

BUDGET COMMITTEE MEETING – FEBRUARY 19, 2004

REVIEW OF THE CURRENT RECYCLING CONTAINERS (BLUE BOXES) DELIVERY

Recommendation

The Commissioner of Engineering and Public Works recommends that:

1. That staff be authorized to incorporate a clause(s) in the Schedule 1 (Financial Requirements) of the Development Agreement that would require the “Owner” to purchase from the City two recycling containers per unit so that each purchaser may participate in the City’s waste diversion program; and,
2. That the existing method of providing Blue Boxes to residents, save and except those purchasing new houses that are captured in the above noted parameter, not change at this time.

Purpose

This report is in response to Council’s direction that staff be directed to review the implementation of a Blue Box Delivery program for all new residents in Vaughan, and that a report which includes an education program along with an implementation date be brought forward to the first Committee of the Whole Meeting in February 2004 (Committee of the Whole, Report 72, Item 1, December 8, 2003).

Background – Analysis and Options

1. Current Blue Box Distribution Policy

The City of Vaughan provides two free blue boxes to all new residents. Residents wishing to obtain more than two blue boxes are required to purchase them for \$5.00 each (at cost). The current policy also allows for the replacement of lost, stolen or damaged blue boxes at no cost. The purpose of the current policy is to encourage residents to recycle as much material as possible.

In order for a resident to obtain blue boxes, homeowners must come to the Joint Operations Centre (Public Works Department) within regular business hours. Residents are required to show staff proof of residency, and to sign a form if they are receiving their free blue boxes. If residents cannot attend the Joint Operations Centre (J.O.C.) within regular business hours, an alternative arrangement can be made with City staff. In this case, the blue boxes are tagged with the resident’s name and address, and placed inside the main door of the Joint Operations Centre. The resident is then able to pick up the blue boxes after hours. This option is not advertised in the waste collection schedule, as it may be subject to abuse.

Current Costs

In 2003, the City of Vaughan distributed approximately 14,000 blue boxes – averaging over a 1,000 blue boxes a month. In 2003, the net cost for blue boxes was approximately \$64,000 (\$65,000 for blue box purchase less \$1,000 revenue received). In 2004, the budget (expense) for blue boxes has increased to \$71,000. Currently, waste management staff must ensure an adequate supply of blue boxes is available to the residents on a daily basis.

Despite the high number of blue boxes distributed each year, the City’s diversion rate remains the lowest in the Region at 11.51% (Source: Waste Diversion Organization Datacall 2002).

These results are to a large extent not attributable to the current distribution method of blue boxes, but are more closely related to the lack of restrictions on the amount of waste that can be set out for collection, the provision of twice weekly waste collection in the summer months, and other factors.

By comparison, in 2003, the Town of Markham's net expense for blue boxes was approximately \$4,000 and their diversion rate in 2002 was 36.93% (Source: Waste Diversion Organization Datacall). It should also be noted that the Town of Markham, as with most municipalities, have implemented a bag limit, and do not provide twice weekly waste collection in the summer months. Residents are also required to pay \$6.00 for each blue box. Similar to Vaughan, if a resident brings in a damaged blue box, they are replaced at no cost. Blue boxes are available at the Town of Markham's four recycling depots in addition to their Civic Centre. Although Markham is a similar sized community to Vaughan and experiencing similar annual growth rates, in 2003 they distributed approximately 8,000 blue boxes. By comparison, the City of Vaughan went through approximately 14,000 blue boxes.

2. Recommended Changes Applicable to New Home Purchasers

Blue box distribution methods vary among area municipalities in the Region of York. The City of Vaughan is the only municipality that provides 2 free blue boxes to new residents. By comparison, other municipalities in the Region either charge for all blue boxes, or provide new residents with 1 free blue box.

To assist in offsetting the ever-burgeoning annual cost for blue boxes and to have recycling containers more readily available for new home purchasers, it is recommended that the City of Vaughan implement a similar requirement to the one used in the Town of Markham. For residents taking occupancy of homes in new developments, the Town of Markham requires, through their development agreements, that the builder purchase the requisite number of blue boxes and deliver them to the homeowners upon occupancy. The homeowner pays for the full cost of the blue boxes (\$6.00 each) through the Purchase of Sale Agreement (Refer to Attachment 1 for the clauses the Town of Markham requires in all residential development agreements).

A clause(s) could be incorporated into Schedule I (Financial Requirements) of the City's Development Agreement requiring the "Owner" to purchase from the City, two recycling containers per unit. As with all financial requirements in Schedule I of Development Agreements, the Owner would be required to pay for the recycling containers prior to the registration of the M-Plan. Upon confirmation of the payment, the "Owner" would either pick up the requisite number of blue boxes from the Joint Operations Centre, or, they could pick up coupons that could be provided to the new home purchasers that would entitle them to 2 blue boxes upon presentation to staff at the JOC. The "Owner" would be required to provide the City adequate notice prior to pick up of the boxes.

Alternative venues to distribute blue boxes throughout the City have also been explored by staff. If the City opted to make blue boxes available at community centres and libraries for example, the City would be required to approve costs for additional staff, a City vehicle, an increase in blue box inventory and an integrated database to track and monitor blue box distribution. In addition, each venue would need a significantly sized and secure storage area near the control desk to store the inventory of blue boxes and composters and each facility should be set up to receive the same payment options currently provided at the J.O.C. Further, the workload of the control desk staff would increase significantly as they would be required to distribute blue boxes and composters, document all transactions related to blue boxes and composters and be fully accountable for inventory provided to them by Public Works.

For City staff to deliver recycling containers to the homes of new residents in Vaughan, similar challenges would be encountered. To implement such a program would require additional staff, computer hardware and software, an increase in blue box inventory and an additional vehicle.

To implement this delivery option would require an additional cost of approximately \$179,000, \$122,000 of which would be operating costs and \$57,000 would be capital expenditures. As it stands now, residents making the effort to come to the Joint Operations Centre to pick up their blue boxes generally have a genuine interest in recycling.

3. Education Program

Council also requested staff to include information regarding an education program along with the report on a Blue Box delivery program. In a comprehensive report to the Committee of the Whole dated February 10, 2003, entitled "*Steps to Increase Waste Diversion*", a component of the report (Part IV) detailed Promotion and Education of Waste Management Initiatives in Vaughan. Some of the educational and promotional initiatives stated in the previous report are as follows:

- Promotion of recycling in apartment/condominiums
- Developing waste diversion information kits for schools, and special interest groups
- A door to door campaign to inform residents of the (new) waste management program
- Participation in community events and fairs

The report stated, "*it is also important to note that the Promotion and Education campaign cannot be fully accomplished without an increase in the existing staff level*". The staff level increase required for the Promotion and Education would be over and above those required for the implementation of the Blue Box Delivery Program.

Delivering blue boxes to residents' homes by City staff, or providing alternative blue box pick up locations, and any promotion and education program related therein, are dependent upon additional staff and resources. As such, they are not recommended at this time. There are still only 2 full-time positions in the City's waste management section. By comparison, the Town of Markham has 4 full-time staff devoted strictly to Waste Management.

Promotional and Educational material would also be required should Council support Recommendation No. 1 of this report. In addition to the changes to the collection calendar and website, additional literature may have to be distributed to educate new homeowners in taking occupancy of homes in new subdivisions. Staff will work the "Owner" to ensure that the homeowner is aware that they are entitled to two free blue boxes, delivered to their home, via the Builder/Owner. This 'reminder' may be in the form of a clause that City requires to be incorporated into the Purchase of Sale Agreement.

Financial Impact

To implement a program which would require the developer to absorb both the cost and distribution of recycling containers for new homeowners in new subdivisions would result in a cost savings to the City. It is anticipated that such a program would reduce the blue box material costs by approximately 50%, resulting in a net expenditure of approximately \$36,000 (using 2004 figures).

To ensure the anticipated cost savings are realized, it is essential that a database be set up to ensure new homeowners don't 'double dip' – that is, obtain two free blue boxes from the "Owner/Builder" and then come into the City (Joint Operations Centre) for another two free blue boxes. However, this system could be developed in-house.

Vaughan Vision 2007

Vaughan Vision 4.4.2 states "Promote waste diversion and reduction through municipal programs, incentives and initiatives", (V.V. 4.4.2). This recommended change is in keeping with those requirements.

Conclusion

Providing blue boxes to new homeowners via the City's Development Agreement would result in an increase in service level to new residents without an additional cost to the City. It is also anticipated that such a program would decrease the City's recycling materials costs by 50%. In conjunction with the blue boxes, the "Owner" would be provided with an adequate supply of the current waste/recycling collection calendar to distribute along with the recycling containers or coupons.

Should Council support the recommendation, staff will provide, at a later date, a report itemizing the (draft) clauses to be incorporated into Schedule 1 (Financial Requirements) of the Development Agreement. Other outstanding operations and logistical matters would also be addressed in that report.

Attachments

1. Town of Markham's clauses (pertaining to blue box distribution) in all residential development agreements.

Report prepared by:

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Respectfully submitted,

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Commissioner of Engineering and Public Works

Brian T. Anthony, CRS-S, C. Tech
Director of Public Works

ATTACHMENT No. 1

TOWN OF MARKHAM CLAUSES INCORPORATED INTO RESIDENTIAL DEVELOPMENT AGREEMENTS PERTAINING TO THE DISTRIBUTION OF BLUE BOXES

2. Upon application for occupancy permits, the Owner covenants and agrees to purchase from the Town two recycling containers per unit so that each purchaser may participate in the Town's waste diversion program. Furthermore, the Owner shall ensure that the containers, units and educational materials are deposited in each home on or before the day of closing.

2.1 The Owner shall contact the Town at least four weeks in advance to arrange to collect from the Town the required number of recycling containers, (minimum 20 boxes per pick up), as outlined in Schedule "E" to this Agreement (Schedule E identifies the required number of blue boxes).

2.2 The Owner agrees to pay to the Town the cost for the recycling containers and units, as outlined in Schedule "E" to this Agreement and to provide said recycling containers to the purchasers at the same cost as paid to the Town.

2.3 The Town covenants and agrees to provide, at no cost to the Owner, all educational materials necessary to enable the purchaser to participate in the Town's recycling program.

2.4 The Owner covenants and agrees that upon unit occupancy, unobstructed roadway access to a width no less than 6 metres will be provided for the safe passage of municipal waste and recycling collection vehicles on the designated collection day. Furthermore, if required, the Owner shall provide vehicle turning space that meets the Town's engineering design standards as outlined in Schedule "F" to this Agreement. The Owner agrees that at times when the above defined access can not be provided, the Owner shall be responsible for moving all residential waste and recyclables from the occupied units to an agreed upon centralized location at the Owner's expense, for collection by the Town.

3. Amount to be inserted in Schedule "D" (Schedule D identifies the cost of the blue boxes): (number of units X 2 X \$6.00)