

COMMITTEE OF THE WHOLE JUNE 7, 2004

STEWARDSHIP ONTARIO / WDO FUNDING ALLOCATION

Recommendation

The Commissioner of Engineering and Public Works recommends that:

1. Council endorse the Regional Municipality of York's Solid Waste Management Committee's recommendation to distribute the Stewardship Ontario and Waste Diversion Ontario (WDO), funding in accordance with "Option 2", contained in the report titled "Waste Diversion Ontario Funding", presented to the Region's Solid Waste Management Committee meeting of June 2, 2004; and,
2. Due to the timing of the Regional Council meeting and Vaughan Council's meeting, the Clerk notify the Region of this support as soon as possible.

Purpose

To seek Council's support and endorsement for the distribution of the Stewardship Ontario / WDO funds, as recommended by the Region's Solid Waste Management Committee.

Background - Analysis and Options

In December 2003, the Ministry of Environment approved the Blue Box Plan that requires product stewards to fund up to 50% of the net municipal blue box program costs. In 2004, Waste Diversion Ontario started funding municipal recycling programs through Stewardship Ontario under the Waste Diversion Act, 2002. Product stewards are required to contribute funds to offset the costs incurred with the blue box collection program.

WDO allocates the funds through their funding model, which takes into account costs, tonnes collected, and other efficiencies. Stewardship Ontario retains 10% of the funds received from the product stewards to fund an Effectiveness and Efficiency Improvement Program. WDO is currently reviewing the funding model before the July-December 2004 payments are made.

Currently, the Region will receive \$717,507 in funding from Stewardship Ontario and WDO and the Town of Newmarket will receive \$74,550. The Town of Newmarket is considered separate from the other area municipalities, as they have their own contract to process materials until such time as the new Region Materials Recovery Facility (MRF), opens on Bales Drive.

Region staff were recommending that this \$717,507 in revenue be shared on the following basis, known as "Option 3", in their report to the Region's Solid Waste Management Committee of June 2, 2004:

Aurora	\$16,330
East Gwillimbury	\$15,870
Georgina	\$16,262
King	\$12,160
Markham	\$106,989
Richmond Hill	\$43,119
Vaughan	\$40,941
Whitchurch-Stouffville	\$15,836
York Region	\$450,000

As can be seen by the above chart, the overwhelming majority of the funds were proposed to go to the Region. In the Region's report, it was indicated that the revenue generated from the sale of the recyclable materials currently exceeded their processing costs. Region staff indicated that the \$450,000 in revenue is needed on an ongoing basis to build a reserve fund to replace equipment at the new MRF that has not yet been built or opened.

At its meeting of June 2, 2004, the Region's Solid Waste Management Committee recommended against the staff recommendation, and instead, recommended that the funds be distributed in accordance with "Option 2", an option where the local area municipalities receive 100% of the Stewardship Ontario / WDO revenue. Below is the chart showing the revenues associated with this option.

Aurora	\$43,800
East Gwillimbury	\$42,568
Georgina	\$43,618
King	\$32,616
Markham	\$286,695
Richmond Hill	\$115,655
Vaughan	\$109,810
Whitchurch-Stouffville	\$42,745
York Region	\$0

For Vaughan, the difference in how the funding is distributed results in a difference of \$68,869. Given this large difference, it is important that the local area municipalities, including Vaughan, receive as much of this revenue as possible.

The Town of Markham's and the Town of Richmond Hill's staff also support the Region's "Option 2" funding proposal. Vaughan, and the other area municipalities, incurs significant costs for the collection of blue box materials, for which the City no longer receives any revenue. For years, the local municipalities have paid blue box collection costs that are well in excess of the cost of what it would be to collect the same materials as waste. This was the original complaint about the blue box program back in the mid to late 1990's that started the whole issue of product stewardship and requests from industry for funding of the programs. On a cost per tonne basis, the collection costs for recyclables are significantly higher than that of waste.

Should the City go to once per week collection of blue box materials in the near future, the City's collection costs will again increase, while the additional materials that are collected will provide additional revenue to the Region. It is important to note, that even with the Stewardship Ontario / WDO funding, there is still a net cost to the City to provide this service. For 2004, approximately \$2 million is budgeted to provide every other week blue box collection.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council.

Conclusion

Based on the fact that it is the City that incurs the additional collection costs for blue box materials, and the fact that the Region currently shows a net profit from the sale of these materials, it is recommended that Council support the Region's Solid Waste Management Committee's recommendation that the Stewardship Ontario and WDO funding be allocated only amongst the local area municipalities. Due to the timing of the Region and local Council meetings, it is also recommended that the Clerk notify the Region of the City's support of this recommendation as soon as possible.

Attachments

N/A

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Respectfully submitted,

Bill Robinson, P. Eng.
Commissioner of Engineering and Public Works

Brian T. Anthony
Director of Public Works