



City of  
**Peterborough**

---

**To:** Members of the Waste Management Steering Committee

**From:** W.H. Jackson, Director of Utility Services

**Meeting Date:** September 12, 2016

**Subject:** Report WMC16-012  
Peterborough County/City Waste Management Facility – 2017  
Draft Budget Update

---

## **Purpose**

A report to update the Committee on the 2017 Draft Budget for the Peterborough County/City Waste Management Facility.

## **Recommendations**

That the Waste Management Committee endorse the recommendations as outlined in Report WMC16-012 dated September 12, 2016, of the Director of Utility Services as follows:

- a) That the draft 2017 Budget for the Peterborough County/City Waste Management Facility as detailed in Report WMC16-012 dated September 12, 2016 be accepted and recommended for adoption as part of the City of Peterborough budgeting process;
- b) That the tipping fee for mixed garbage, shingles, construction and demolition material and drywall be increased from \$90/tonne to \$95/tonne effective March 1, 2017; and
- c) That the tipping fee for Mattresses and Box Springs be increased from \$10/unit to \$11/unit effective January 1, 2017 and to \$12/unit effective January 1, 2019.

## **Budget and Financial Implications**

The final budget forms part of the City budget and is expected to be adopted in December 2016.

## **Background**

The Waste Management Committee at its meeting of June 20, 2016 in considering Report WMC16-009 (see Appendix A) adopted the following:

- a) That Report WMC16-009 dated June 20, 2016 providing information on the first Draft of the Peterborough County/City Waste Management Facility 2017 Budget and the underlying assumptions made in the preparation of this draft budget be received for information;
- b) That staff be requested to report further at the September meeting of the Waste Management Committee with any proposed changes and/or updates to the Draft Budget;
- c) That the tipping fee for Construction and Demolition Overs be increased from \$20/tonne to \$40/tonne effective January 1, 2017;
- d) That staff continue to investigate/evaluate the matter of recycling shingles and report back to the Waste Management Committee on the results of this investigation;
- e) That staff be requested to continue planning toward implementation of a Reuse Centre at the Landfill; and

At the meeting of June 20, 2016, Committee added the following:

- f) That the increase in the minimal tipping fee per visit be increased to \$7 effective January 1, 2017 and increased to \$10 effective January 1, 2018.

Since the last report (Appendix A), a number of changes have occurred in the 2016 draft Operating and Capital Landfill budgets as explained below. County and City staff have reviewed the draft budgets and believe they are representative of what is expected to occur in 2017.

## **1. Actions Taken/Other Considerations Since the June 20, 2016 Waste Management Committee Meeting**

The Waste Management Committee at its meeting of June 20, 2016 requested staff to take action on a couple of issues. As well, a number of other issues have developed to the point that staff felt it prudent to bring them to the Committee's attention for consideration.

### **1.1 Recycling Shingles**

In response to the direction from the Committee, Staff further investigated the matter of recycling shingles. As described in the previous report, recycling shingles, based on the prices quoted would be close to cost neutral. Presently, the landfill receives \$90/tonne for accepting shingles and shingles account for approximately 2% of the volume of material going to the Landfill tip face.

A number of other options are available to either move the Shingles off site or to use the shingles at the Landfill for the building of roads into and around the tip face. In addition, the Landfill Recyclables Contract is up for renewal in May of 2017 and that may be the most appropriate time to change how shingles are dealt with.

Due to the above, staff is proposing that consideration of recycling shingles be postponed until 2017.

### **1.2 Increases in the Minimum Tipping Fee**

Immediately following the Committee direction of June 20, 2016 to increase the minimum tipping fee, a notice (see Appendix B) was posted at the weigh scale where everybody would see it as they crossed the scale. During the time the notice was posted, in the order of 7,500 deliveries were made to the drop-off area each of which would have passed the notice.

An advertisement (see Appendix C) was placed in both the Peterborough Examiner (July 28, 2016) and Peterborough This Week (July 29, 2016). An article (see Appendix D) on the proposed tipping fee increase appeared in the Peterborough Examiner on July 28, 2016.

A total of 4 comments were received either directly from residents or through a Councillor. One resident was interested in equating the fee charged to the cost of providing the minimal load service. Another resident was concerned that the same amount of material (green waste) would vary significantly depending on its moisture content. The third resident felt that the County/City already covers the additional fee by charging \$90/tonne for loads over 100kg while the fourth resident was concerned about how the extra fee to be charged would impact families.

Based on all of the above, staff believe it is still prudent to proceed with the increases in the minimum charge as directed by the Waste Management Committee at its meeting of June 20, 2016.

### **1.3 Increase Tipping Fee for Construction and Demolition Overs**

Following the Committee meeting of June 20, 2016, the owner of the firm that brings construction and demolition overs to the Landfill was advised of the intent to increase the tipping fee for this material.

The latest correspondence was on August 31, 2016 and the owner responded that he would not be attending the Committee meeting nor did he have any questions.

Based on the above, staff recommends an increase in the tipping fee for construction and demolition overs from \$20/tonne to \$40/tonne effective January 1, 2017.

### **1.4 Increase Tipping Fee to \$95/Tonne**

In Report WMC16-009 (June 20, 2016), it was suggested that the tipping fee could be increased from \$90/tonne to \$95/tonne in part to maintain parity with our closest Municipal Landfill but also because a rate increase of \$5/tonne would still be only about half of the cost of living rate increase since 2010.

Staff has since learned that our closest Municipal Landfill will increase their tipping fee to \$100/tonne effective March 1, 2017.

In consideration of the above, it may be prudent for Committee to consider an increase in the Landfill tipping fee to \$95/tonne for mixed garbage, shingles, construction and demolition material and drywall.

This increase will produce around \$80,000 in additional revenue, will maintain consistency with the nearby municipal landfill, will help the landfill budget keep up with cost of living increases and will place the burden of the landfill cost on those that generate the waste coming into the landfill.

To allow commercial haulers to adjust their own rates, it is proposed that the general tipping fee rate of \$90/tonne be increased to \$95/tonne effective March 1, 2017. If this is adopted by Committee and clears the City of Peterborough budget process, an additional \$70,000 will be added to the 2017 revenue forecast for the Landfill.

### **1.5 Increase the Fee for Mattresses and Box Springs**

The program to recycle mattresses and box springs began in September, 2014. The charge at that time to drop a mattress or box spring at the Landfill was \$10.00 per unit and this has remained the same. The initial contract cost to handle, transport and process each unit was \$16.70. The terms of the contract maintained the original cost until 2016 when it was to increase by 3% each year until 2019.

Table No. 1 outlines the contract cost to handle, transport and process mattresses and box springs from the Landfill over the life of the contract. If it is the intention of Committee to maintain a consistent net cost then the unit cost to drop off a mattress or box spring at the Landfill should increase to \$11.00 effective January 1, 2017 and to \$12.00 effective January 1, 2019. Staff believe this is an effective method to maintain Landfill costs and to better ensure that the user pays for this particular service pays.

If Committee accepts this increase and it clears the City of Peterborough budgeting process, an additional \$11,000 will be added to the 2017 revenue forecast for the Landfill.

Table No. 1: Mattress/Box Spring Landfill Costs and Revenue

No.	Year	Cost to Handle, Transport and Process	Net Cost at a Charge of \$10/Unit	Net Cost at a Charge of \$11/Unit	Net Cost at a Charge of \$12/Unit
1	2014	\$16.70	-\$6.70		
2	2015	\$16.70	-\$6.70		
3	2016	\$17.20	-\$7.20		
4	2017	\$17.72	-\$7.72	<b>-\$6.72</b>	-\$5.72
5	2018	\$18.25	-\$8.25	-\$7.25	-\$6.25
6	2019	\$18.80	-\$8.80	-\$7.80	<b>-\$6.80</b>

## 1.6 Property Assessment Notice

A study was undertaken over a number of years to ascertain how to value Landfill properties. At one point, it appeared that a significant increase in assessed value, and hence property taxes would occur.

A Property Assessment Notice dated July 11, 2016 was received indicating the new assessed value of the Landfill as of January 1, 2016 is \$210,000 compared to the January 1, 2012 assessed value of \$172,000. The increase will be phased in as follows:

<b>Tax Year</b>	<b>Assessed Value</b>
2016	\$172,000
2017	\$181,000
2018	\$191,000
2019	\$200,000
2020	\$210,000

The draft 2017 Budget had accounted for an increase in the estimated assessed value which matched the actual and, accordingly, no change is required in the 2017 draft Budget for this expense.

## **2. Changes to 2017 Draft Operating and Capital Budgets**

From June 20, 2016, a number of adjustments have been made to the 2017 draft budgets as described in the preceding sections and below.

### **2.1 Operating Budget**

Appendix E contains the September 12, 2016 draft 2017 Landfill Operating Budget. The total fees to be collected at the Landfill have now been amended to include the increase in the minimum tipping fee per visit as directed by Committee. In addition, it was found that certain fees had been identified in the list of fees and revenues for the Landfill but had not found their way into the total revenue column. Accordingly, the total estimate revenue for the Landfill for 2017 has been increased by \$199,000 over the number quoted on June 20, 2016.

### **2.2 Capital Budget**

Appendix F contains the September 12, 2016 draft 2017 Landfill Capital Budget. A significant change has been made in the 2017 draft Landfill Capital Budget. Through the efforts of County Staff, a large amount of the excess Landfill soil will be used in the Airport Road reconstruction project. This will result in a saving of around \$650,000 to the Landfill capital budget. This saving has been shown in 2017 although preapproval of the Landfill funds may be necessary because the Airport Road construction is expected to start in 2016.

Submitted by,

W. H. Jackson  
Director, Utility Services  
Phone: 705-742-7777 Ext 1894  
Fax: 705-876-4621  
E-Mail: [wjackson@peterborough.ca](mailto:wjackson@peterborough.ca)

Attachments:

- Appendix A: Report WMC16-009 First Draft of the 2017 Budget for the Peterborough County/City Waste Management Facility dated June 20, 2017
- Appendix B: Notice of Proposed Tip Fee Increase
- Appendix C: Proposed Tip Fee Increase Advertisement
- Appendix D: Proposed Tip Fee Increase Newspaper Article
- Appendix E: 2017 Draft Landfill Operating Budget as of September 12, 2016
- Appendix F: 2017 Draft Landfill Capital Budget as of September 12, 2016