

**STAFF REPORT:      ENGINEERING AND PUBLIC WORKS DEPARTMENT**



**REPORT TO:**                    Infrastructure & Recreation  
   Committee  
**MEETING DATE:**            March 19, 2013  
**REPORT NO.:**                 EPW.13.023  
**SUBJECT:**                     Landfill Tipping Fee Increase  
**PREPARED BY:**             Adam McMullin, Environmental  
   Initiatives Coordinator

**A.      Recommendations**

THAT Council receive Staff Report EPW.13.023 entitled "Landfill Tipping Fee Increase" and;

AND THAT Council establish a waste disposal site tipping fee (set fee) of \$120/tonne as outlined in the draft By-law to amend By-law 2003/97 Schedule "I", as attached;

AND THAT Council hold a Public Meeting to review the proposed Amendments to By-law 2003/97 Schedule "I" to increase the landfill disposal tipping fee (set fee) from \$100.00/tonne to \$120/tonne.

**B.      Background**

**Purpose**  
Staff recommend increasing the landfill tipping fee from \$100/tonne to \$120/tonne. This report provides a rationale for the increase and requests that Council direct Staff to host a public meeting to receive public feedback on the fee increase.

**Background**  
The Town's 2012 Waste Diversion Plan (WDP) identified a number of recommendations to improve waste diversion within the community. The WDP recommends modifying the landfill disposal fee structure as a mechanism to improve diversion by enhancing incentive to recycle and divert waste when delivering mixed waste material to the Site.

The current landfill disposal tipping fee is \$100/tonne, established in 2005. Prior to 2005, the tipping fee was \$98/tonne, adopted when the scales at the landfill were installed. Recyclable and reusable materials have a disposal cost of half of the set fee, which currently works out to \$50/tonne. Mixed loads (non-sorted) are charged twice the set fee, for a total of \$200/tonne.

**Considerations**  
Staff must consider a fee mechanism that recovers the cost of receiving and disposal of waste at the landfill. Increasing tipping fees will also promote waste separation at the landfill improving diversion at the Site. Staff have also included neighboring municipal and private sector tipping fees for Council's information. Fees must also balance local and surrounding market realities and work to avoid rates that might lead to increased illegal dumping.

Table 1 summarize the tipping fees charged by surrounding local municipal and private waste disposal sites and transfer stations.

**Table 1 – Surrounding Municipal and Private Landfill/Transfer Station Fee Comparisons**

<b>Municipal / Private Landfill or Transfer Station</b>	<b>Distance from TBM Landfill (km)</b>	<b>Tipping Fees \$/tonne</b>
Miller Transfer Station (Meaford)	18	No scale
Miller Transfer Station (Owen Sound)	43	\$100
Simcoe County - Site 2 Collingwood	22	\$145
Simcoe County - Site 10 Nottawasaga (Stayner)	39	\$145
Grey Highlands – Osprey Site	28	\$100
Grey Highlands – Markdale Site	36	\$100
Grey Highlands - Artemesia Site	40	\$100
Chatsworth - Sullivan Landfill	48	\$100
Township of Southgate - Dundalk Transfer Station	50	\$85
Township of Southgate - Ergemont Transfer Station	60	\$85
Georgian Bluffs Site	65	\$100
BFI – Midhurst Transfer Station	67	\$95
Hanover / Walkerton Sites	75	\$100
City of Barrie Site	75	\$140

The municipal operated landfill facilities do not accept waste generated outside of their borders. The table identifies two privately operated transfer stations that residents could potentially utilize as an alternative to the Town’s waste disposal site, the Miller transfer station located in Owen Sound and the BFI facility located in Midhurst.

Simcoe County and the City of Barrie have increased the disposal tipping fees in recent years to incentivise diversion and to improve the cost recovery of their waste management system. The City of Barrie raised the tipping fee from \$125/tonne in 2012 to \$140/tonne in 2013. Simcoe County plan to raise tipping fees to \$155/tonne by 2014 from \$115/tonne in 2011. These jurisdictions are facing similar concerns with shrinking disposal capacity and are utilizing financial mechanisms to help address the capacity problem.

Increasing the tipping fee to \$120/tonne will not likely deter local contractors from disposing of waste at the Town’s landfill, as the nearest alternative disposal options are located sufficiently far away to make transportation financially unfeasible. Larger operators, such as private commercial entities, or major demolition project contractors, generally dispose of waste privately and typically do not use the Town Disposal Site. Thus, the increase in tipping fee will not significantly impact these stakeholders.

### **Illegal Dumping**

Generally when there are changes to waste disposal fees, either through an increase to the bag tag fee or tipping charge, there is potential for a short-term increase in illegal dumping incidents. Industry experience has shown that there is a return to normal levels within a short period of time. This trend was observed when introducing the recycling program and bag limit restriction within the community.

### **Recommendation**

Staff are recommending that the landfill tipping fee be increased from \$100/tonne to \$120/tonne for the following reasons:

- Tipping fees have remained unchanged since 2005, at \$100/tonne.
- Increasing the set fee results in a mixed load charge of \$240/tonne, providing a stronger incentive for visitors to sort their loads, improving diversion at the Site.
- Surrounding communities facing similar landfill disposal capacity issues have been increasing tipping fees to improve the cost recovery for their operations and improve diversion.
- Paying visitors that utilize the Site are subsidized by taxation to cover the cost of disposing waste in the landfill. Increasing the tipping fee reduces this burden on taxation making waste management more equitable within the community.
- Modifying the landfill fee structure fulfills one of recommendations outlined within the 2012 Waste Diversion Plan.

Staff recommend that Council host a public meeting to present and discuss these fee changes, and subsequently, if appropriate, establish a new tipping fee at the Landfill.

## **C. The Blue Mountains' Strategic Plan**

Provide a strong, well managed municipal government.

## **D. Environmental Impacts**

Increasing the tipping fee will provide financial incentive to sort mixed waste loads and improve diversion performance at the waste disposal site.

## **E. Financial Impact**

Increasing the tipping fees from \$100/tonne to \$120/tonne will align the fee schedule with inflation cost increases observed since 2005. Additionally, the increase will reduce the reliance on taxation which funds the revenue shortfall from accepting waste on-site from patrons. These considerations are describes in further detail as follow:

### **Inflation**

Tipping fees have remained unchanged since 2005 at \$100/tonne. Assuming a 2.5% rate of inflation increase annually from 2005 to 2013, adjusted for inflation, the tipping fee works out to \$121/tonne. Increasing the tipping fees to \$120/tonne will align the fee schedule with inflationary pressures experienced since 2005.

**User Fee Operational Deficit**

Landfill operations are funded with taxation and user fees. Currently, the tipping fee of \$100/tonne does not sufficiently cover the cost of disposing waste in the Landfill. Consequently, patrons (residential and commercial customers) of the landfill are subsidized by the ratepayer when disposing of waste. Table 2 summarizes the gross cost per tonne for waste deposited in the Landfill. Material delivered to the Site from curbside collection is outlined separately from waste dropped off by patrons within the table.

**Table 2: Summary of Disposal Costs 2010 - 2013**

	2010	2011	2012	2013*
<b>Total Landfill Material (Tonnes)</b>	4269	3987	4102	4164
<b>Cost Delivered Material</b>	\$257,557	\$262,386	\$291,904	\$275,438
<b>Cost Curbside Material</b>	\$189,004	\$223,876	\$220,878	\$208,419
<b>Total Cost (operational &amp; capital transfers)</b>	\$446,561	\$486,262	\$512,782	\$483,857
<b>Gross Cost / Tonne</b>	\$105	\$122	\$125	\$116

\*Note: 2013 figures are based on budget estimates

The landfill receives revenue from patrons that deliver a variety of materials to the Site. Some of the waste is deposited into the landfill while other materials (i.e. metal) are diverted. It is estimated that 82% of the received revenue is generated from material that is deposited into the landfill with 18% of revenue generated from fees for accepting diverted materials. Based on this revenue split, one can calculate the annual operating shortfall that is funded using taxation. Table 3 summarizes the annual deficit that the Landfill operation generates from 2010 to 2013.

**Table 3: Summary of Annual Revenue and Deficits 2010 - 2014**

	2010	2011	2012	2013	Average
<b>Cost Delivered Material</b>	\$257,557	\$262,386	\$291,904	\$275,438	\$271,821
<b>Landfill Revenue</b>	\$233,573	\$211,783	\$247,063	\$215,002	\$226,855
<b>Operational Deficit</b>	\$23,984	\$50,603	\$44,841	\$60,436	\$44,966
<b>Landfill Revenue / Tonne</b>	\$95	\$98	\$106	\$91	\$98
<b>Gross Cost / Tonne</b>	\$105	\$122	\$125	\$116	\$117
<b>Taxation Subsidy (\$/tonne)</b>	\$10	\$24	\$19	\$25	\$20

The fee analyses show that on average, taxation subsidizes landfill patrons in the amount of \$20/tonne. These calculations assume that the collected curbside waste deposited in landfill is funded using taxation. Increasing the tipping fee will reduce or potentially eliminate the subsidy received by landfill patrons from taxation making the waste management system more equitable across the community.

### **Anticipated Revenue Impact**

Increasing the fee by 20% will increase landfill revenues by an estimated \$46,000 annually, based on the 3-year average revenue generated from landfill tipping fees. This estimate is based on tipping fees generated from material deposited in the tipping face, not chargeable divertible materials. This increase assumes that the quantity of waste disposed in the landfill remains constant.

### **Landfill Expansion**

The landfill expansion and mining project has provided insight into the cost of constructing additional landfill capacity. Additional capacity is estimated to be significantly higher than the current landfill costs. Moving forward, incremental tipping fee increases will be necessary to recover costs associated with waste management. Increasing the current fee is the first step of this process of incremental increase.

Once the construction and life-cycle costs of the landfill expansion are better known the tipping fee schedule will be revisited and reassessed.

## **F. In Consultation With**

Jeffery Fletcher, Manager of Solid Waste & Environmental Initiatives  
Darcy Chapman, Capital Accountant  
Ruth Prince, Manager of Revenue

## **G. Attached**

- Draft Amending By-law

Respectfully submitted,

**Adam McMullin**  
Adam McMullin  
Environmental Initiatives Coordinator

Engineering & Public Works  
Office: 519-599-3131 Ext.264  
Fax: 519-599-7723  
[amcmullin@thebluemountains.ca](mailto:amcmullin@thebluemountains.ca)

**Reg Russwurm**  
Reg Russwurm  
Director, Engineering and Public  
Works

CORPORATION OF THE  
TOWN OF THE BLUE MOUNTAINS  
BY-LAW NO.2013 -

Being a By-law to amend the  
Solid Waste Management Fees (By-Law No. 2003-97)

**WHEREAS** Subsections 5(3) and 11 (1) of the *Municipal Act* enable Council to pass Bylaws respecting matters within the sphere of waste management;

**NOW THEREFORE** Council of the Corporation of The Town of The Blue Mountains hereby enacts as follows:

1. Schedule "I" of By-law 2003 - 97 is hereby amended and confirmed in it's entirety by the following Schedule of Tip Fees:

ITEM	DESCRIPTION	FEE OR CHARGE
<i>Authorized Waste</i>	household, commercial, construction and demolition	\$120.00/tonne (set fee)
<i>Authorized Waste</i>	containing recyclable waste, reusable material, burnable waste, yard waste or non-acceptable waste	Twice the set fee
<i>Recyclable Waste, Reusable Material, Contaminated soil, Yard Waste, and/or Burnable Waste</i>	unloaded in the designated area and contaminated with non-conforming material	Twice the set fee
<i>Scrap Metal and White Goods, Reusable Material, Burnable Waste, Yard Waste</i>	placed in the designated area and free of non-conforming material	Half the set fee
Contaminated Soil	Owner must provide documentation of certified testing results and obtain Town approval, before delivery	\$125.00/tonne
Asbestos		Not Accepted
<i>Chipped Wood</i>	uncontaminated, untreated, unpainted wood chips	Free
<i>Recyclable Material</i>	any material defined as recyclables in the Town Collection By-law # 16/03	Free
<i>Residential Yard Waste and Burnable Waste</i>	Grass, leaves, shredded garden waste, shrubs, brush, tree limbs, twigs and untreated and unpainted wood waste delivered by Town resident or ratepayer	Free
<i>Small Quantities of Waste Material</i>	household, commercial, construction and demolition	\$6/visit minimum fee
<i>Refrigerators, Freezers, Air Conditioners, Dehumidifiers</i>	uncertified -certification fee	\$25 each
<i>Propane Tanks</i>	must be empty	\$2.00/tank
<i>Tires</i>	All clean rubber tires without rims	Free

2. That amending By-law 2005-65 is hereby rescinded.
3. This By-law shall come into force and take effect upon June 1, 2013.

ENACTED and PASSED this 27<sup>th</sup> day of May, 2013.

\_\_\_\_\_  
Ellen Anderson, Mayor

\_\_\_\_\_  
Corrina Giles, Clerk