



The Corporation of the Town of LaSalle

To: Mayor and Members of Council

Prepared by: Dale Langlois

Department: Finance

Date of Report: September 11, 2023

Report Number: FIN-23-2023

Subject: Regional Waste Management Initiative

Recommendation

That the report of the Director of Finance dated September 11, 2023 (FIN-23-2023) regarding the Regional Waste Management Initiative be received;

And that Council supports County By-law 2023-40, a bylaw to transfer all power of lower-tier municipalities of the County of Essex with respect to waste in the County of Essex, pursuant to the provisions of Sections 189 and 190 of the Municipal Act, 2001, S.O. 2001, c. 25, as amended.

Report

Background

The following is a summary of what has occurred to date with respect to the Regional Waste Management Initiative that was commenced by the previous County Council / Town Council, and which has been recommitted to by this County Council.

- 1) On October 20, 2021, County Council was provided with a report and delegation from the Essex Windsor Solid Waste Authority (EWSWA) regarding EWSWA's Regional Food and Organics Waste Management Program. County Council was advised that the primary purpose for the Organics program was to ensure the compliance with Ontario's Food and Organic Waste Policy Statement, which requires the City of Windsor, the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington, and the Town of Tecumseh, to provide for certain levels of collection and diversion of organic waste.

- 2) At the conclusion of the October 20, 2021 meeting of County Council, County Council adopted the following resolution:

That Essex County Council consider a Regional approach to the Organics program as it relates to participation from municipalities and report its decision back to EWSWA no later than December 31, 2021.

- 3) On February 28, 2022, the Corporation of the City of Windsor made the following resolution:

That City Council agree in principle to participate in an EWSWA led regional organics program; and further, that administration be directed to advise EWSWA of this decision prior to March 31, 2022.

- 4) On February 22, 2022, LaSalle Council passed the following resolution:

- A. That the report of the Chief Administrative Officer dated February 11, 2022 (AD-01-2022) regarding Essex-Windsor Solid Waste Authority (EWSWA) - Regional Food, Organics and Biosolid Waste Management Project BE RECEIVED;
- B. That the Town of LaSalle endorse a regional approach for compliance with the legislation regarding Food, Organics and Biosolids Waste Management;
- C. That the Town of LaSalle endorse the approach outlined in the January 6, 2022 report which was presented at the January 12, 2022 Essex-Windsor Solid Waste Authority Board meeting:
1. That the Food and Organic Waste Management Oversight Committee BE DIRECTED to continue to work through the various steps outlined in the roadmap, and report back with progress updates; and
 2. That the Food and Organic Waste Management Oversight Committee BE DIRECTED to proceed with a short-term organic waste processing contract(s) RFP that meets the following minimum criteria:
 - a) That the RFP BE REQUIRED to accept, at a minimum, source separated organics from Windsor and any other of the municipalities choosing to participate at the onset, and allows for changes to quantities of source separated organics; and
 - b) That industry standards BE EXCEEDED regarding odour control measures implemented at the facility and the end product; and
 - c) That the RFP BE REQUIRED to provide service for a 5-year term with options for extensions.

D. That the Town of LaSalle request that the Essex-Windsor Solid Waste Authority with the County of Essex begin to investigate a comprehensive regional approach to the collection and management of Waste, Organics and Recycling programs with the objective of a more efficient and cost effective regional solution.

- 5) On March 16, 2022, County Council made the following decision by Council resolution:

And further that County Council advice EWSWA prior to March 31, 2022, that all Essex County municipalities will participate in a regional solution for the collection and processing of organic waste material from urban settlement areas, at a minimum, as part of the short-term processing contract commencing January 1, 2025 or immediately upon the expiration of a municipality's existing waste collection contract, whichever is later.

- 6) On June 1, 2022, members of County Council from the Town of Essex and the Town of Kingsville, whose Towns are not currently required to meet certain collection and diversion targets brought 2 similar motions, seeking support for a regional approach to all waste collection with the cost becoming part of the County's tax levy.

- 7) Those similar motions were further considered at a meeting of County Council held on June 15, 2022, at which time County Council unanimously resolved the following resolution:

That Essex County Council direct administration to work with EWSWA to prepare a report on potential cost savings to be realized by transferring the jurisdiction of garbage collection from local municipalities to the County and ultimately EWSWA, to manage garbage collection services for the County municipalities.

That Essex County Council direct administration to conduct consultations and seek formal concurrence from each local municipality, in accordance with section 189(2) of the Municipal Act, 2001, to transfer the jurisdiction of garbage collection, and examine the individual potential impacts of recovering fees for all waste and/or organic collection and disposal from a user fee pay system to a tax levy billing system.

- 8) Further to the 2022 County Resolution:
- a) County administration and EWSWA consulted with the CAOs of the local municipalities to confirm there is broad administrative support for pursuing a Regional approach to waste collection;
 - b) EWSWA retained a consultant to conduct a fulsome "waste collection review", with part of the scope being the completion of an analysis of the potential cost savings to be realized by transferring the jurisdiction of waste collection to the County. The results of that consultant's report are described in more detail later in this report;

- c) Meetings were held by the County with all county municipalities to provide information and seek feedback (LaSalle's presentation occurred on July 25, 2023);
- d) The draft by-law to upload the collection and delivery of waste to the County has been drafted by the County and circulated to the local municipalities; and
- e) County administration and EWSA initiated a working group to explore, among other things, setting a base service level, discussing how enhanced services can be added on to the base service level by a local municipality, discuss how the regional program should be funded.

Waste Collection Review (EXP Report):

As mentioned above, EWSWA retained a consultant, EXP Services Inc., to assist in a broad waste collection review. The final report of EXP Services Inc. was provided to EWSWA on May 23, 2023, and was formally provided to the Board of EWSWA on July 12, 2023.

The following is a summary of the conclusions and recommendations contained in the EXP Services Inc. report, which was presented to LaSalle Council on July 25, 2023:

General Conclusions:

- 1) The municipal experience in Ontario and elsewhere indicates every other week garbage collection is a best practice waste management policy that supports effective waste diversion behaviours, especially in source separated organic waste (SSO) programs.
- 2) Every other week garbage collection may provide potential garbage collection cost savings
- 3) Bag limits are not an effective means of encouraging the diversion of SSO from garbage unless the bag limits are extremely low. However, this can lead to complaints of discrimination from households that legitimately generate garbage that cannot be otherwise diverted (e.g., multi-generational households, large families, households that use diapers, etc.)
- 4) Clear bag garbage policies have been shown to be effective at diverting SSO and blue box material from garbage stream and is becoming increasingly common across Ontario municipalities.
- 5) Concerns about clear bag programs are well understood and can be managed through careful program design, implementation, and communications. Implementation of clear bag policies require the updating of municipal waste management by-laws to ensure applicability and enforceability.

General Recommendations:

- 1) Implementation of a County wide SSO program should be done through both urban and rural areas. This approach will provide equitable service delivery and better position the County for when the proposed provincial landfill ban on SSO is implemented.
- 2) Every other week garbage collection should be implemented concurrently in areas where curbside SSO collection is introduced.
- 3) Clear bags for garbage should be adopted to motivate residents to only throw garbage in these bags and not SSO or recyclables.
- 4) A by-law review should be undertaken once curbside collection programs and policies are confirmed, to ensure by-laws support the new programming.

Collection, Transfer, and Haulage Design Conclusions:

- 1) Use of dedicated collection vehicles for the collection of each stream (garbage and SSO) is a more reasonable approach for EWSWA, the City, and the County than co-collection because:
 - a. There are few, if any, applicable examples of co-collection of garbage with SSO in Ontario, and so it is an untested practice that poses risk;
 - b. The anticipated SSO tonnage collected is uncertain at this time as it is a new program, and this potential variance could lead to collection inefficiencies; and
 - c. Introducing co-collection in a weekly SSO / every other week garbage collection program could increase routing and scheduling complexities and thereby increase program risk.
- 2) Implementing a SSO collection program across the Essex-Windsor Region in both rural and urban areas would provide a number of additional benefits, including:
 - a. Program consistency across service areas, which will reduce the likelihood of conflicting and confusing messaging;
 - b. Reducing the complexity of program logistics when implementing the new SSO collection / every other week garbage collection, thereby minimizing organizational and planning related risks;
 - c. Allowing for less complicated bidding process, which may encourage more accurate and competitive pricing through a less onerous tender process;
 - d. Maintaining a consistent and equitable level of service to all participating municipalities and their residents;
 - e. Reducing the potential for acrimony by residents that may feel they are not receiving an equitable level of service;

- f. Placing the County municipalities and their residents in an advanced state of readiness should the province implement its proposed provincial landfill ban on SSO in 2030; and
 - g. Avoiding potential confusion and contractual changes that may arise if the rural areas are brought into the program at a later date in response to pressures imposed by the planned provincial SSO landfill ban.
- 3) Consolidation of waste and shipping in larger quantities reduces the number of trips required, resulting in several economic, environmental, and social benefits, including:
 - a. Cost savings;
 - b. Reduced greenhouse gas and other emissions; and
 - c. Fewer trucks on local roads
- 4) SSO transfer and hauling costs are most economical under EXP Services Inc.'s third scenario. In this scenario, collected SSO is delivered to SSO transfer stations located at EWSWA's transfer station site #1 and the regional landfill or SSO direct hauled to the Seacliff facility, depending on the collection origin of SSO. Regionalization of garbage collection does not have a significant impact on the transfer and hauling costs.

Collection, Transfer, and Haulage Design Recommendations:

- 1) EWSWA should undertake the next steps toward developing the required SSO transfer station site #1 and the regional landfill. Regarding SSO transfer facilities at transfer station site #1, EWSWA has two options available; this includes either the construction of a new SSO transfer station next to the existing transfer station #1 that consolidates garbage, or retrofit the transitioning Blue Box Containers Material Recovery Facility.
- 2) While the use of split trucks for co-collection is not included as a recommendation in the EXP study, it should still be considered as an option when developing the collection tender, particularly if the Board of EWSWA opt for every other week garbage collection. Every other week garbage collection may increase the quantities of SSO diverted, therefore making the option of co-collection more feasible. The RFP process should include the option of co-collection of either yard waste or SSO with garbage, which would then allow bidders to determine its suitability and costing.
- 3) SSO collected in Kingsville and Leamington should be directly hauled to Seacliff Energy in Leamington.

Regionalization Conclusions:

- 1) Regionalization (including municipal joint procurement) of waste collection services is an acceptable best practice and is well established in Ontario.
- 2) Regionalization can potentially provide not just economic benefits, but also environmental and social benefits, including:
 - a. Cost savings due to increased competition, administrative efficiencies, and improved public participation due to consistency of services and communications across the County;
 - b. Reduced greenhouse gas and other emissions due to optimized collection routes; and
 - c. Increased customer satisfaction due to equity in service and better oversight of quality management.
- 3) Regionalization does not appear to have a significant impact on transfer and hauling costs for either garbage or SSO. Rather, potential cost savings with regionalization would most likely be due to increased competition on collection tenders, less travel time due to optimized routing, and operational efficiencies for the EWSWA and municipal partners.

Regionalization Recommendations:

It is recommended that EWSWA initiate necessary discussions with the County, its local municipalities, and the City of Windsor, to take steps to have EWSWA collecting waste for the entire Essex-Windsor Region

County's Proposed Funding Model:

A hybrid funding model was proposed by the County to the CAO's, Treasurers and Regional Municipal Working Group. Factors influencing hybrid funding model include:

- 1) Existing contract pricing – some local municipalities are currently enjoying below market pricing for waste collection services under their existing contracts and prefer to continue to enjoy this pricing than risk moving to a regional contract that many see pricing increase
- 2) Existing service levels – while the majority of services in existing contracts between the local municipalities are uniform, some locals offer elevated service levels that there is a preference to maintain (ex. Additional leaf and yard waste collections).
- 3) Subsidization concerns – a straight general levy funding model would shift the payment of the regional service onto municipalities with higher weighted assessment and off municipalities with lower weighted assessment and off of municipalities with lower weighted assessment irrespective of the actual use of service.

- 4) Existing catchment areas – while the majority of residents enjoy waste collection services, there are some residents in rural areas of the County that currently do not have waste collection services. Unless services were expanded, a general levy model would charge residents for services they are not able to participate in.
- 5) Authority and decision making – there is a varying degree of support for moving the authority for decision making to the County. There is unanimous consensus that the cost for regional waste services can move to the County.

Hybrid funding model:

The proposed hybrid funding model is based on a number of foundational assumptions, which include:

- Assumes the triple majority of locals transfer authority for waste collection to the County
- Assumes all residents of Essex County will receive organic collection services (not just the urban settlement areas) and waste collection services.
- The County will assume all current waste collection contracts and associated costs at a date to be determined (potentially January 1, 2024 to align with budgets)
- The County will engage EWSWA to manage all existing waste contracts and take on responsibility to coordinate a combined procurement on a go forward basis at a date/time that is most advantageous to existing contract expiry and compliance requirements with ministry organics legislation.
- Service levels will remain as established under local existing contracts until it is feasible and financially appropriate to move to a greater standardized service level. Continued working group meetings would be held to establish the standardized service level and associated RFT for collection services that would go to market in the future. Any services a local municipality may wish to obtain in excess of the established regional standard could be billed to that municipality on a full cost recovery basis.
- Assuming the triple majority is passed, EWSWA will engage in a robust and collaborative education campaign. The goal of the campaign will be to raise awareness of the upcoming organics roll out, explain the need to implement waste best practices and prepare residents for collection frequency changes. The campaign will roll out during 2024 in anticipation of a regional standardized service roll out into 2025.

- The initial transfer of authority for waste collection to the County would afford an element of local municipal influence that existing service levels would be maintained as outlined in existing contracts, for a time. Ultimately, the County, as the authority for the service, would move toward a future “standardized” residential service level. The Regional Waste Working Group is currently recommending that future standardized service level include:
 - Bi-weekly garbage collection (change from weekly to make room for weekly organic collection)
 - Maintaining of bulk/large item collection
 - Weekly organic collection (NEW – enhanced service level)
 - Bi-weekly leaf/yard waste collection (from April to November)
 - Monthly white goods pick up

On the basis of the above assumptions, the hybrid funding model would be calculated as follows:

- 1) Tonnages and household population count data will be maintained for each local municipality as they are now under EWSWA’s existing billing model.
- 2) The cost for local existing collection contracts will form part of the County’s budget. The County’s budget will be amended to create a separate department/cost centre to transparently capture all regional waste program costs it now manages.
- 3) EWSWA will bill the County based on its existing billing model and provide sufficient detail to identify each local’s tonnage/population. The County will pay EWSWA for these billings.
- 4) When calculating the County annual tax rate, two tax rate calculations will be made:
 - a. County services (not including waste services) – calculated as normal based on global assessment
 - b. County waste services – calculated as a separate special area rate that established a tax rate by the local municipality for only its share of the regional cost based on its own tonnage/households in relation to only its weighted assessment (not the share of global weighted assessment).

A homeowner will see four tax rates on their bill:

- 1) Local Municipal Rate – existing
- 2) County General Levy Rate – existing
- 3) County Waste Levy Rate – new
- 4) Education Rate – existing

The hybrid model acknowledges the cost for the service is linked to usage (tonnage/households) and incentives environmentally friendly resident behaviors. The model also has the improved benefit of more transparently billing residents for the use

of the regional waste service. At present, with the exception a small number of residents who are currently charged a special area rate for garbage collection, no other residents are billed directly for waste services (none located in LaSalle). The cost of waste collection is rolled into the general local municipal rate. As education campaigns roll out and resident awareness increases related to waste program best practices, the visibility of the cost of the program will be even more important. Often behaviours can be changed when there is a connection between one's actions and the price one must pay. The hybrid billing model will create a separate charge on the tax bill to achieve this transparency.

From a service level perspective, the regional waste working group has reached a consensus that residential waste services should move to every other week garbage collection and weekly organics collection to achieve waste diversion targets and maximize total program savings. This group recognizes education and transition time will be critical to onboarding residents and achieving engagement. The most efficient way to manage the change is at the regional level as it will ensure consistent messaging across the region.

LaSalle's Analysis:

LaSalle's Director of Finance was LaSalle's representative on the Regional Waste Working Group and was able to bring several points of concern from LaSalle's perspective to the regional waste collection initiative, which include the risk of a change in service level that LaSalle residents have been enjoying for several decades and the funding model to be used which will ensure that LaSalle is not subsidizing other municipalities in the County. These topics, among others are in detail below.

Service Levels:

One of the largest concerns of LaSalle is the risk of a reduction in service levels after the expiry of the existing garbage collection contract with GFL should the County move forward with regionalized waste collection. However, after discussion with the Regional Waste Working Group, it was found that the majority of service levels that the County municipalities receive are consistent across the region. LaSalle will actually experience a slight increase in service levels as there will be two additional yard waste collections per year as compared to what LaSalle is currently receiving (LaSalle currently receives 16 yard waste collections per year and the majority of other municipalities in the region receive 18 yard waste collections per year).

Once the curbside organics collection is rolled out, there was consensus that this service should be rolled out across all households in the County, both urban and rural. This will be an increase in service level and align with the Town's strategic plan as discussed below. Once the curbside organics collection program is rolled out and local municipal contracts expire, there was consensus among all representatives in the Regional Waste Working Group that waste collection would move to every other week, which aligns with the Town's strategic plan as outlined below. This initiative makes sense as organics collection, which will consist of items which will give off an odor will

be collected weekly and reduce the amount of non-organic waste. Given the non-organic waste will not have an odor and will be greatly reduced based on statistics of other regions that have SSO collection program, it makes sense to move to every other week waste collection.

Funding Model:

LaSalle's initial financial concern about moving waste collection to the County level was the risk that this initiative would be funded by weighted assessment through the County levy, which would result in LaSalle subsidizing a portion of the cost of other municipalities in the County with lower average home values. LaSalle expressed this concern and the County CAO/Director of Finance took this into consideration when creating the proposed funding model.

The proposed funding model will be through a separate County Waste Collection Levy, which will be allocated to each Municipality based on each local municipality's tonnage/population. As a result, there will now be two County levy's on residential tax bills, one for the County General Levy and one for the County Waste Levy. In turn, the Municipal levy will be reduced by it's current budget for waste collection and disposal services (\$2,134,000 in 2023 – 5.08% of the municipal tax rate). Although, the County could have billed each Town directly for their proportionate cost of the service, this approach will appease some of the other municipalities who were adamant on having this service funded at the County level. Overall, whichever approach is taken, the bottom line of a residential property tax bill will be the same.

The fact that the proposed funding model will not be based on waited assessment is a win for LaSalle and could set a standard moving forward as LaSalle has a higher weighted assessment compared to most municipalities in the County, which often results in LaSalle paying a higher portion for County services as compared to the other municipalities in the County.

Alignment with LaSalle's Strategic Plan:

The Town of LaSalle's Mission statement states "The Town of LaSalle is committed to providing exceptional public services in an environmentally and fiscally responsible manner". Additionally, one of the Town's values within its strategic plan is "responsibility", which states "LaSalle takes a financially and environmentally responsible approach to its operations. We are a community that is closely connected to our natural environment and will continue to value this relationship in our strategic endeavours for the future". In addition, under the Town's strategic goal stating "The Town will sustain strong public services and infrastructure", one of the initiatives to accomplish this goal is "Build-in climate resilience to current and future policies, programs, and investments", to accomplish this goal, the Town will "Integrate climate resilience and green practices into services and infrastructure through mitigation and energy efficient practices, and make the Corporation an exemplar of environmental stewardship to inspire action among residents and businesses".

The regional waste initiative falls directly in line with the Town's strategic plan as it will accomplish the following:

- 1) Moving toward SSO organics collection will drastically reduce the amount of overall waste going into the regional landfill and prolong its useful life.
- 2) Moving to every other week not-organic waste collection will help promote and decrease the amount of organic waste in residential garbage and in turn prolong the life of the regional landfill.
- 3) Moving to regional and every other week garbage collection will also reduce the number of garbage trucks on the road and create route efficiencies, which will reduce the amount of emissions related to non-organic waste collection.

Future Risks:

There are two future risks that are considered minimal:

- 1) The risk that future service levels could decrease – Given that the service levels are very consistent for most of the municipalities in the region, it is very unlikely that there will be a future change in service levels beyond what is currently proposed to (moving to weekly organics collection and bi-weekly waste collection). Nearly all local municipalities receive a similar service level related to waste management. Therefore, the risk is very minimal that service levels would be reduced as any service level reduction would negatively impact all County municipalities and would require a majority vote from County Council to reduce service levels.
- 2) The risk that the funding model could move to a weighted assessment model through the County Levy – Given that the proposed model is a hybrid model that will be setup in each Municipalities tax billing system, it is highly unlikely that a change will be made after each municipality has put in the effort to revise their tax billing system.

Overall Recommendation for the Town of LaSalle:

The proposed regionalization of waste collection falls in line with the Town of LaSalle's strategic plan, will result in a slight increase in service levels, and will likely result in a significantly lower cost for Town of LaSalle residents. Therefore, it is recommended that Council pass a resolution to support County of Essex y-law 2023-40, a bylaw to transfer all power of lower-tier municipalities of the County of Essex with respect to waste in the County of Essex, pursuant to the provisions of Sections 189 and 190 of the Municipal Act, 2001, S.O. 2001, c. 25, as amended. (Attached as Appendix A)

Consultations

Essex Windsor Solid Waste Authority

Count of Essex

Regional Waste Working Group

Financial Implications

Currently, the Town of LaSalle pays the highest amount per household for waste collection at \$96.23 per year, for yard waste collection at \$16.30 per year, and for leaf collection at \$2.04 per year. With a competitive process, which will consist of one waste collection contract for the County municipalities and potentially the City of Windsor, it is expected that many bids will be received. As a result of an increase in the number of bidders, economies of scale from a larger number of municipalities included in the contract, and potentially moving to every other week garbage collection, it is expected that the Town would experience a decrease in the cost of waste collection.

If approved, the impact on the municipal levy will be a \$2,134,000 reduction and the municipal tax rate impact will be a 5.08% reduction. This reduction will be offset by an increase to the new County waste levy for the price of organics collection, waste collection and waste disposal, which will be determined once the results of the RFP are in.

Prepared By:



Director of Finance/Treasurer

Dale Langlois, CPA, CA

Link to Strategic Goals

1. Enhancing organizational excellence - Yes
2. Strengthen the community's engagement with the Town - Yes
3. Grow and diversify the local economy - No
4. Build on our high-quality of life - Yes
5. Sustaining strong public services and infrastructure - Yes

Communications

None

Notifications

None

Report Approval Details

Document Title:	FIN-23-2023 Regional Waste Management Initiative.docx
Attachments:	- 2023-40 Regional Waste Management Initiative By-law-accessible.pdf
Final Approval Date:	Sep 13, 2023

This report and all of its attachments were approved and signed as outlined below:



Chief Administrative Officer

Joe Milicia