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Supports Item No. 4
CS&B Committee Agenda
September 23, 2010



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: September 15, 2010
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Meeting Date: September 23, 2010

TO: Standing Committee on City Services and Budgets

FROM: General Manager of Engineering Services

SUBJECT: Garbage Container Licence Program - 2011 License Agreement Fee

RECOMMENDATION

- A. THAT Council approve increases to Container Licence Agreement permit fees of \$37 per year (from \$175 to \$212) for containers greater than 1 cubic yard, and of \$12 per year from (\$58 to \$70) for containers of less or equal to than 1 cubic yard, both effective January 1, 2011 to ensure street cleanliness does not deteriorate to pre-2008 levels as outlined in this report.
- B. THAT the Director of Legal Services be instructed to modify all Garbage Container License agreements between the City and solid waste removal companies using city lanes for storage of solid waste containers in accordance with Recommendation A.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services recommends the approval of A and B.

COUNCIL POLICY

In 1992, Council authorized the execution of the licence agreements between the City and commercial waste companies which implement the City's garbage container permit program.

Permit fees are reviewed periodically to comply with Council policy that fees recover the full cost of providing services or are equivalent to competitive charges where the fee is of a market nature.

PURPOSE

The purpose of this report is to seek Council's approval to increase the Container Licence Agreement (CLA) permit fee to provide funding to maintain a street use inspector position which has been funded by a Provincial Grant since May 2008 to deal with street cleanliness issues in the Downtown Eastside.

BACKGROUND

Under the CLA, companies that place commercial garbage and recycling containers on City streets (lanes) are regulated and charged a license fee for the use of that space. At present there are approximately 2,000 commercial waste containers on City streets operated by 14 companies. Revenue generated from these license fees is used to offset staff costs associated with regulating the CLA, abandoned garbage and Keep Vancouver Spectacular programs.

Fees are established annually. The CLA requires the City to give permit holders at least 3 months notice of any amendments prior to renewal of the agreement. This translates to a deadline of October 1, 2010 by when permit fee increases or other licence changes must be identified for the 2011 licence.

DISCUSSION

Garbage Container License Agreement Fees have most recently been set to recover the costs of one program coordinator, two street use inspector positions, and an administrative assistant. A third street use inspector was added to the workforce in the last 2.5 years using limited-time senior government funding which will expire in early 2011. The three full time street use inspector positions have been responsible for tracking, investigating and enforcing abandoned garbage issues and enforcing regulations governing approximately 2,000 commercial garbage and recycling containers stored on streets and lanes throughout the City.

Over the last 2½ years the addition of the third temporary inspector has allowed the City to assign a staff person to focus on Downtown Eastside (DTES) street cleanliness issues. There is a significantly high concentration of street cleanliness and container management issues requiring inspection, education and enforcement in the DTES compared to the rest of the City. As a result of this focussed attention, there has been a significant improvement in street cleanliness issues related to commercial containers. For example, the percentage of containers with graffiti tags in the DTES has dropped from 62.5% in 2008 to 34% in 2010. The compliance rate from hauling companies to remove graffiti tags is almost 100%, noting that companies seldom clean the containers unless requested by the City (based on the findings of an inspector). Since adding an additional inspector in 2008, this additional resource has allowed the City to enforce graffiti removal on an average of 519 containers per year, an increase of 247% from 2007.

The third inspector has also freed up existing resources to better meet the demands of the public in responding to City-wide complaints about litter on the public realm and from business groups in regulating the storage of commercial waste containers on City property. In addition, the extra staffing has allowed Street Use Inspectors to conduct detailed audits of containers in the Downtown Eastside area, Yaletown, West End, Downtown, South Granville,

Mount Pleasant and Victoria-Fraserview neighbourhoods, often upon request by the local Business Improvement Associations. Complete container inventories within business districts allow the City to find unpermitted containers and proactively address problems before they are reported by the public as a complaint. Since the third inspector was added to the workforce in 2008, 90 new containers have been permitted on laneways, resulting in approximately \$15,000 of additional permit fee revenue to the City.

Container inventories also allow Street Use Inspectors to systematically address other issues. In the Yaletown area, for example, the Street Use Inspector's increased attention has resulted in a 98% container locking rate versus 50% in 2008 resulting in increased public safety and significantly decreasing the amount of abandoned garbage around containers.

The senior government funding program which has provided funding for the third inspector position will expire in early 2011. If this position is not maintained then conditions would rapidly revert to those which existed previously, and which were the source of significant ongoing complaints. The two existing street use inspectors would focus much of their time on Downtown Eastside issues, making less time available for conducting container inventories, which would result in a reduction in permit fee revenue and an increase in illegally stored containers on streets and lanes.

Staff have advised existing license holders regarding the proposed fee increases in advance of this meeting and requesting comments. At this time, no responses either positive or negative have been received.

Therefore it is proposed to fund a third Street Use Inspector position on an on-going basis through an increase to the Garbage Container License agreement fees in the same fashion as the other two inspectors. The impact is an increased of 21% to these fees which will result in the annual fee increase of \$37 for a container greater than one cubic yard in capacity (from \$175 to \$212) and \$12 for containers less than one cubic yard (from \$58 to \$70).

ALTERNATIVES/OPTIONS

Staff recommend that the Garbage Container License Agreement Fees be increased to fund a third inspector position, consistent with the existing inspector positions. Should Council choose not to increase fees, other options include a general increase through property taxes or to forego funding the third inspector position completely.

FINANCIAL IMPLICATIONS

The adjustment of 21% to the Garbage Container License agreement fees will generate an additional amount of \$72,900 in 2011. This increased amount will be used provide funding for a street use inspector position and an associated inspection vehicle.

The HST will be added to taxable fees.

COMMUNICATIONS PLAN

Parties to the Garbage Container License agreements will be notified by letter of the approved increases prior to October 1, 2010, as required by the agreements.

CONCLUSION

It is recommended that a 21% increase be applied to the Garbage Container License agreement fees for 2011 and that the Director of Legal Services be directed to amend the appropriate Container License Agreements accordingly.

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