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Item No. 15.1.6
Halifax Regional Council
May 3, 2022

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Caroline Blair-Smith, Acting Chief Administrative Officer

DATE: April 14, 2022

SUBJECT: Tip Fee Increases - Commercial Compost and Commercial Recyclables

ORIGIN

During the March 23, 2022 Budget Committee meeting, a motion was approved directing the Chief Administrative Officer to prepare the 2022/2023 budget with an ongoing adjustment of \$315,000 for Tip Fee increases.

The following notice of motion was made at Regional Council on April 12, 2022:

TAKE NOTICE that at a future meeting of Halifax Regional Council, I propose to move amendments to Administrative Order 16, Respecting Fees for the Use of Solid Waste Management Facilities, the purpose of which is to:

1. Increase the commercial tip fee at the Materials Recovery Facility from \$30 to \$45 per tonne; and
2. Increase the commercial tip fee at the source-separated composting facilities from \$75 to \$90 per tonne.

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, the Solid Waste Fees Administrative Order, as set out in Attachment B of this report, with an effective date of July 1, 2022.

BACKGROUND

The Materials Recovery Facility (MRF) located in Bayers Lake receives all the recyclables generated in HRM's residential curbside and condominium collection programs, as well as some commercial recyclables (predominantly blue bag materials and some paper). Currently commercial customers pay a tip fee of \$30 per tonne at the facility, while deliveries below 50 kg have the fee waived. This fee structure was implemented in 2017¹, prior to which no fee was charged.

Residential and commercial organic materials generated in HRM are received at either the Ragged Lake or Burnside Composting Facilities. Commercial customers pay a tip fee of \$75 per tonne for organics processing. This fee was last adjusted in 2010², prior to which the fee was \$70 per tonne.

DISCUSSION

As part of the 2022/2023 budget deliberation, the commercial tip fees at the MRF and composting facilities were presented as an under-budget item. It was proposed to increase the commercial tip fees at the MRF from \$30 to \$45 per tonne, and at the composting facilities from \$75 to \$90 per tonne. A Budget Adjustment List Briefing was prepared and submitted; the Committee of the Whole voted in favour of the proposed changes to the commercial tip fees on March 23, 2022.

Tip fees for commercial recyclables vary across Nova Scotia, ranging from \$0 to \$210 per tonne. Similarly, tip fees for commercial organics vary across Nova Scotia, ranging from \$25 to \$114 per tonne. A scan of select tipping fees from comparable Nova Scotian jurisdictions are shown below in Table 1.

Table 1: Comparison of Select Municipal Organics & Recycling Commercial Tip Fees

Location	Organics	Recyclables
HRM	\$75	\$30
Cape Breton Regional Municipality	\$60	\$0
Colchester	\$51	\$102
East Hants	\$97	\$101
Lunenburg	\$90	\$0
Valley Waste	\$97	\$97

Tip fees for both recycling and organics in HRM have historically provided an incentive for commercial waste to be diverted from landfill disposal. The proposed commercial tip fee changes would still make diversion the more cost-effective option and remain within the range of fees across the province. For reference the current garbage commercial tip fee to access the Otter Lake Transfer Station is \$115 per tonne (excluding tax).

Generally, tip fees are paid by the waste hauler contracted to provide commercial collection services, who then pass this cost down to their customers (i.e., businesses). Ideally, a minimum of 45 to 60 days would be given to allow haulers time to advise customers of any changes. Therefore, staff have proposed an implementation date of July 1, 2022 as outlined in the report recommendation.

FINANCIAL IMPLICATIONS

Increasing the commercial tip fee at the MRF, as recommended in this report, accounts for \$71,000 in revenue in account R330 5225 (Materials Recycling Facility – Tipping Fees).

¹ [Halifax Regional Council Staff Report – September 8, 2016](#)

² [Halifax Regional Council Staff Report – March 26, 2010](#)

Increasing the commercial tip fee at the two compost facilities, as recommended in this report, accounts for a combined \$175,000 in revenue in accounts R324 5225 (Compost Facility Burnside – Tipping Fees) and R325 5225 (Compost Facility Ragged Lake – Tipping Fees).

To allow time for notification of customers, an implementation date of July 1, 2022 has been included in the recommendation of this report. This results in a slight decrease in the initial estimate of \$315,000 in increased revenue (as approved in the 22/23 Operating Budget) to \$246,000, as outlined in Table 2 below.

Table 2: Estimated Potential Revenue Increase 2022/2023

	Proposed Tip Fee Increase	Total Estimated revenue with no change	Potential Increase in Revenue If Implemented by:	
			April 1	July 1
Recyclables	\$30 to \$45 per tonne	\$190,000	\$95,000	\$71,000
Organics	\$75 to \$90 per tonne	\$1,120,000	\$220,000	\$175,000
Total Change		N/A	\$315,000	\$246,000
Total Revenue		\$1,310,000	\$1,625,000	\$1,556,000

RISK CONSIDERATION

During Budget Committee deliberation a concern was raised around an increase in illegal dumping related to the increase in commercial tip fees. Since November 1, 2021 Solid Waste Resources have been investigating complaints of illegal dumping coinciding with the implementation of new enforcement measures and launch of an illegal dumping/litter awareness campaign. While it is too early to draw conclusions as to root causes of illegal dumping, the types of material illegally dumped have been observed. Typical materials are unsorted household waste (i.e., black bags) or construction debris. To date, commercial recyclables have generally not been discovered in any reported illegal dump sites. A change in tip fees would not impact un-authorized dumping of tree stumps or grubbing, as they are not accepted at either municipal composting facility. Further to this, when recycling tip fees were increased from \$0 to \$30 per tonne in 2017, there was no reported increase in the occurrence of commercial recyclables being illegally dumped. As such, it is not anticipated that the increase in commercial tip fees at the MRF or two composting facilities will result in an increase in illegal dumping.

COMMUNITY ENGAGEMENT

There was no community engagement completed in preparing this report. Commercial haulers will be immediately notified of the change and will therefore be provided notice approximately two months ahead of the implementation date of July 1, 2022.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified. It is not anticipated that the proposed commercial tip fee changes will impact diversion or result in an increase in illegal dumping.

ALTERNATIVES

Regional Council may choose not to increase the commercial tip fees at the MRF and compost facilities. This will result in a \$246,000 shortfall in revenue in the Transportation and Public Works’ budget for 2022/2023.

ATTACHMENTS

Attachment A – Proposed changes to Administrative Order
Attachment B – Amending Administrative Order

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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**ATTACHMENT A
(Proposed Changes to Administrative Order 16)**

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

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~~ **9.00** 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~~ **Repeal**
 - (e)
 - (i) ~~For the period up to and including March 31, 2016, haulers and persons who transport wastes acceptable for disposal at the materials recovery facility shall not pay fees.~~ **Repeal**
 - (ii) ~~Commencing April 1, 2017, haulers and persons who transport wastes acceptable for processing at the materials recovery facility shall pay a fee of~~
Weight Fee
~~50 kg (110 lb) or more~~ **\$1.50 per 50 kg**
~~Less than 50 kg (110 lb)~~ **No user fee** **Repeal**

(iii) Commencing July 1, 2022, haulers and persons who transport wastes acceptable for processing at the materials recovery facility shall pay a fee of

Weight Fee

50 kg or more

\$4.50 per 100 kg

Less than 50 kg

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.

**ATTACHMNET B
(Amending Administrative Order)**

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

BE IT RESOLVED by the Council of the Halifax Regional Municipality that Administrative Order 16, the *Solid Waste Fees Administrative Order*, is amended as follows:

1. Clause 1A(c) is amended by:

(a) striking out the numbers and period "7.50" after the colon and dollar symbol and before the word "per"; and

(b) adding the numbers and period "9.00" after the colon and dollar symbol and before the word "per".

2. Clause 1A(d) and subclauses 1A (e)(i) and (ii) are repealed.

3. Subclause 1A(e)(iii) is added after the newly repealed subclause 1A(e)(ii), as follows:

Commencing July 1, 2022, haulers and persons who transport wastes acceptable for processing at the materials recovery facility shall pay a fee of

Weight Fee

50 kg or more	\$4.50 per 100 kg
Less than 50 kg	No user fee

4. This Administrative Order comes into force on July 1, 2022.

Done and passed in Council this day of , 202 .

Mayor

Municipal Clerk