

P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

> Item No. 15.1.3 Halifax Regional Council May 9, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

**DATE:** April 26, 2023

SUBJECT: Tip Fee Increases - Commercial Compost

#### **ORIGIN**

On March 29, 2023 Budget Committee passed an amended motion directing the Chief Administrative Officer to prepare the 2023/2024 budget with an ongoing adjustment of \$110,000 for Tip Fee increases. The increase of the tipping fees was listed as item 8 on Attachment A - BN020 Commercial Organics Tip Fee Increase from \$90 to \$100 per tonne. Item 1 of the amended motion was as follows:

## THAT the Budget Committee:

 Direct the Chief Administrative Officer to finalize a Proposed Operating Budget for Regional Council that includes items 1, 2, 3 as amended, 4, 5, and 7 through 31 from the Budget Adjustment List schedule in Attachment A of the staff report dated March 22, 2023 to be added/removed to/from the 2023/24 Proposed Operating Budget;

The following notice of motion was made at Regional Council on April 25, 2023:

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 increase the commercial tip fee at the source-separated composting facilities from \$90 to \$100 per tonne.

# **LEGISLATIVE AUTHORITY**

Halifax Regional Municipality Charter ("HRM Charter"), clause 60(1)(b), 60(1) 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, 2023.

## **BACKGROUND**

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 \$90 per tonne for organics processing. This fee was last adjusted in 2022<sup>1</sup>, increased from \$75 to \$90 per tonne. Prior to 2010<sup>2</sup>, the fee was \$70 per tonne.

## **DISCUSSION**

As part of the 2023/2024 budget deliberation, the commercial tip fees at the composting facilities was presented as an under-budget item. It was proposed to increase the commercial tip fees at the composting facilities from \$90 to \$100 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 29, 2023.

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 Commercial Tip Fees

Location	Organics
HRM	\$90
Cape Breton Regional Municipality	\$68.30
Colchester	\$51
East Hants	\$103
Lunenburg	\$104
Valley Waste	\$105
Yarmouth County	\$114

Tip fees for 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 \$121 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, 2023 as outlined in the report recommendation.

<sup>&</sup>lt;sup>1</sup> Halifax Regional Council Staff Report - 2022

<sup>&</sup>lt;sup>2</sup> Halifax Regional Council Staff Report – March 26, 2010

# **FINANCIAL IMPLICATIONS**

Increasing the commercial tip fee at the two composting facilities, as recommended in this report, accounts for an increase in combined projected revenue for the two composting facilities from \$1,340,000 to \$1,450,000 for fiscal year 2023/2024 or an increase of \$110,000 in projected revenue. Revenue for the two composting facilities is accounted in cost centres R324 5225 (Compost Facility Burnside – Tipping Fees) and R325 5225 (Compost Facility Ragged Lake – Tipping Fees).

# **RISK CONSIDERATION**

No risks were identified in the preparation of this report.

# **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 well ahead of the implementation date of July 1, 2023.

## **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 compost facilities. This will result in a \$110,000 shortfall in revenue in the Public Works' budget for 2023/2024.

# **ATTACHMENTS**

Attachment A – Proposed changes to Administrative Order

Attachment B – Amending Administrative Order

A copy of this report can be obtained online at <a href="https://halifax.ca">halifax.ca</a> 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 1<sup>st</sup> 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: \$10.00 per 100kg
  - (d) Repealed.
  - (e) (i) Repealed.
    - (ii) Repealed.
    - (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.

# **ATTACHMENT B** (Amending Administrative Order)

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

RE IT RESOLVED by the Council of the Halifay Regional Municipality that Administrative Order

16, the		aste Fees Administrative Order, is amended as follows:	daily that Administrative Order
1.	Clause	1A(c) is amended by:	
the wor	(a) d "per"; a	striking out the numbers and period "9.00" after the colon and	and dollar symbol and before
word "p	(b) er".	adding the numbers and period "10.00" after the colon at	nd dollar symbol and before the
2.	This Ad	Iministrative Order comes into force on July 1, 2023.	
Done and passed in Council this day of , 202 .			
			Mayor

Municipal Clerk