

HALIFAX

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Item No. 14.1.4
Halifax Regional Council
December 6, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dube, Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: September 8, 2016

SUBJECT: Amendment to Administrative Order #16, Fees for the Use of Solid Waste Management Facilities

ORIGIN

July 19, 2016 Halifax Regional Council directed “staff to prepare amendments to Administrative Order 16 – “Fees for the Use of Solid Waste Management Facilities” to incorporate a recycling tipping fee at the Materials Recovery Facility of \$30 per tonne for the industrial, commercial and Institutional (IC&I) sector effective January 1, 2017, and report back to Council with such amendments for its consideration”.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (“HRM Charter”), clause 60(1)(b) “The Council may make policies... (b) regulating the use of solid-waste management facilities, providing for times and conditions under which they may be used and setting charges for the use of solid-waste management facilities operated by the Municipality”.

RECOMMENDATION

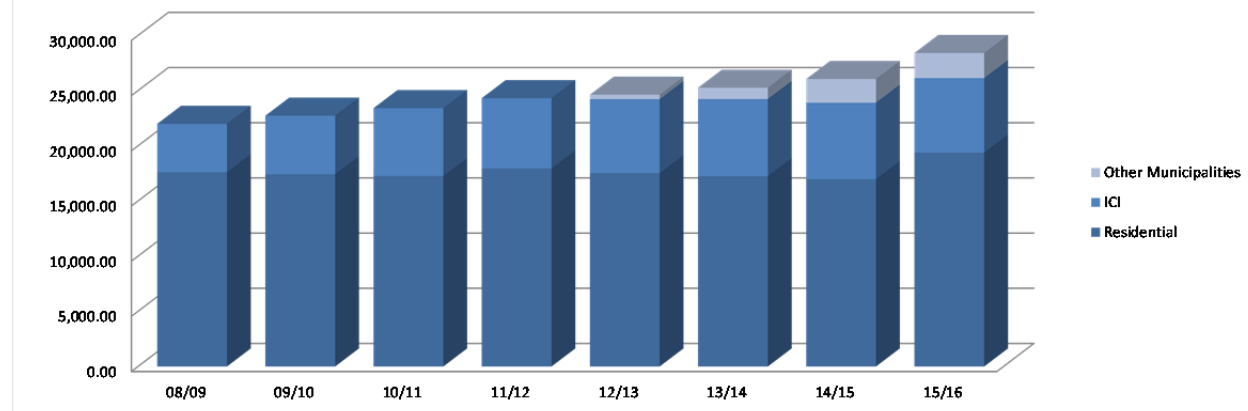
It is recommended that Halifax Regional Council adopt the amendments to Administrative Order 16, Fees for the Use of Solid Waste Management Facilities, as set out in Attachment 2 to this report.

BACKGROUND

The Materials Recovery Facility (“MRF”) located at 20 Horseshoe Lake Dr. is owned by HRM and operated under an agreement with Miller Waste Systems (RFP No. 08-084), as extended for the period April 1, 2014 to March 31, 2019. The Agreement includes processing and marketing of recyclables received and the operation, maintenance and capital upgrades of the MRF by the facility operator. The facility receives all of the recyclables generated from HRM’s collection program (Residential, both curbside and condominium collection), some commercial recyclables (IC&I, predominantly blue bag materials and some paper) and recyclables from other municipalities who have entered into agreement with HRM. The graph below (Graph 1 – Annual MRF Tonnage) shows the annual tonnage of recyclables processed from these sources over the past eight (8) years.

Graph 1 – Annual MRF Tonnage

Annual Materials Recovery Facility Tonnage								
	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Residential	17,609.86	17,420.18	17,257.84	17,946.15	17,525.50	17,249.74	16,974.91	19,379.66
ICI	4,381.14	5,312.44	6,157.04	6,371.63	6,702.19	6,989.81	6,933.70	6,759.83
Other Municipalities					404.74	1,025.65	2,147.10	2,272.78
Total	21,991.00	22,732.62	23,414.88	24,317.78	24,632.43	25,265.20	26,055.71	28,412.27



The operating agreement for the MRF (RFP No. 08-084), provides for a capacity expansion when the facility exceeds 28,000 tonnes of recyclables processing per year. The RFP required proposal responses to address expansion to 36,000 tonnes annually. The proposed capacity expansion includes additional storage through the construction of a building on site.

On December 23, 2015 HRM and Mirror NS executed an Agreement for the management of the Otter Lake Facilities. The required housekeeping amendments have been included within the proposed AO16 as attached.

DISCUSSION

With the increased recycling experienced as a result of clear bags and the addition of boxboard to the fiber recycling stream, there is a need to develop additional processing capacity. On March 28, 2016 the 28,000 tonne capacity milestone was reached. On July 19, 2016 Council directed staff to proceed with the expansion of the MRF and, as further directed by Council, staff has prepared the amendments setting a \$30 per tonne fee for ICI waste effective January 1, 2017. In order to recover some of the operating and capital costs associated with the capacity expansion of the MRF, staff are recommending the implementation of a \$30 per tonne tipping fee for the HRM IC&I sector, and a \$30 increase to the current

rate charged to other municipalities that use the MRF. There is currently no tip fee charged to the IC&I sector.

Staff has completed a scan of Nova Scotia municipalities that operate MRF's. The current tipping fees for recyclables across the province varies as does the acceptance of material from outside of the region. Many facilities charge for processing of recyclables as shown in the table below.

Recycle Processing Facility	Within the municipality	Within the municipality	Outside the municipality	Outside the municipality
	Residential	IC&I	Residential	IC&I
HRM	\$0.00	\$0.00	Requires approval	Requires approval
CBRM	\$0.00	\$65.00	\$65.00	\$65.00
Colchester	\$0.00	\$0, \$90, \$145 (contaminated)	Tendered basis	Tendered basis
Queens	\$0.00	\$175.74	\$175.74	\$175.74
CJSMA	\$0.00	\$0.00	N/A	N/A
Pictou	\$133.64	\$133.64	N/A	N/A

An alternative processing facility large enough to accommodate the IC&I sector material does not currently exist in HRM. The IC&I sector may be able to ship material to other jurisdictions for processing if there is capacity. Based on shipping and processing costs at other facilities, exporting recyclable material is not as economical as using the Halifax Regional Municipality MRF.

Staff is also recommending a few housekeeping amendments to the Administrative Order which:

- adds a short title to the Administrative Order;
- adds headers to the sections; and
- updates the reference from the *Municipal Government Act* to the *HRM Charter*.
- changes to align tipping fees at Otter Lake

FINANCIAL IMPLICATIONS

With an increase of \$30 per tonne being charged to the IC&I sector it is anticipated that the tipping fee will generate \$50,250 (1,675 tonnes x \$30/tonne) for 2016/17 and approximately \$201,000 (6,700 tonnes x \$30/tonne) for 2017/18 and 2018/19. Infrastructure currently exists at the site to weigh vehicles. Invoices will be issued through HRM Financial Services as is the current practice for other Solid Waste facilities.

RISK CONSIDERATION

The risks with regards to the recommendation are low and relate to the method of cost recovery.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

Proceed with capacity expansion without a recoverable tip fee charged to the IC&I sector. There is currently no tipping fee being charged to the IC&I sector to deposit materials at the MRF. The additional cost of the capacity expansion may need to be funded through the general tax rate. This alternative would not maximize the fiscal sustainability of the waste program.

ATTACHMENTS

Attachment 1 - Showing Proposed Changes to Administrative Order 16
Attachment 2 - Amending Administrative Order
Attachment 3 - Incorporating Proposed Changes Administrative Order 16

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Matt Keliher, Manager of Solid Waste Resources, 902.490.6606

Attachment 1
(Showing Proposed Changes)

Administrative Order Number 16
Respecting Fees For The Use of Solid Waste Management Facilities

THEREFORE BE IT ENACTED by the Council of the Halifax Regional Municipality as a policy pursuant to ~~Section 49(1) (b) of the Municipal Government Act~~ clause 60(1)(b) of the *Halifax Regional Municipality Charter* as follows:

Short Title

1. This Administrative Order may be cited as the *Solid Waste Fees Administrative Order*.

Fees

1A. The fees ~~that~~ for the use of solid waste management facilities pursuant to By-Law S-600, the Solid Waste Resource Collection and Disposal By-Law are:

- (a) Haulers and persons who transport wastes acceptable for disposal at the front end processing facility, and residuals disposal facility other than materials requiring special handling or disposal techniques (as detailed in Section 17 of By-Law S-600) shall pay the fee set by the operator of the Otter Lake Waste Processing and Disposal Facility and such fee shall not exceed:

- (i) for the period up to and including December 31, 2017, \$150 per tonne; and
(ii) for the period commencing January 1, 2018, \$125 per tonne.

<u>Weight</u>	<u>Fee</u>
More than 100 kg (220 lb)	\$12.50 per 100 kg
Less than 100 kg (220 lb)	\$5.00 user fee

- (b) ~~Where the weigh scales used at the front end processing facility, and/or residuals disposal facility become inoperative, haulers and persons who transport wastes shall pay:~~

<u>Volume</u>	<u>Fee</u>
More than 0.5 cu. m (0.65 cu. yd.)	\$21.30 per cu. m
Less than 0.5 cu. m (0.65 cu. yd.)	\$5.00 user fee,

- (ba) Beginning in 2017, on January 1st of each calendar year or as soon thereafter as the information is available from Statistics Canada, the fees set out in subclause ii of clause a of this section shall be adjusted by the annual average percentage change for the All-Items Consumer Price Index for Halifax, Nova Scotia.

- (bb) The fee set in clause a of this section shall be applied equally to all haulers and persons who transport waste acceptable for disposal.

- (bc) Haulers shall pay a transfer tipping fee for the transfer station and such fee shall not exceed the fees set bc clauses 1A(a) and ba.

- (c) Haulers and persons who transport wastes acceptable for disposal at the source-separated composting facilities other than materials requiring special handling or disposal techniques shall pay: \$7.50 per 100 kg

- (d) Where the weigh scales used at the source-separated composting facilities become inoperative, haulers and persons who transport wastes shall pay: \$12.75 per cu. m
- (e) (i) For the period up to and including December 31, 2016, Haulers and persons who transport wastes acceptable for disposal at the materials recovery facility shall not pay fees.
- (ii) Commencing January 1, 2017, haulers and persons who transport wastes acceptable for processing at the materials recovery facility shall pay a fee of

<u>Weight</u>	<u>Fee</u>
50 kg (110 lb) or more	\$1.50 per 50 kg
Less than 50 kg (110 lb)	No user fee

- (f) ~~Repeal. Haulers and persons who transport wastes acceptable for disposal at the front end processing facility, and residuals disposal facility who pay cash and who have load weights more than 100 kg shall pay a cash deposit as follow upon entering the facility:~~

<u>Gross Weight of Vehicle</u>	<u>Cash Deposit Amount</u>
Up to 1250 kg	\$20.00
1251 kg to 1500 kg	\$35.00
1501 kg to 3000 kg	\$75.00
3001 kg to 5000 kg	\$125.00
5001 kg to 7000 kg	\$180.00
7001 kg to 9000 kg	\$235.00
9001 kg to 12000 kg	\$285.00
12001 kg to 15000 kg	\$340.00

Other Municipality

- 1B Council may agree, by service agreement, to accept waste from another municipality for processing at the materials recovery facility, and the fees provided for in the agreement may exceed the fees set out in clause 1A(e).

Repeal

2. Administrative Order 16 adopted by Regional Council the 30th day of March, 1999 and effective the 6th day of April, 1999 as amended by Amendment No. 1 adopted by Regional Council the 28th day of March, 2000 and effective the 1st day of May, 2000 is hereby repealed.

Effective Date

3. This Administrative Order shall come into effect the 1st day of May, 2001.

Done and passed in Council this 30th day of March, 1999.

Walter R. Fitzgerald
Mayor

Vi Carmichael
Municipal Clerk

**Attachment 2
(Amending Administrative Order)**

**Administrative Order Number 16
Respecting Fees For The Use of Solid Waste Management Facilities**

BE IT ENACTED by the Council of the Halifax Regional Municipality that Administrative Order 16, Respecting Fees for the Use of Solid Waste Management Facilities, is further amended as follows:

1. The preamble is amended by:
 - (a) striking out the number, brackets, letter and words "Section 49(1) (b) of the *Municipal Government Act*" after the words "pursuant to" and before the words "as follows"; and
 - (b) adding the numbers, brackets, letter and words "clause 60(1) (b) of the *Halifax Regional Municipality Charter*" after the words "pursuant to" and before the words "as follows".
2. Section 1 is amended by renumbering it as section 1A.
3. Section 1 is added before the newly renumbered section 1A and after the preamble as follows:

Short Title

1. This Administrative Order may be cited as the *Solid Waste Fees Administrative Order*.

4. The newly renumbered section 1A is amended by:
 - (a) adding the header "Fees" after the newly added section 1 and before the start of the section;
 - (b) striking out the word "that" after the words "fees" and before the word "for";
 - (c) adding the words "the fee set by the operator of the Otter Lake Waste Processing and Disposal Facility and such fee shall not exceed" after the word "pay" and before the colon in clause a;
 - (d) striking out the rest of clause a after the colon and before clause b;
 - (e) adding subclauses i and ii after the colon in clause a as follows:
 - (i) for the period up to and including December 31, 2017, \$150 per tonne; and
 - (ii) for the period commencing January 1, 2018, \$125 per tonne.
 - (f) repealing clause b;
 - (g) adding clauses ba, bb and bc after the newly repealed clause b and before clause c as follows:
 - (ba) Beginning in 2017, on January 1st of each calendar year or as soon thereafter as the information is available from Statistics Canada, the fees set out in subclause ii of clause a of this section shall be adjusted by the annual average percentage change for the All-Items Consumer Price Index for Halifax, Nova Scotia.
 - (bb) The fee set in clause a of this section shall be applied equally to all haulers and persons who transport waste acceptable for disposal.
 - (bc) Haulers shall pay a transfer tipping fee for the transfer station and such fee shall not exceed the fees set by clauses 1A(a) and ba.

- (h) renumbering clause e as subclause i of clause e;
5. Clause e of the newly renumbered section 1A is amended by renumbering clause e as subclause (i) of clause e.
 6. The newly renumbered subclause i of clause e of section 1A is amended by:
 - (a) de-capitalizing the word “Haulers” at the beginning of the subclause; and
 - (b) adding the words and comma “For the period up to and including December 31, 2016,” at the beginning of the subclause.
 7. Subclause ii of clause e is added after the newly renumbered subclause i of clause e and before clause f as follows:
 - (ii) Commencing January 1, 2017, haulers and persons who transport wastes acceptable for processing at the materials recovery facility shall pay a fee of

<u>Weight</u>	<u>Fee</u>
50 kg (110 lb) or more	\$1.50 per 50 kg
Less than 50 kg (110 lb)	No user fee
 8. The header “Repeal” is added after the newly renumbered section 1A and before section 2.
 9. Section 1B is added after the newly renumbered section 1A and before section 2 as follows:

Other Municipality

1B Council may agree, by service agreement, to accept waste from another municipality for processing at the materials recovery facility, and the fees provided for in the agreement may exceed the fees set out in clause 1A(e).
 10. The header “Effective Date” is added after section 2 and before section 3.

Done and passed this day of , 2016.

Mayor

Municipal Clerk

**Attachment 3
(Incorporating Proposed Changes)**

**Administrative Order Number 16
Respecting Fees For The Use of Solid Waste Management Facilities**

THEREFORE BE IT ENACTED by the Council of the Halifax Regional Municipality as a policy pursuant to clause 60(1)(b) of the *Halifax Regional Municipality Charter* as follows:

Short Title

1. This Administrative Order may be cited as the *Solid Waste Fees Administrative Order*.

Fees

- 1A. The fees for the use of solid waste management facilities pursuant to By-Law S-600, the Solid Waste Resource Collection and Disposal By-Law are:
 - (a) Haulers and persons who transport wastes acceptable for disposal at the front end processing facility, and residuals disposal facility other than materials requiring special handling or disposal techniques (as detailed in Section 17 of By-Law S-600) shall pay the fee set by the operator of the Otter Lake Waste Processing and Disposal Facility and such fee shall not exceed:
 - (i) for the period up to and including December 31, 2017, \$150 per tonne; and
 - (ii) for the period commencing January 1, 2018, \$125 per tonne.
 - (b) Repealed.
 - (ba) Beginning in 2017, on January 1st of each calendar year or as soon thereafter as the information is available from Statistics Canada, the fees set out in subclause ii of clause a of this section shall be adjusted by the annual average percentage change for the All-Items Consumer Price Index for Halifax, Nova Scotia.
 - (bb) The fee set in clause a of this section shall be applied equally to all haulers and persons who transport waste acceptable for disposal.
 - (bc) Haulers shall pay a transfer tipping fee for the transfer station and such fee shall not exceed the fees set by clauses 1A(a) and ba.
 - (c) Haulers and persons who transport wastes acceptable for disposal at the source-separated composting facilities other than materials requiring special handling or disposal techniques shall pay: \$7.50 per 100 kg
 - (d) Where the weigh scales used at the source-separated composting facilities become inoperative, haulers and persons who transport wastes shall pay: \$12.75 per cu. m
 - (e)
 - (i) For the period up to and including December 31, 2016, haulers and persons who transport wastes acceptable for disposal at the materials recovery facility shall not pay fees.
 - (ii) Commencing January 1, 2017, haulers and persons who transport wastes acceptable for processing at the materials recovery facility shall pay a fee of

<u>Weight</u>	<u>Fee</u>
50 kg (110 lb) or more	\$1.50 per 50 kg
Less than 50 kg (110 lb)	No user fee

(f) Repealed.

Other Municipality

1B Council may agree, by service agreement, to accept waste from another municipality for processing at the materials recovery facility, and the fees provided for in the agreement may exceed the fees set out in clause 1A(e).

Repeal

2. Administrative Order 16 adopted by Regional Council the 30th day of March, 1999 and effective the 6th day of April, 1999 as amended by Amendment No. 1 adopted by Regional Council the 28th day of March, 2000 and effective the 1st day of May, 2000 is hereby repealed.

Effective Date

3. This Administrative Order shall come into effect the 1st day of May, 2001.

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