

City of North Bay Report to Council

Report No: IO-2022-011

Date: December 15, 2022

Originator: Karin Pratte

Business Unit:

Department:

Infrastructure and Operations

Environmental Services

Subject: Waste Management By-Law User Fees

Closed Session: yes ☐ no ☒

Recommendation

That Council authorizes the City Clerk to amend the Waste Management User Fee By-Law 2010-108 pursuant to the recommendations set out in Report to Council IO-2022-011 dated December 15, 2022 from Karin Pratte.

Background

To offset the cost of providing services, municipalities have the authority under Section 391(1) of the Municipal Act to impose a fee or charge on individuals. In most cases an individual receives a direct benefit from a service however in the case of the aforementioned by-laws the imposed fee or charge is to encourage recycling and maximize the life of the landfill. Increasingly municipalities are looking at user fees to help offset the impact of municipal services on property taxes.

The Municipal Act and case law requires that there be a nexus or connection between the fee charged and the costs incurred so that the fee is revenue neutral (over the long term). In situations in which there is also a community benefit associated with providing the service, the fee charged may be less than the full cost recovery rate and a portion of the cost is funded by the general tax levy.

Historically the Merrick landfill Site has operated as a cost center and is therefore funded by the general tax levy. This report has been prepared for the purpose of adjusting user fees at the Merrick landfill Site while continuing to operate as a cost center.

Financial/Legal Implications

Merrick Landfill Tipping Fee

Landfill user rates and tipping fees may be set based on costs for the entire waste management program which includes capital costs to establish the landfill site, capital costs for upgrades and improvements to the landfill site, annual operating costs and can also consider ancillary services such as recycling and waste reduction programs. The Merrick landfill operating and capital costs are forecasted to continue to increase due to cost escalations for items such as fuel, parts, chemicals and labour.

In 2020 and 2021 Council increased general solid waste tipping fees to \$99 and \$102 per metric tonne respectively. Tipping fees were originally established in 1990 and have gradually increased over time however the City's rates remain significantly below full cost recovery yet comparable to other northern and central Ontario's communities as listed below:

Community	2022 General ICI Tipping Fee
Sudbury	\$90 / tonne
Peterborough	\$125 / tonne
Kawartha Lakes	\$125 / tonne
Orillia	\$185 / tonne
Barrie	\$155/ tonne

It is proposed that tipping fees be increased in from \$102 to \$105 effective March 1, 2023 and to \$110 effective January 1, 2025. The increased tipping fee is currently reflected in the Administrative 2023 Operating Budget. In the event the rate change is not approved the 2023 Operating Budget will be adjusted accordingly.

User Fees for Mattresses

The City of North Bay implemented mattress recycling May 1, 2017. Mattresses contain relatively significant voids when landfilled and as such displace landfill capacity. Diversion of the mattresses through a recycling program alleviates the inefficient landfilling of mattresses and extends the life expectancy of the landfill. Approximately 5000 mattresses are recycled annually. The City of North Bay went through a formal bid request and received a bid which significantly increases the mattress recycling program. At the current rate of \$17/mattress the City is not recovering the costs to recycle the mattresses. It is therefore recommended that the mattress tipping fee in the Waste Management By-Law increase from \$17/mattress to \$25/mattress which will represent approximately 92% of direct cost recovery.

Bluebox Purchase

The City of North Bay has historically sold blue boxes to the public for a cost

of \$5/blue box. The City benefits from bulk purchasing of blue boxes however the cost, even with bulk buying, has increased significantly over the past 2 years. The City is recovering less than 50% of the direct costs at the current fee of \$5/blue box. It is recommended that a user fee for sale of blue boxes be included in the waste management by-law and it be set to \$10/blue box which represents approximately 72% direct cost recovery.

Corporate Strategic Plan

- | | |
|--|--|
| <input checked="" type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

Protect, promote and enhance the environment in all aspects of the City's operations and plans

Provide smart, cost effective services and programs to residents and businesses

Options Analysis

Option 1:

That Council authorizes the City Clerk to amend the Waste Management User Fee By-Law 2010-108 pursuant to the recommendations noted in Report to Council IO-2022-011.

A public notice and public meeting, as required for these changes, will be held to obtain public feedback.

This Option is recommended.

Option 2:

That Council refer this matter to committee to consider different rates than what is proposed.

This Option is not recommended.

Option 3:

That Council not make any changes to Waste Management User Fee By-Law at this time.

This option is not recommended.

Recommended Option

That Council authorizes the City Clerk to amend the Waste Management User Fee By-Law 2010-108 pursuant to the recommendations set out in Report to Council IO-2022-011 dated December 15, 2022 from Karin Pratte.

Respectfully submitted,

Name: Karin Pratte, P.Eng.

Title: Senior Environment & Facilities Engineer

I concur with this report and recommendation

Name Domenic Schiavone

Title: Director Public Works and Parks

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Karin Pratte, P.Eng.

Senior Environment & Facilities Engineer