

COMMITTEE OF THE WHOLE (WORKING SESSION) – MARCH 1, 2005

DELIVERY OF WASTE AND RECYCLING COLLECTION SERVICES

Recommendation

The Commissioner of Engineering and Public Works recommends that the City of Vaughan retain control of waste and recycling collection services, as authorized by the Ontario Municipal Act, 2001 s 11.

Purpose

The purpose of this report is to provide Council an assessment of Vaughan's role in providing waste and recycling collection services.

Background - Analysis and Options

On January 12, 2005, the Region of York Solid Waste Management Committee submitted a report entitled "Waste Management Responsibilities". This report was prepared, in part, to respond to the Town of Newmarket's request that the Region of York assume the responsibility of waste collection. In their report, the Region reviewed five governance models with respect to shifting responsibilities from one tier to another and the report presented five scenarios:

1. Status quo – shared responsibility, accountability and clarity
2. Regional assumption of waste management from the lower tier.
3. The lower tier is responsible for collection as per the Municipal Act and acts as a contractor to the upper tier who is responsible for waste management services
4. The upper tier is responsible for processing and disposal of recyclable material and residual waste and acts as a contractor to the lower tier who would provide waste management services.
5. Establishment of a municipal service board.

The report provided an overview of each option and recommended a variation of option 2 that permits the opportunity for the Region to consider the assumption of lower tier waste management responsibilities on a municipality by municipality basis. The Region's recommendation, endorsed by Regional Council, in part, stated: *"The Region notify the Town of Newmarket and any other local municipality that it is prepared to commence negotiations with only those municipalities interested in transferring its waste management collection responsibilities to the Region as per Section 189 of the Municipal Act"*.

On January 1, 2003, the new Ontario Municipal Act 2001 came into force. In the new Act, municipalities were given specific spheres of responsibility. For waste management, the following table outlines those responsibilities:

Sphere of Jurisdiction	Part of Sphere Assigned	Upper-Tier Municipality To Which Part of Sphere Assigned	Exclusive or Non-Exclusive Assignment
Waste Management	Whole, sphere, except waste collection	Durham, Halton, Lambton, Oxford, Peel, Waterloo, York	Exclusive

As per the table from the Municipal Act 2001, York Region was one of 7 upper tier municipalities specifically set out in the Act as having responsibility for all waste management *except for collection*.

This provision in the Act allows for waste management services to be jointly delivered by the Region of York and its local area municipalities. This delineation of responsibility was the catalyst for the Region assuming all costs related to processing, transfer and disposal of materials. Previously, these costs were paid by the area municipalities. Although this allowed the local municipalities to lower their operating budgets, ultimately it was the same taxpayer that paid the bill for waste management services, and there was no overall saving as a result of this move.

Waste management initiatives can successfully be implemented via the current two-tier system. To realize true efficiencies and effectiveness of various waste management programs, it is imperative that accountabilities and responsibilities be clearly delineated between the two entities. To this end, staff from the area municipalities and York Region have met over the past few years to delineate these responsibilities.

For example, in terms of promotion and education, there has been general acceptance amongst the local and regional municipalities that the Region will provide the broad based Region-wide promotion and education relating to various waste diversion programs such as expanded materials for blue box recycling, raising public awareness about landfill and cross border transfer of waste issues, and other waste diversion initiatives. The area municipalities focus their efforts specific to their collection programs and collection requirements. To this end, the area municipalities continue to work with the Region to ensure a level of co-ordination of promotion and advertising initiatives.

There are three main issues of concern with any change to the current method of service delivery: levels of service, customer service, and the cost of the delivery of such services.

Levels of Service

Although some of the local area municipality's policy decisions are constrained due to waste management decisions made at the Regional level, it is at the local municipal level where Council can directly impact policy decisions with respect to collection services. It is the local municipality that dictates matters relating to collection frequencies, collection zones, collection days, bag limits, bag tag fees, pilot projects, special collections, and the level of customer service expected and/or required by the residents.

A one size fits all approach does not take into account the uniqueness of the various communities in a municipality, or the need to differentiate between urban and rural programs. In addition, specific areas in a municipality may require different levels or types of service due to external reasons. An example would be the different collection and processing requirements needed to deal with the Asian Long-Horned Beetle.

Collection services remaining with the lower tier municipality also provides for a tighter control on ensuring that the tonnage reported to be collected in a given municipality is actually collected in that municipality and did not include any waste collected from neighbouring municipalities. The tonnage reported for each waste stream dictates the waste diversion level of that municipality, and if not accurate, can skew reported waste diversion rates. A change of collection responsibilities would also mean that waste diversion targets would be solely driven at the Regional level, and may not take into account each municipality's specific issues when implementing new programs or changes to existing programs.

Customer Service

Waste collection is one of the highly visible services that Vaughan residents' tax dollars provide. Each Vaughan household receives at least 112 collections per year, excluding large appliance collections. The customer service component speaks directly to Vaughan's Vision of "Citizens First Through Service Excellence", and also to servicing our citizens. Currently, the City maintains direct control how City staff and collection contractors respond to resident complaints. In 2004, the City of Vaughan handled in excess of 4,170 waste related calls. Should a resident phone in to complain about any aspect of the collection service, the matter is addressed expeditiously – usually the same day. Depending on the nature of the call, the matter is either investigated by the contractor or City staff. Due to the fact that collection is at the local level, other departments, such as By-law Enforcement, work closely with Public Works staff when needed to resolve ongoing problems related to set outs or problem locations.

Of significant concern are collection matters that can pose a danger to public health and/or require immediate attention. Typically, calls that may pose some form of health risk are calls relating to medical waste at curbside (i.e. needles, ect.), inaccessible streets due to construction or illegally parked vehicles, and spills. These calls, which are not attributable to the contractor(s), require staff's immediate attention. As an example, the collection contractor notifies City staff immediately should they see any material placed at curbside that may endanger the public. If the collection contractor calls about finding medical waste on the driveway/roadway, City staff will visit the site immediately and negate or remove any potential public danger and notify the resident of the infraction. Again, with collection at the local level, other Public Works sections and City departments are willing to assist in cases where action needs to be taken immediately.

Cost

It is highly questionable whether collection efficiencies are realized through "economies of scale" using a single tier scenario, or moving some municipality's collection services to the Region. In order to achieve any significant cost savings, there has to be some form of optimization of collection efficiencies, and standardization of collection frequencies. This is typically realized through homogenous collection programs shared among various neighbouring municipalities. The implementation of such a system would negate the individuality of each local municipalities waste/recycling collection program.

Although it is a common thought that moving services (i.e. water, transit, waste) to a single tier system optimizes cost savings via scale of economies, this is not always the case. A good example was when the Region assumed the transit function and the operating budget for that service increased significantly. Waste collection costs, are normally determined by a competitive tendering process. This ensures that prices are competitive for the given market area, and allows a larger number of bidders to compete. A larger contract could automatically eliminate some of the smaller companies due to the lack of equipment and the large capital investment needed. This would narrow the field down to fewer bidders and may result in increased contracted collection costs.

It must also be remembered that each municipality has specific and unique needs. While the Region's report indicates that waste management costs in York Region are higher than some other municipalities in Ontario, these unique needs must be looked at, and not summarized as a need to change the current system. For example, Vaughan has had a significant cost increase in collection costs due to the additional collections required to control the Asian Long-Horned Beetle, and the increased number of yard waste collections. In years previous, Vaughan also provided twice per week waste collection in the summer months. Markham, a municipality known for waste management initiatives, chooses to fund pilot projects to determine both waste diversion and operating efficiencies. These additional services and pilot projects do increase the overall collection costs.

However, the Region must assume some responsibility for excessive overall costs. The recent contract with Miller Waste to operate their new MRF has an operating cost that is 13% higher than the City of Toronto's costs for similar services. The price originally submitted by Miller was 100% higher than Toronto's cost. It is clear that collection is not the only factor when looking at an efficient waste management system.

Finally, the question must be asked, as to when does a local municipality become redundant? If the basic services that residents' tax dollars are funding are transferred to another level of government, why should residents fund two levels of government? Along those lines, how long can the local level of government survive, if it is no longer seen as the provider of service to its residents? While transferring waste collection to the Region may allow for a lower tax rate for the Vaughan portion of the property tax bill, the residents of Vaughan will still pay for collection services through an increased Regional levy, or other cost recovery agreement with the City. The only difference is that the City will no longer have full control over the delivery of such services to its residents.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. Ensuring that collection services are provided in the most efficient, effective manner to meet the needs of its residents is consistent with Vaughan Vision A-1, which states 'Pursue Service Excellence in the Delivery of Core Services', and the overall theme of "Serve Our Citizens".

Conclusion

Waste and recycling collection services affect each Vaughan household each week. In total, the average Vaughan household receives 112 separate waste and recycling collections each year, excluding appointments for large appliance collection services. In total, this represents over 7,448,000 collections across the City. Along with winter road maintenance, it is one of the most visible services that a municipality can provide its residents in terms of services for tax dollars.

The issue of who provides what services goes beyond that of waste and recycling collection. Should a growing number of service responsibilities continue to be transferred to the Region, the area municipalities, including Vaughan, would need to defend their existence in light of the limited service they would provide directly to their residents.

To ensure that waste and recycling collection services are provided in a manner consistent with the needs of the City, in a competitively bid environment, and to ensure optimal customer service for Vaughan residents, it is recommended that Vaughan retain control over all waste and recycling collection services.

Report prepared by:

Caroline Kirkpatrick, C.E.T., M.C.I.P.
Manager of Solid Waste Management

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

Respectfully submitted,

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

Brian T. Anthony
Director of Public Works