Agenda – Council – January 27, 2022

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – January 12, 2022

Item No. 1 Financial Incentives for Composting

STANDING COMMITTEE RECOMMENDATION:

On January 19, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the following to Council:

1. That a compost support program be created to issue annual support payments of up to a total of $65,000 in cash and in-kind advertising credits (through News Media Canada) to qualified residential food waste collection services who can demonstrate that they meet one of the following conditions:

    A. Provide a subsidy for low-income residents who wish to participate in compost collection but are financially unable to;

    B. Assist in developing new programs for residents whose dwellings do not currently qualify for compost programs (e.g. multifamily); and/or,

    C. Other measures to offset costs of their program for the benefit of City residents.

2. That the recipient(s) of the annual support payments proceeds must provide food waste collection services that are equivalent to those provided through the City's Residential Food Waste Collection Pilot Program.

3. That the annual support payments be in place until such time as Council has decided on the direction of a City-wide residential food waste collection program.

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

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – January 12, 2022

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 19, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 12, 2022, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

On December 6, 2021, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment granted an extension of time to its January 12, 2022 meeting for the Winnipeg Public Service to report back on the matter.

COUNCIL DECISION:

On September 29, 2021, Council concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and adopted the following:

1. That the Winnipeg Public Service be directed to report back to the Standing Committee in 90 days on the potential of introducing the following composting initiative:

    A. An annual financial incentive in the amount of $100 in the form of a Property Tax Rebate, a $100 City of Winnipeg Gift Card, an annual $100 credit on a home's Water and Waste Bill, and/or, a direct grant to compost service providers, for residents who engage in weekly or bi-weekly organic waste collection service and provide proof of purchase of a one-year subscription, or, twelve monthly subscription payments from a service provider.

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

ADMINISTRATIVE REPORT

Title: **FINANCIAL INCENTIVES FOR COMPOSTING**

Critical Path: **Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Gordichuk, CCLP, Manager of Solid Waste Services	M. L. Geer, CPA, CA, Director, Water and Waste Department	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

On September 29, 2021, Council directed the Winnipeg Public Service to report back on options for introducing a composting initiative that would provide financial incentive for residents that engage in weekly or bi-weekly food waste collection service.

Organic waste contributes to approximately 44 percent of the current waste stream. When landfilled, the material decomposes anaerobically to produce methane (CH^4). Methane is a powerful greenhouse gas that is 26 times more potent than carbon dioxide (CO^2). Composting is a processing method used for organic materials in which decomposition happens aerobically, thus producing CO^2 as opposed to CH^4.

With the ongoing City of Winnipeg Residential Food Waste (RFW) Collection Pilot Project, the Public Service recommends that the most impactful way to reduce greenhouse gases from residential solid waste in the short term is for the City of Winnipeg to introduce a compost support program starting in 2022 of up to a total of $65,000 in cash or in-kind advertising credits through News Media Canada to qualified residential food waste collection service providers to: offset the cost of service for Winnipeg residents; provide a low income subsidy for residents who wish to participate but financially unable to; and/or assist in new programs for residents whose dwellings do not currently qualify for compost programs (e.g. Multi-family).

It is imperative that any subsidized service be equivalent to the acceptable items and level of service of the current City of Winnipeg Residential Food Waste Collection Pilot Project and produce an end use product that complies with Canadian Council of Ministers of the Environment (CCME) standards.

RECOMMENDATIONS

1. That a compost support program be created to issue annual support payments of up to a total of $65,000 in cash and in-kind advertising credits (through News Media Canada) to qualified residential food waste collection services who can demonstrate that they meet one of the following conditions:
   A. provide a subsidy for low-income residents who wish to participate in compost collection but are financially unable to;
   B. assist in developing new programs for residents whose dwellings do not currently qualify for compost programs (e.g. multifamily); and/or,
   C. other measures to offset costs of their program for the benefit of City residents.

2. That the recipient(s) of the annual support payments proceeds must provide food waste collection services that are equivalent to those provided through the City's Residential Food Waste Collection Pilot Program.

3. That the annual support payments be in place until such time as Council has decided on the direction of a City-wide residential food waste collection program.

4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On September 29, 2021, Council adopted the following:

1. That the Winnipeg Public Service be directed to report back to the Standing Committee in 90 days on the potential of introducing the following composting initiative:

   A. An annual financial incentive in the amount of $100 in the form of a Property Tax Rebate, a $100 City of Winnipeg Gift Card, an annual $100 credit on a home's Water and Waste Bill, and/or, a direct grant to compost service providers, for residents who engage in weekly or bi-weekly organic waste collection service and provide proof of purchase of a one-year subscription, or, twelve monthly subscription payments from a service provider.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds are available in the 2022 operating budget through account 445-521020-201906-999 – Non-Professional Services.

HISTORY/DISCUSSION

On October 19, 2011, Council approved the Comprehensive Integrated Waste Management Strategy (CIWMS) which includes a waste diversion rate target of 50 percent. CIWMS was developed through an extensive public engagement process where more than 2,500 people participated over a six-month period. A review of CIWMS was completed in 2019 and identified that the waste diversion rate target of 50 percent could not be achieved without a City-wide Residential Food Waste (RFW) collection program and other investments to Winnipeg's waste management system. The 50 percent waste diversion target was deferred by Council on June 20, 2019 until completion of an RFW collection pilot project and a ten-year financial plan for the solid waste utility.

In addition to CIWMS, the importance of diverting organic waste to meet Winnipeg's sustainability goals was further affirmed with Council's adoption of Winnipeg's Climate Action Plan in 2018.

CITY OF WINNIPEG COMPOST PROGRAMS

Residential Food Waste (RFW) Collection Pilot Project

On December 12, 2019, Council directed the Public Service to develop a RFW collection pilot program and report back to Council with recommendations regarding a City-wide program by 2023. Currently the City is in the second year of a two-year pilot project, which provides weekly RFW collection services to approximately 4,000 households across five routes. The objectives of the pilot project are to evaluate residents' acceptance of the RFW collection, identify opportunities to implement a comprehensive City-wide program; and document barriers to participation for residents. In addition to the pilot project reporting, an organics processing facility options report is being completed which will include a business case with recommendations for a large-scale composting facility. Recommendations for a city-wide RFW collection program, including the results of the pilot project and business case for the composting facility will be presented to Council in 2023.

Unlike the backyard compost bin, the RFW Pilot Project accepts a wider variety of organics such as meat, bones, dairy, and compostable packaging, which make up to 28 percent of the organic waste stream. A City-wide curbside RFW program has the potential to raise Winnipeg's overall waste diversion rate up to 60 percent.

POSSIBLE COMPOST INITIATIVE PROGRAMS

Backyard Composting Rebate

Backyard Composting is able to capture up to 25 percent of the organic waste stream when performed correctly at high standards.

Between 2002 and 2013, the City offered a backyard composter subsidy program. Residents were able to purchase a backyard composter at a reduced price during annual one day truck-load sales held at different locations across the city. Over 45,000 compost bins were sold during the 12 years of the program. The program was discontinued due to decreasing participation which made it cost prohibitive.

Introducing another program, such as a direct to resident rebate for backyard composter, that does not follow the RFW Pilot Project during its timeline, may undermine the data gathered in terms of participations and tonnages of the pilot and its review.

Due to the limited materials that can be composted using a backyard composter (e.g. fruits and vegetables only), seasonality and decline of use, the Public Service does not recommend this method of an annual rebate program.

Annual Rebate to Residents

An annual rebate program in the form of a Property Tax Rebate, a City of Winnipeg Gift Card, or credit on a home's Water and Waste Bill, would offset the cost for residents who engage in weekly or bi-weekly organic waste collection service that is equivalent to the current RFW Pilot Project. This program would require proof of purchase of a one-year subscription, or, twelve monthly subscription payments from a service provider

It would require significant administrative resources to develop and maintain such a rebate program. Furthermore, the funds available in the current budget are such that only a maximum of 650 residents would be able to participate in the program annually, based on the proposed $100 per household (not including administration costs).

With the current subscriber base of existing service providers, the funds available would not allow for all of the existing clientele to receive the rebate and would leave no funding available for new users. Given the budgetary limitations, it would be difficult to ensure such an incentive program would be accessible to all residents and is not desirable from an equity perspective.

The Public Service does not recommend an annual rebate program due to the budgetary restraints, significant administrative resources and limited coverage.

Annual Composting Support Program

An annual composting support program would allow the recipient(s) to introduce compost initiatives by either:

- providing a subsidy for low-income residents who wish to participate but are financially unable to;
- assist in new programs for residents whose dwellings do not currently qualify for compost programs (e.g. Multifamily); and/or

- other measures to offset costs of their program for the benefit of City residents.

The recipient(s) of the annual support payment(s) must provide food waste collection services that are equivalent to those provided through the City's Residential Food Waste Collection Pilot Program.

The Public Service recommends that the City of Winnipeg introduce a compost support program starting in 2022, of up to a total of $65,000 annually in cash and in-kind advertising credits through News Media Canada to compost service providers.

Each compost service provider would submit their applications for the program by April 30 of the applicable fiscal year. The applications will be evaluated by the Public Service and the program support totaling $65,000 will be allocated to compost service providers that meet program requirements. The applicants would be required to provide the prior fiscal year's financial statements, annual report and annual general meeting minutes demonstrating they meet program requirements. Funding will be allocated based on results of a systematic evaluation process that would include minimum criteria (pass/fail) to ensure that all conditions are met.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 21, 2021

Project Name: FINANCIAL INCENTIVES FOR COMPOSTING

First Year of Program **2022**

	2022	2023	2024	2025	2026
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	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000
Less: Existing Budget Amounts	65,000	65,000	65,000	65,000	65,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds are available in the Current Operating Budget - Solid Waste - Diversion Other - Non-Professional Services 445-521020-201906-999 to be disbursed to approved compost service providers up to a total of $65,000 per year.

L Szkwarek

Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

Legal Services

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through 02-2 Environment

OurWinnipeg Reference: 02-2 Environment “Reduce the environmental impact of our activities, through strategies such as planning for sustainable energy use and greenhouse gas reduction.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in accordance with Winnipeg’s Climate Action Plan through Strategic Opportunity #6 Waste Reduction and Diversion:

“Strategies that maximize the diversion of organic wastes from the landfills are critical, along with reusing resources, which not only reduces the raw materials used in their production, but also reduces emissions from the transportation of new and waste products.

6.1 – Reduce Consumption and Increase Waste Diversion from Residential, Commercial and Industry.”

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Water and Waste
Division: Solid Waste Division
Prepared by: Duy Doan, C.E.T.
Date: January 4, 2022
File No.: G-275