is to recommend that:

1. Council approve the following changes to the Solid Waste By-law (draft amending by-law attached as Appendix A) and the fee structure for solid waste services for residential properties with two to seven dwelling units.

    a. The property owner can apply for a reduction to the standard level of garbage and recycling service and to the waste diversion user fee, as long as the waste diversion user fee for the entire building is billed to the property owner.

    b. The By-law would provide the Director with the authority to reject an application or reverse permission to reduce the level of garbage and recycling service under this Recommendation if:

        i) the tenants are not getting adequate access to these services,
        ii) garbage is accumulating on the property in violation of the Neighbourhood Liveability By-law, or
        iii) public health concerns are being raised.

    c. Property owners of residential properties with two to seven dwelling units, or their designated property manager, who apply for a change to the standard level of garbage and recycling service under this Recommendation, will be charged:
        i) an initial application fee of $100,
        ii) a $30.00 administration fee for every subsequent request for change in service within a twelve month period.

    d. The application fee will not apply to owner occupied properties.

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

REASON FOR THE REPORT

On September 27, 2012, Council directed the Public Service to report back on a reasonable accommodation for addresses with multiple dwelling units.

IMPLICATIONS OF THE RECOMMENDATIONS

Under the Solid Waste By-law No. 110/2012 and the fee structure for solid waste services approved by Council on July 18, 2012, all residential properties with seven or less dwelling units are to be:

- charged a waste diversion user fee of $0.14 per day per dwelling unit after October 1, 2012, and
- receive one 240-litre container each for garbage and recycling.

The recommended amendments to the billing practices for the waste diversion user fee will address City Council's concerns regarding planned billing processes.

The billing practice approved in the Comprehensive Integrated Waste Management Strategy provides for billing of a waste diversion user fee of $0.14 per day per dwelling unit for all residential properties with seven or fewer dwelling units as defined by Solid Waste By-law No. 110/2012. This model is widely used in the industry and has been adopted in other jurisdictions, including Calgary, Edmonton and Minneapolis.

Revenue from this fee is to be used to fund implementation of the comprehensive integrated waste strategy and is one of the funding sources towards the City's goal of achieving a diversion rate in excess of 50%. Revenue from this fee will be used to fund the Council approved diversion programs, including yard waste collection and composting, costs associated with Community Resource Recovery Centers, landfill gas capture, and a curbside kitchen waste organics collection pilot.

The Public Service started using the property description from the City's assessment database to determine the waste diversion user fee to be billed to each property However, as the Public Service began delivering automated garbage and recycling carts earlier this year, some property owners expressed concern that billing based upon property assessment data was problematic because it did not reflect the actual use of the property. For example, a property was zoned as a duplex but it has been used as a single-family dwelling for a lengthy period of time.

Also, owners of some residential properties with two to seven dwelling units expressed concern that the practice of providing one garbage and recycling cart for each dwelling unit was excessive. Property owners wanted the chance to have the level of solid waste and recycling service provided to their buildings, as well as the fee, reduced if the level of service was more than their tenants needed.

The proposed amended billing practices are intended to address these concerns and can only be applied to accounts where owners of properties with two to seven dwelling units or their designated property manager are the billed party.
Under the proposed amended billing practices, application for a reduced level of garbage and recycling service for properties with two to seven dwelling units could be made in the following circumstances:

- Owner-Occupied Residential Properties with Two to Seven Dwelling Units
    - Owners would be entitled to opt to receive the level of standard garbage and recycling service equal to that of a property with a single family dwelling.
    - Excess carts would be recovered by the City. If the carts have been lost or stolen, customers would be charged a replacement fee as permitted under the Solid Waste By-law.
    - Property owners would be required to advise the City if the property use changes such that it is no longer an owner-occupied dwelling.

- Managed Residential Properties with two to seven Dwelling Units
    - The property owner or their designated manager could apply for a reduced level of garbage and recycling service with the minimum level of service being equal to that of a property with a single-family dwelling.
    - In order to ensure adequate garbage and recycling services are provided to the tenants at the property, the Public Service would inspect the premises and a designated employee would authorize an appropriate level of service based on actual use.
    - If a customer's application is approved, excess carts would be recovered by the City. If the carts have been lost or stolen, customers would be charged a replacement fee as permitted under the Solid Waste By-law.

In both of these circumstances, the authorization to reduce the level of service could be withdrawn by the City if it is creating public health issues or if tenants are complaining about a lack of access to adequate solid waste services.

Property owners/designated property managers for residential properties that are not owner-occupied with two to seven dwelling units who apply for a change to the standard level of garbage and recycling will be charged a $100 application fee. Revenue from this fee will help offset the City's cost of reviewing the application, including completion of a property inspection. The application fee will not apply to owner occupied residential properties.

An administration fee of $30.00 will be charged to property owners that request more than one change to service levels within a twelve month period. This fee will partially offset the administrative cost of these change requests.

The implementation of these amended billing practices will require the addition of temporary staff in operations and customer billing. These resources are needed short-term to process applications, assess the required level of service at properties that are non owner-occupied, retrieve carts and to process the resulting billing adjustments. After the initial application period it is expected that this work will be performed within the existing staff complement.

Council's resolution of September 27, 2012 expressed concerns about the imposition of a fee to properties that are not receiving solid waste services, such as vacant lots or unoccupied

buildings. It is important to note that the current Solid Waste By-law 110/2012 includes exemptions for the following circumstances:

a. The building has been demolished pursuant to a demolition permit
b. The property owner has a valid Vacant Residential Boarded Building Permit
c. The property owner has a valid Boarded Building Exemption Certificate

HISTORY

On October 19, 2011, City Council approved the Comprehensive Integrated Waste Management Strategy, which included a fee of $0.14 per day per dwelling unit for all residential properties with seven or less dwellings, to be billed quarterly ($12.50/3 months) on the water bill, no earlier than October 1, 2012, with a waste diversion reserve fund being established for all surplus monies collected through this user fee to be dedicated to waste diversion programs.

On September 27, 2012, City Council directed the Winnipeg Public Service to

> *"develop a 'reasonable accommodation' policy for addresses with multiple dwelling units at the same address or for addresses where there is an incongruity between the number of living units on the assessment roll and the actual situation...under no circumstance will billing occur for a dwelling unit which does not exist or where services are not being delivered to that dwelling unit."*

FINANCIAL IMPACT

Financial Impact Statement

Date: October 24, 2012

Project Name:

AMENDENT TO WASTE DIVERSION USER FEE BILLING PRACTICES

First Year of Program **2012**

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 130,000	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	(12,500)	(40,000)	(50,000)	(50,000)	(50,000)
Net Cost/(Benefit)	$ 12,500	$ 170,000	$ 50,000	$ 50,000	$ 50,000
Less: Existing Budget Amounts	12,500	170,000	50,000	50,000	50,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Temporary resources will be required to process billing adjustments and perform initial site visits. There is also a corresponding loss in the projected revenue due to amended billing practices. No budget adjustment is required since these changes will reduce the transfer to the Council approved Waste Diversion Reserve.

"Original signed by M. L. Geer, C. A."

Moira Geer, CA
Manager of Finance and Administration

js
8-Jun-12

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to Legal issues)

SUBMITTED BY

Water and Waste Department
Finance and Administration Division
Prepared by: Moira Geer
Date: November 2, 2012
File: G101

Appendix A

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to amend the Solid Waste By-law

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

Solid Waste By-law amended

1 The Solid Waste By-law No. 110/2012 is amended by this By-law.

Definition of "base level of service" and "standard level of service" added

2 Section 2 is amended by adding the following definitions in alphabetical order:

"base level of service" *means the number and size of carts or other containers for the collection of solid waste and the frequency of collection established by City Council as the minimum requirement for a property containing a single dwelling unit;*

"standard level of service" *means the number and size of carts or other containers for the collection of solid waste and the frequency of collection of solid waste determined by City Council to be appropriate for each dwelling unit on a property with between two and seven dwelling units;*

Section 3 replaced

3 Section 3 is repealed and replaced with the following:

Solid waste collection for residential properties

3(1) *Subject to subsection (2), the suspension or termination of the obligations of a property owner under subsections 6(4) or 6(5) or the suspension of solid waste collection services to a property under section 8,*

(a) the Director must provide a standard level of service to every residential property within the boundaries of the City of Winnipeg; and

(b) the owner of the residential property to which solid waste collection services are provided is liable for payment of a service fee imposed for a standard level of service with respect to the property.

3(2) *Notwithstanding subsection (1) the owner of a property which contains between two and seven dwelling units and who is being billed for the service fee referred to in clause (1)(b), upon payment of any applicable fee established by Council, may apply to the Director for a reduction of service provided to the property below the standard level*

of service and a commensurate reduction in the service fee. The Director may approve a reduction of service provided to the property if he or she is satisfied that

(a) the occupants of the dwelling units will receive solid waste collection services sufficient for their needs;

(b) the reduction will not result in garbage or other solid waste accumulating on the property in contravention of The Neighbourhood Liveability By-law *or of* The Public Health *Act.*

The Director must not approve a reduction of service to the property below the base level of service.

3(4) *The Director is authorized to reverse an approval for a reduction of service to the property under subsection (2) or to increase the service level provided to the property that has had a reduction approved under subsection (2) if he or she concludes that:*

(a) the occupants of the dwelling units are not receiving solid waste collection services sufficient for their needs;

(b) garbage or other solid waste has accumulated or is accumulating on the property in contravention of The Neighbourhood Liveability By-law *or of* The Public Health *Act.*

Where the Director acts under this subsection, the owner must pay the service fee applicable to the service level being provided.

DONE AND PASSED, this day of , 2012.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Water and Waste

Approved as to form:

_____
For Director of Legal Services/City Solicitor