



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: November 29, 2006
Author: Helmut Buhr/
Bob McLennan
Phone No.: 873-7994
RTS No.: 6361
VanRIMS No.: 08-4000-11
Meeting Date: December 12, 2006

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: 2007 Solid Waste Utility (SWU) Fees and By-Law Changes

RECOMMENDATION

A.

- i) THAT the 2006 garbage collection fees and recycling collection fees remain unchanged for 2007.
- ii) THAT the 2007 recycling collection cart carryout fees be established as follows:

<u>Cart Carryout distance</u>	<u>2007 Fee</u>
greater than 50 m but less than 100 m	\$80 per cart
100 m or greater but less than 150 m	\$180 per cart
150 m or greater	\$320 per cart

- iii) THAT the 2007 annual yard waste collection fees be established as follows:

<u>Cart Size</u>	<u>2007 Fee</u>
120 litres	\$43
180 litres	\$47
240 litres	\$52
360 litres	\$62

- B. THAT Vancouver Landfill demolition tipping fees be increased from \$430 to \$470 for each tandem axle trailer and from \$520 to \$570 for each tridem axle trailer to reflect market rates.
- C. THAT the Director of Legal Services be instructed to bring forward for enactment the revisions to the Solid Waste By-law substantially as referred to in these Recommendations and substantially as set out in Appendix A.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services recommends approval of A through C.

COUNCIL POLICY

On May 3, 1994, Council agreed to support the Greater Vancouver Solid Waste Management Plan, which includes the need for recycling and yard waste programs, as well as a user pay principle for solid waste programs.

On October 7, 1997, Council approved the implementation of the Solid Waste Utility effective January 1, 1998.

On January 29, 2004, Council approved the implementation of automated garbage collection service beginning in 2005, and automated yard trimmings collection beginning in 2006.

On September 30, 2004, Council adopted various Garbage Service and Yard Trimmings Administrative Policies for automated collection, including but not limited to minimum service allocations and fees for change in service levels.

On December 15, 2005, Council approved the 2006 annual fees for the automated garbage collection program.

SUMMARY

The way the City has delivered solid waste services in the last nine years has changed significantly. The funding of these programs has also moved progressively towards a "pay as you throw" pricing mechanism, consistent with the objectives of the regional Solid Waste Management Plan.

The implementation of automated garbage collection was completed in January of 2006. Automated yard trimmings collection was implemented between March and June.

A comparison of the 2006 fees to the 2007 recommended yard trimmings collection fees for a single dwelling homeowner is provided in Table 1.

Table 1 - Summary of 2006 - 2007 Yard Trimmings Collection Fees

Yard Trimmings Collection Service	2006 Fees	Recommended 2007 Fees	\$ Change
120 litre cart service	\$40	\$43	+\$3
180 litre cart service	\$40	\$47	+\$7
240 litre cart service	\$40	\$52	+\$12
360 litre cart service	\$40	\$62	+\$22

(The 2006 fees were based on a flat rate for the collection of up to four 100 litre cans).

The weighted average increase to homeowners for 2007 is about \$10.80. This increase is \$2.80 more than the \$8 increase that was forecast in 2004 when Council approved the automated collection program. The increase is primarily due to the cost of transferring and composting the increased tonnages of yard trimmings collected. The amount of yard trimmings collected has increased from 14,400 tonnes in 2005 to 17,000 tonnes in 2006 due to the popularity of the automated yard trimmings collection program.

It is recommended that there be no change in the garbage and recycling collection fees for 2007. Both programs are forecast to run a minor deficit in 2007 which will be funded from the accumulated surplus in these programs that has accrued over the past three years.

Staff also recommend tipping fees for demolition materials accepted at the Vancouver Landfill (VLF) be increased from \$430 to \$470 for each tandem axle trailer load and from \$520 to \$570 for each tridem axle trailer load to reflect market conditions;

PURPOSE

The purpose of this report is to obtain Council authority to:

- set the 2007 Solid Waste Utility Fees (SWU) and VLF demolition tipping fees;
- to amend the Solid Waste By-law for the purpose of making various housekeeping changes and to reflect the implementation of the automated yard trimmings collection program.

BACKGROUND

The way the City has delivered solid waste services has changed significantly in the last eight years. Since the formation of the SWU in 1998, the City has implemented apartment recycling and yard trimmings collection programs. Residential garbage collection has been reduced from about 76,000 tonnes per year to about 62,000 tonnes per year in the same period. Most of this decline is attributable to the yard trimmings collection program that is expected to divert about 17,000 tonnes from the VLF in 2006.

The establishment of the SWU in 1998 also resulted in a significant change in the way solid waste costs are allocated. Within a Utility the City charges user fees rather than utilizing property taxes to recover the cost of services. While property taxes are based on assessed value, utility fees are based on a user pay concept. The SWU is therefore self funded and independent of the City's operating budget. This "pay as you throw" model of cost recovery achieves an appropriate and equitable balance of costs with level of service, and is consistent with the objectives of the Regional Solid Waste Management Plan. A unit pricing mechanism, such as that which is assigned to the new automated garbage collection program, also provide a strong incentive to reduce waste since those who generate more waste pay higher fees for waste collection and disposal services.

Another advantage of using a Utility model is that annual surpluses that may accumulate from year to year are used to offset occasional deficits, so that rate stability is maintained whenever possible.

On September 30, 2004 Council approved a fee structure for the new automated garbage and yard trimmings collection programs. The yard trimmings fee structure consists of two components a Fixed Fee ("Service Fee") and a price per unit volume fee ("Cart Fee"). Table 2 provides a summary of the fees for automated yard trimmings collection for 2007.

Table 2 - Automated Yard Trimmings Collection Fees for 2007

Cart Size	Service Fee (Fixed Fee)	Volume Cart Fee (Variable Fee)	Total Fee
120 litres	\$ 33	\$ 10	\$ 43
180 litres	\$ 33	\$ 14	\$ 47
240 litres	\$ 33	\$ 19	\$ 52
360 litres	\$ 33	\$ 29	\$ 62

The 2007 rates discussed herein are based on the total servicing costs of the automated yard trimmings collection program.

DISCUSSION

A) Solid Waste Utility Collection Fees

Garbage Collection

The 2007 recommended expenditure budget for garbage collection is \$9,578,000 which is a 3.9% increase from 2006. The increase in costs is primarily due to anticipated inflationary increases in labour and equipment costs. Although the costs are increasing, staff is recommending that the fees remain the same for 2007. This will provide rate stability for the Solid Waste Utility customer. The forecasted deficit of \$261,000 will be offset by the accumulated surplus of \$286,000 realized from 2003 to 2005.

From October 2005 through January 2006, all of the 90,000 (with the exception of 12) of the City's garbage collection customers were converted to automated and semi-automated garbage cart collection service. The 12 customers excepted remain on the traditional can collection service because it is impractical to provide automated or semi-automated service to them.

Table 3 - Current Garbage Collection Fees

Garbage Collection Service	Annual Fee
75 litre cart service	\$70
120 litre cart service	\$82
180 litre cart service	\$99
240 litre cart service	\$115
360 litre cart service	\$147

Recycling Collection

The 2007 recommended net expenditure budget for recyclables collection is \$3,800,000 which is a 8.5% increase from 2006. The budgeted increase in net costs is mainly due to a decrease in the expected recyclables' revenues and the cost of purchasing new apartment recycling carts (\$150,000). Revenue from the sale of recyclables has decreased due to lower commodity prices and tonnages for old newsprint, and the lower revenues are projected to only marginally increase in 2007. The revenues have decreased from \$1,970,000 in 2004 to \$1,450,000 in 2006. Commodity prices can fluctuate considerably from year to year. Therefore, the annual budget for recyclables' revenues is based on a five-year average to provide stability to the fees charged to homeowners.

Although the net costs are increasing in 2007, staff is recommending that the fees remain the same for 2007. The forecasted deficit of \$350,000 will be offset by the surplus of \$340,000 accumulated from 2003 to 2006.

Table 4 - Current Recycling Collection Fees

Recycling Collection Service	Annual Fee
Single dwelling unit property	\$20
Multiple dwelling unit property	
- per dwelling unit	\$10
- per stop	\$10

There are approximately 50 apartments in the City where the recycling carts have to be physically rolled out for a distance of more than 50 meters by the City crews or the City's contractor. Currently the apartment owners pay a fee for this service on a per rollout basis. Staff is reviewing the current fee structure and recommend that a preliminary change be made commencing in 2007. This new fee would be charged on an annual basis instead of on a per rollout basis. This change would simplify the administration of the fee and eliminates variation between City and contractor serviced sites. The recommended change to the recycling cart rollout fee is summarized in Table 5.

Table 5 - Summary of 2006-2007 Recycling Cart Rollout Fees

Cart Rollout Distance	2006 Fee	Recommended 2007 Fee*
greater than 50 m but less than 100 m	\$1.45 per rollout per cart	\$80 per cart
100 m or greater but less than 150 m	\$3.45 per rollout per cart	\$180 per cart
150 m or greater	\$6.00 per rollout per cart	\$320 per cart

* based on 52 rollouts per year

Yard Trimmings Collection

The 2007 recommended expenditure budget for yard trimmings collection is \$4,324,000 which is a 24.3% increase from 2007. The budget increase is due primarily to the cost of the new automated carts. The increased costs will result in a weighted average increase in fees to customers of about \$10.80. This is \$2.80 more than was forecasted when the automated program was approved by Council in January 2004. The \$2.80 difference is due to the cost of

composting and transferring the increased tonnages in yard trimmings collected due to the popularity of the new collection system. The amount of yard trimmings collected has increased from 14,400 tonnes in 2005 to 17,000 tonnes in 2006.

Table 6 - Summary of 2006 - 2007 Yard Trimmings Collection Fees

Yard Trimmings Collection Service	2006 Fees	Recommended 2007 Fees	\$ Change
120 litre cart service	\$40	\$43	+\$3
180 litre cart service	\$40	\$47	+\$7
240 litre cart service	\$40	\$52	+\$12
360 litre cart service	\$40	\$62	+\$22

Yard trimmings program participation and tonnage of material collected is expected to continue to increase in 2007, and it is anticipated that the overall cost per tonne (of material collected) for operating the program will remain similar to past years.

B) Vancouver Landfill (VLF)

Tipping Fees for Demolition Materials

Wood waste demolition materials are accepted at the VLF primarily as construction material for road building and re-grading previously filled portions of VLF for run-off and end-use purposes. Demolition materials meeting the City's specifications are accepted at a preferential rate compared to garbage disposal fees. Those rates have historically been set at a level to allow flexibility in meeting demand for supply of the material for landfill construction. A review of the fees charged at the private demolition sites indicates that the City can increase its fees by about 10% and still receive sufficient material for re-grading purposes. The recommended fees are \$470 for each tandem axle trailer and \$570 for each tridem axle trailer to reflect market rates. This compares to \$430 for each tandem axle trailer load and \$520 for each tridem axle trailer load in 2006.

Bird Control

The active face of the Landfill has moved to Phase 2 which is nearer to the entrance of the VLF and the buffer. Therefore, there is a need to increase the landfill bird control coverage during the winter months when the bird numbers are the highest. Funding of an additional \$100,100 is being provided in the 2007 VLF budget for this item.

C) Solid Waste & Recycling By-law Changes

To improve the efficiency of emptying carts and loading of the automated collection trucks, it is recommended that the size of limbs accepted in the yard trimmings collection program be reduced from 15cm in diameter and 0.9m in length, to 10cm in diameter and 0.5 m in length. Limbs that exceed 10cm in diameter and 0.5m in length become lodged in the hopper and packing mechanisms of the collection trucks and can cause equipment breakdowns.

Yard trimmings are not currently banned from disposal as garbage in the region. Greater Vancouver Regional District staff are currently reviewing the list of materials banned for disposal as garbage as part of their review of the regional Solid Waste Management Plan.

Specifically, staff is considering expanding the list to include new items such as all blue box recyclables, yard trimmings and provincial stewardship program materials. However, with the full implementation of automated yard trimmings collection in Vancouver, the City is well positioned to move forward with a ban on yard trimmings disposed with garbage from single family homes. It is therefore recommended that the Solid Waste By-law be amended to include yard trimmings as a material banned from collection as garbage in Vancouver with a limit of 10% (by volume), consistent with other banned materials.

To improve clarity of the Solid Waste By-law, and to implement the various program changes discussed in this report, it is recommended that the By-law be revised accordingly. A draft of all By-law amendments is shown in Appendix A.

FINANCIAL IMPLICATIONS

A comparison of the 2006 solid waste collection expenditure budget versus the 2007 recommended budget is provided in Table 7:

Table 7 - SWU Budget Comparison

Service	2006 Budget	2007 Budget	% Change
Garbage Collection	\$9,216,700	\$9,578,000	3.9%
Recycling Collection (net)	\$3,502,200	\$3,800,000	8.5%
Yard Trimmings Collection	\$3,479,500	\$4,324,000	24.3%
TOTAL	\$16,198,500	\$17,702,000	9.3%

For 2007, the average homeowner will see an increase of \$10.80 (weighted average) in their annual yard trimmings collection fees, and no change in their annual recycling and garbage collection fees.

The 2007 SWU fee structure for solid waste collections is summarized in Table 8.

Table 8 - Summary of 2007 SWU Collection Fees

Service	2007 Recommended Fees
Yard trimmings Collection	
120 litre cart service	\$43
180 litre cart service	\$47
240 litre cart service	\$52
360 litre cart service	\$62
Recycling Collection (net)	No change
Garbage Collection	No change

CONCLUSION

Based on forecasted 2007 costs, staff recommend that the 2007 SWU fees and demolition tipping fees be adopted as described in this report. Staff also recommend that the housekeeping changes to the By-law discussed in this report be approved.

DEPARTMENTAL APPROVAL AND REPORT CONCURRENCES

General Mgr./Dept. Head:

Report Dated: November 29, 2006

Author: Helmut Buhr/Chris Underwood

Date:

Phone No.: 873-7994

This report has been prepared in consultation with the departments listed to the right, and they concur with its contents.

Concurring Departments:

Finance

Legal Services

APPENDIX A

PROPOSED CHANGES TO SOLID WASTE AND RECYCLING BY-LAW (NEW TEXT IN ITALICS)

In Part II, add new terms:

"leaf bag" means a biodegradable paper bag supplied by the owner or occupier of property for the deposit of leaves,

"leaf can" means a container supplied by the owner or occupier of property for the deposit of leaves,

"yard waste cart" means a wheeled container supplied by the City for the deposit of yard waste,

Amend Part II to read:

"yard waste" means vegetative trimmings from yards or other landscaped areas and consisting only of leaves, grass clippings, plants, small brush, hedge clippings, Christmas Trees, small limbs and dry seed pods.

"owner" of land means the registered owner of an estate in fee simple, and also includes

- (a) the tenant for life under a registered life estate,
- (b) the registered holder of the last registered agreement for sale,
- (c) the registered tenant of land under a strata lot lease pursuant to Part 3 of the *Strata Property Act*,
- (d) *a strata corporation or cooperative association, and*

in dealings with the City, also means the authorized agent, acting on behalf of an owner,

Amend 4.2 to read:

- (6) *Garbage Carts - Weight and Content Limits*

An owner or occupier must not fill a garbage cart in its possession:

- (a) *to a gross weight that exceeds:*

<i>Garbage Cart Size</i>	<i>Weight Limit</i>
<i>75 litres</i>	<i>30 kg</i>
<i>120 litres</i>	<i>50 kg</i>
<i>180 litres</i>	<i>75 kg</i>
<i>240 litres</i>	<i>100 kg</i>
<i>360 litres</i>	<i>150 kg</i>

- (b) *to the extent that the lid does not close; or*
- (c) *to the extent that the collector cannot easily empty the contents.*

Amend 4.2 to include a section to read:

(8) Service to Strata Corporation or Cooperative Association

The city will provide garbage cart service for apartments and rowhouses to the strata corporation or cooperative association.

Amend 4.3 to read:

(6) Permitted Types of Garbage Cans

Where the city provides garbage can collection service, the owner or occupier must place all the solid waste intended for collection in the appropriate garbage can supplied *by* that owner or occupier, which garbage can must be:

Replace Part VI with:

6.1 Service Conditional on Compliance

Yard waste material will only be collected by the City where the owners and occupiers have complied with Sections 6.5, 6.6, 6.7, 7.2, 7.3, 7.4 and 7.6.

6.2 *Yard Waste Service Allocation*

The city will allocate, at the appropriate rate set out in Part V of Schedule B to this By-law, a minimum of one 120 litre yard waste cart:

- (a) *per property for houses, rowhouses, rental apartments, and apartments; and*
- (b) *per dwelling unit for strata duplexes.*

6.3 *Additional Yard Waste Cart Service*

(1) *Request for Service*

An owner may request the City Engineer, in writing, to provide yard waste cart service additional to that referred to in section 6.2.

(2) *Entry on Tax Roll*

If the City Engineer approves additional yard waste cart service, the Director of Finance will enter the appropriate rate set out in Part V of Schedule B of this By-law on the property tax roll for that owner's parcel.

6.4 *Service to Strata Corporation or Cooperative Association*

The city will provide yard waste cart service for apartments and rowhouses to the strata

corporation or cooperative association.

6.5 Permitted Type of Yard Waste Cart

Subject to section 6.8, if the city provides yard waste service to an owner or occupier, the owner or occupier must place all yard waste for collection in the yard waste cart or carts.

6.6 Yard Waste Carts - Weight and Content Limits

An owner or occupier must not fill a yard waste cart in its possession:

(a) *to a gross weight that exceeds:*

<i>Yard Waste Cart Size</i>	<i>Weight Limit</i>
<i>120 litres</i>	<i>50 kg</i>
<i>180 litres</i>	<i>75 kg</i>
<i>240 litres</i>	<i>100 kg</i>
<i>360 litres</i>	<i>150 kg</i>

(b) *to the extent that the lid does not close; or*

(c) *to the extent that the collector cannot easily empty the contents.*

6.7 Yard Waste Cart Conditions of Use

An owner or occupier must keep each yard waste cart in its possession in good condition, and not noxious, offensive or dangerous to public health, and must return it to the city upon request.

6.8 Fall Leaf Collection

(1) *Additional Cans and Bags of Leaves*

From October 1 to January 31, the city will collect excess leaves that:

(a) *do not fit in a yard waste cart; and*

(b) *the owner or occupier has placed in leaf cans or in standard biodegradable paper bags, the weight of which does not exceed 20 kilograms.*

(2) *Permitted Types of Leaf Cans*

Where the City provides *leaf can* collection service, all *leaves* intended for collection and disposal must be placed in cans provided by the owner or occupier, which cans must be:

(a) rigid with fixed handles, a smooth rim and a metal or plastic cover,

(b) no greater than 60 centimetres in diameter or width at the top, tapered down towards the bottom, having an overall height of not more than 80 centimetres and having a capacity of not more than 100 litres,

(c) maintained at all times in good repair and watertight condition,

(d) kept in a condition not noxious, offensive or dangerous to public health, *and*

(e) *clearly displaying a leaf can label as supplied by the City.*

Instead of the types of cans described in *this* section 6.8(2), an owner or occupier may provide any other shape, nature, capacity or design of can as the City Engineer may approve.

(3) *Leaf Cans* - Weight and Content Limits

Leaf cans must not be filled,

(a) so that the gross weight exceeds 20 kilograms, or

(b) in such a manner that

(i) the contents cannot be easily emptied, or

(ii) that the cover cannot be properly fitted.

Amend title and subsection (1) of Section 7.2 to read:

Inspection/Replacement of Garbage Carts/Garbage Cans/*Yard Waste Carts/Leaf Cans/*
Blue Box Recycling Containers/Recycling Carts

(1) All garbage cans, garbage carts, *yard waste carts, leaf cans*, blue box recycling containers and recycling carts must be made accessible for inspection upon the request of the City Engineer.

Amend 7.3 to read:

(1) Unless exempted by the City Engineer for reasons of physical disability, every owner or occupier must place all garbage cans, garbage carts, *garbage bags, yard waste carts, leaf cans, leaf bags* and blue box recycling containers intended for collection in the lane abutting the premises before 7 a.m. on the day scheduled for the collection of solid waste (but free of the travelled portion).

(2) Where the premises are not serviced by a lane or where the City Engineer is of the opinion that premises cannot be adequately serviced by a lane because of configuration or insufficient width, the garbage cans, garbage carts, *garbage bags, yard waste carts, leaf cans, leaf bags* and blue box recycling containers must instead be placed on the boulevard in front of the premises and as close to the curb, or where no curb is present, the roadway, as possible without creating an obstruction to traffic, or in another location designated by the City Engineer.

- (3) Where the premises are serviced by a lane, the garbage cans, garbage carts, *garbage bags*, *yard waste carts*, *leaf cans*, *leaf bags* and blue box recycling containers must be kept at ground level at the lane and readily accessible from the lane.
- (4) All garbage cans, garbage carts, *garbage bags*, *yard waste carts*, *leaf cans*, *leaf bags* and blue box recycling containers must be placed so as not to interfere in any way with the ordinary travel of vehicles and pedestrians and must not, except as specified in sections 7.3(1), 7.3(2) and 7.3(3), be placed so as to encroach on any street, lane or public place.
- (5) A person who uses a garbage cart *or yard waste cart* must place the cart for solid waste collection in a location free from obstructions at least one metre horizontally on all sides of the cart and three metres vertically above the cart.
- (6) Where circumstances peculiar to any premises do not permit compliance with sections 7.3(1), 7.3(2), 7.3(3), and 7.3(5), the City Engineer may approve an alternate location for the placing of garbage cans, garbage carts, *garbage bags*, *yard waste carts*, *leaf cans*, *leaf bags* and blue box recycling containers.

Amend 7.5 to read:

- (1) Subject to sections 4.2(3) and 4.3(3), each rental apartment, apartment, or rowhouse which receives garbage removal service by way of a commercial container will not be allocated any *garbage* service.
- (2) *A strata corporation or cooperative association may request the City Engineer, in writing, not to allocate yard waste service to its apartment, rental apartment, or rowhouse property.*

Amend 7.6 to read:

- (1) No garbage bag, garbage can, or garbage cart from which the City Engineer collects garbage may contain more than 10% paper or cardboard or both by volume.
- (2) *No garbage bag, garbage can, or garbage cart from which the City Engineer collects garbage may contain more than 10% yard waste by volume.*
- (3) *No yard waste cart from which the City Engineer collects yard waste may contain tree limbs larger than 10cm diameter and 0.5m in length.*

Amend 8.7 to read:

- (a) the garbage is set out in a standard garbage *bag* that is 100 litres or less in volume; and

Amend 10.1 to read:

- (1) *Payment Due as Allocated*

The rates set out in Schedule B to this By-law for solid waste services are due and payable by the owner and occupier as allocated by Sections 4.2, 4.3, 5.2, 6.2 and 6.3, whether or not:

- (a) the dwelling units are occupied,
- (b) the owner or occupier makes use of the service, or
- (c) the service is interrupted or altered in any manner.

(2) Billing and Collections

(a) The rates for solid waste service will be entered by the Director of Finance on the tax roll of the City for each year against each property. Where the number of parcels does not equal the number of cans of garbage or yard waste or the number or volume of garbage carts *or yard waste carts* collection service allocated, the rates for service may be divided into the number of parcels comprising the property, and the resulting fraction of each rate may be added by the Director of Finance to the tax roll of each parcel.

Amend Schedule B Section IV.B. to read:

For buildings which receive recycling cart service the following additional *carryout* charges apply:

for distances greater than 50 m but less than 100 m.....	\$80 per cart
for distances of 100 m or greater but less than 150 m.....	\$180 per cart
for distances of 150 m or greater	\$320 per cart

Replace Schedule B Section V with:

For properties which receive yard waste collection service under Part VI - Yard Waste Service, *per calendar year, payable concurrently with each year's real property taxes*

<i>Size of Yard Waste Cart</i>	<i>Rate</i>
<i>120 litres</i>	<i>\$43</i>
<i>180 litres</i>	<i>\$47</i>
<i>240 litres</i>	<i>\$52</i>
<i>360 litres</i>	<i>\$62</i>