



ADMINISTRATIVE REPORT

Report Date: September 14, 2015
Contact: Albert Shames
Contact No.: 604.873.7300
RTS No.: 11070
VanRIMS No.: 08-2000-20
Meeting Date: September 30, 2015

TO: Standing Committee on Planning, Transportation and Environment
FROM: General Manager of Engineering Services
SUBJECT: Garbage Container Licence Program - 2016 Garbage Container Licence Agreement Fee and Amendments

RECOMMENDATION

- A. THAT Council approve a 2% inflation increase to Garbage Container Licence Agreement fees (increase of \$4.50 for large container and \$1.49 for small containers).
- B. THAT Council approve an additional increase in Container Licence Agreement fee of \$41.50 for large containers and \$14 for small containers to fund initiatives focused on container management including associated abandoned waste and illegal dumping issues.
- C. THAT Council approve housekeeping amendments to the Garbage Container Licence Agreement as described in this report.
- D. THAT the Director of Legal Services be instructed to modify all Garbage Container Licence Agreements between the City and solid waste removal companies to increase fees as noted in this report and amend generally in accordance with Appendix A, to be effective January 1, 2016.

REPORT SUMMARY

Garbage Container Licence Agreement (CLA) fees are reviewed and adjusted annually, as required, to reflect City cost increases. For 2016, Table 1 shows the proposed increase for inflation and to support increased staff efforts around container management and control including associated abandoned waste and illegal dumping issues.

Table 1 Proposed 2016 Container Rates

	Large Container	Small Container
Current Rate 2015	\$224.97	\$74.29
Increase for Inflation	\$4.50	\$1.49
Increase for Container Management	\$41.50	\$14.00
Proposed Rate for 2016	\$270.97	\$89.78

In addition, housekeeping amendments are proposed to the CLA which will result in improved management of containers on City property and the recovery of funds associated with impounding containers.

The additional rate increase will fund additional efforts focused on improved street cleanliness through enforcement of container compliance, review and approval of new container locations, and working with partners, including business owners and BIA's, to provide proactive management and control of containers. The efforts would also include more aggressive enforcement of regulatory requirements for the quality and cleanliness of containers. Increased container fee revenue of \$88,200 will offset the additional costs of this enhanced service.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In 1992 Council authorized the execution of licence agreements between the City and commercial waste hauling companies which participate in the City's garbage container licence program.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services recommends approval.

REPORT

Background/Context

The City enters into CLAs with commercial waste hauling companies that place commercial garbage, recycling and organics containers on city streets and lanes where there is insufficient space available for storage on private property. Under the CLA, companies are regulated and charged a licence fee to recover the costs of managing containers and associated waste issues. The agreement requires the City to give licencees at least three months' notice (i.e. by October 1 of the current year) of any licence amendments, including fee adjustments, prior to renewal of the licence on January 1 of the following year.

Engineering Services is responsible, through the Clean Streets Program, for administering the terms of the agreements, including reviewing and approving locations and ensuring compliance of container requirements. By the end of 2016, it is projected there will be 1800 licenced commercial waste containers on City streets and lanes.

Although the total number of licenced containers has been relatively stable over the last number of years, the number of complaints related to the quality and use of containers has increased. Complaints typically relate to overflowing containers with garbage spilling out onto the ground, graffiti on containers, liquid waste draining from containers onto the ground and abandoned waste in proximity to containers. From 2012 to 2014, the City saw a 45% increase in container complaint cases. Based on year to date results, an increase of an additional 17% is anticipated for 2015. Annual results are shown in Table 2.

An informal staff survey conducted in 2014 identified approximately 500 potentially unlicensed containers that require further investigation for compliance, potential removal or a licence agreement with the respective hauler. Additionally, the survey

identified that over 250 licenced containers had holes causing leakage, over 200 had no locks or broken locks and over 1,200 were tagged with graffiti. Field experience indicates that these conditions lead to further non-compliance and to increased abandoned waste and illegal dumping around containers.

Container complaint cases typically involve site visits by a Street Use Inspector to discuss the concerns with container users and haulers. The City attempts to seek compliance in a cooperative fashion, but frequently problems are not addressed and/or recur. In situations where compliance is not achieved, inspectors issue a Violation Notice and ultimately an Order to Comply. If compliance is still not achieved, the City may remove and impound containers, revoke the container licence, charge clean-up costs and in extreme cases prosecute the property owner.

Table 2 shows the four-year history of enforcements efforts. While enforcement efforts have increased, there continues to be increased cases of illegally dumped and abandoned garbage on City streets and lanes, which has garnered a higher level of attention from the public and media.

Table 2 - History of Container Program

	2012	2013*	2014	2015F	2016F
Number Licenced Containers	1728	1737	1672	1800	2060
Number Commercial Container Complaint Cases	401	550	580	680	800
Violation Notices Issued	370	193	334	480	
Orders to Comply	182	85	108	160	
Permits Revoked	11	9	20	30	
Number Billings for Cleanup Costs	0	0	6	15	
Cost Recovery from Staff Cleanup	0	0	\$2,595	\$19,274 Actual to Aug 31st	
Number of Prosecutions	0	0	1	2 pending	

2015F - forecast based on Jan to July 2015

2016F - forecast based on projection of 17% of 2015 year to date and demand for organics containers

* - 2013 reduced inspections due to vacant position temporarily held as budget savings. Position filled in 2014.

In addition to the increased number of complaints, each case is taking more time to resolve. Starting in 2014, inspectors have documented evidence in order to charge property owners for clean-up costs. In the first seven months of 2015, fifteen property owners were billed for clean-up resulting in a recovery of over \$19,000 of expenses.

Currently, three Street Use Inspectors perform this work citywide. The inspectors' work has been reactive in nature and complaint driven, with limited opportunity to undertake proactive enforcement or prevention. Moving to a more proactive approach would provide the City with opportunities to actively work with BIA's, owners, tenants, community policing and other associations. This would create the opportunity to improve container management and control, increase onsite waste reduction, improve container locations including locating space on private property to minimize containers in lanes and improve overall cleanliness. The City will also make bylaw

changes to allow the use of a ticketing program for various container violations through the Municipal Ticketing Information (MTI) system.

The implementation of Metro Vancouver's organics ban January 1, 2015 and the City's bylaw requiring all properties to have an organics diversion plan has resulted in a 34% increase in applications for new waste containers in 2015. Currently, there are approximately 140 applications for container licences under review. As more owners formalize their organics diversion programs, this number is expected to grow. Based on estimates of the number of high organics generators in the City, there is potential for at least 300 new organics containers that will need to be licenced. Experience to date with licencing organics containers is that more work is involved and more complaints are registered regarding these containers. Challenges with flies, maggots, odour and general sanitation of these containers require a more proactive role regarding container placement and management. Talking to businesses early on and providing information on managing organics, as well as conducting site visits and follow up conversations with operators will minimize complaints and support the City's Greenest City Action Plan goals on waste reduction.

Strategic Analysis

The backlog of container cases has grown over time. Delays in the City's ability to respond, particularly in situations where abandoned waste and illegal dumping surround containers, results in increased waste deposited at the location, public concern and clean-up costs.

Recent efficiencies and program improvements include billing owners for clean-up costs, standardizing a process of progressive enforcement, working with IT and 311 staff to use Hansen and 311 for tracking cases and testing field use of tablets.

To address growing demand, increasing complexity of investigations and moving from a reactive to a proactive enforcement process, it is proposed that an additional allocation of \$80,000 supported by an increase in container licensing fees be included in the 2015 budget to support additional container related efforts. The efforts will focus on the following areas:

- i) Proactively addressing non-compliance with the Container Licence Agreement, including litter problems, overflowing, leaking and unlocked containers, abandoned waste issues and enforcement with ticketing and fines, as well as gathering evidence for prosecution. Investigating and addressing unlicensed containers;
- ii) Reviewing new container applications and licencing new containers including new organics containers; and
- iii) Working with strategic partners such as BIA's, community policing and internal partners to actively assist in promoting compliance, responsible ownership and overall cleanliness.

Fee Increase to support additional efforts around container management and control including abandoned waste and Illegal Dumping:

It is recommended that in order to support the additional efforts proposed around container management and control including abandoned waste and illegal dumping, this cost be offset by an increase in the Container Licence Agreement fee of \$41.50 for large containers and \$14 for small containers.

Fee Increase for Inflationary:

As of July 2015, the increase in the 12-month average Consumer Price Index (CPI) for Metro Vancouver was 1%. Certain non-wage items such as electricity have increased 5.7% while natural gas, fuel and gasoline have decreased in the range of 7.7% to 18.1% over the past year. The Conference Board of Canada forecasted that the CPI for Metro Vancouver would increase by 2.2% for 2016, 2% for 2017 and 2018, and 2.1% for 2019. The relatively low inflation experienced in recent months is due primarily to the pricing of natural gas, fuel and gasoline which peaked in Q3 2014, followed by months of steep decline before stabilizing in Q1 2015. Inflation is anticipated to pick up from the current level to 2.2% in 2016 once the peak pricing is removed from the calculation of year-over-year inflation in Q4. Based on this forecast, staff recommend a 2% increase in Garbage Container Licence Agreement fees for 2016.

Implications/Related Issues/Risk

Financial

The 2015 revenue budget for CLA fees is \$381,550. Forecasted 2015 revenue is \$394,000, which covers current program costs. The recommended fee increase will result in estimated additional revenue of \$88,200 to cover the costs of inflation and the increased costs for container management as outlined in Table 3. New containers licenced after January 1, 2016 are billed on January 1, 2017 and include a prorated fee for 2016. Future years would then see additional revenue as new containers are licenced.

Table 3 - Container Licences and Rates

	Large Container (greater than or equal to 1 cubic meter)	Small Container (less than one cubic meter)
Estimated Number of Licenced Containers January 1, 2016	1,700	100
Current Rate 2015	\$224.97	\$74.29
Increase for Inflation	\$4.50	\$1.49
Increase for Container Management	\$41.50	\$14.00
Proposed Rate Jan 1, 2016	\$270.97	\$89.78

Human Resources/Labour Relations

The recommendations contained in this report may result in additional staff requirements. Any staffing requirements will be reviewed as part of the 2016 budget process.

Housekeeping Amendments

For the City to more effectively manage containers, housekeeping amendments to the CLA are recommended generally in accordance with Appendix A. Current wording of the CLA does not explicitly provide for cost recovery after impounding in situations of non-compliance. Other changes are to improve the administrative effectiveness. Changes include:

- an explicit provision permitting the City to remove containers that are in non-compliance and to collect any costs incurred as a result; and
- the General Manager of Engineering Services be authorized to execute on behalf of the City all Garbage Container Licence Agreements.

Legal

All Garbage Container Licence Agreements between the City and commercial waste hauling companies using city lanes for storage of solid waste containers will be modified to reflect the approved fee adjustments and housekeeping amendments. Parties to the CLAs will be notified of the approved increases prior to October 1, 2015, as required by the agreements.

CONCLUSION

Container management requires greater staff involvement due to increasing complexity of issues ranging from organics use to evidence collection for enforcement. With the introduction of organics programs, there is more demand for new containers on City property. The cleanliness of the streets and lanes will benefit from increased staff resources to manage existing containers, provide a proactive approach to compliance and reduce complaints.

* * * * *

Housekeeping Amendment to the Garbage Container Licence Agreement

The addition of the following section to the Garbage Container Licence Agreement will help address situations when there is a container impounded for non-compliance and with the recovery of associated fees

26. City's right to cure or impound. If the Company defaults in complying with any obligation under this Licence, the City, without limiting its other rights and remedies under this Licence, may:

- a) cure such default on the Company's behalf; or
- b) where the default relates to one or more specific Containers, remove and impound such Container(s);
- c) and the Company will pay the City's reasonable costs of doing so to the City on demand and, in the case of (b) above, as a condition of releasing the Container(s).