



Town of Hinton
STANDING COMMITTEE MEETING
Agenda
May 9, 2017 - 4:00 PM
Committee Room, Hinton Government Centre

TOWN COUNCIL MISSION
*Council serves the interests of our citizens
to enable our community to reach full
potential.*

Page

The Government Centre is a Scent Free Building

ORDER

1. Call to Order

ADOPTION OF AGENDA

1. Standing Committee Agenda - May 9, 2017

CITIZENS "MINUTE WITH COUNCIL"

ACTION AND DISCUSSION ITEMS

- 2 - 6
1. Commercial Waste Collection - Presented by Gordie Lee

ADDITIONAL INFORMATION

1. Urgent Matters from Council
2. Chief Administrative Officer Status Report
3. Legislative and Executive Assistant Logistics Information

ADJOURNMENT

1. Adjournment



TOWN OF HINTON DIRECTION REQUEST

DATE: May 2, 2017

TO: **STANDING COMMITTEE MEETING OF MAY 9, 2017**

FROM: Dale Woloszyn, Public Works Planning & Project Manager

REVIEWED BY: Gordie Lee, Director of Infrastructure Services

APPROVED BY: Laura Howarth, Acting Chief Administrative Officer

RE: **Commercial Waste Collection**

Purpose

This item is before Council to determine if there is a desire to pursue alternative service delivery for commercial waste collection.

Issue

The Town of Hinton currently provides commercial waste collection to all businesses using a side load truck. Some of the significant issues this has created includes:

- Illegal dumping & esthetics
- Contamination of waste (recycling material)
- Increased operating and maintenance costs (bin repairs and truck maintenance)
- Tipping fees

Administration Comments on Situation / Options

Businesses have reported a lack of convenient access to their bins because we require them to be placed on the street enabling access for the Town's side load trucks. Illegal dumping, litter and the overall esthetics have led to continuous complaints. Since the bins were placed in the commercial system in 1993, the cost of maintaining the bins has increased substantially. The current system cannot handle the frequency of the heavy commercial users. Limited options exist for alternate bin designs without a complete system overhaul.

Administration presented a report to Standing Committee in July 2016 and Council directed that an alternate service delivery be explored for commercial waste collection with more precise numbers for comparison purposes, as well as an option that included full cost recovery. The following options also allow for the moving of residential apartments and mobile parks to commercial rates, therefore eliminating the monthly adjustments for tenant vacancies.

This report offers four options for Council consideration:

1. Status quo side load collection and maintain current partial cost recovery model
2. Status quo side load collection and implement a new full cost recovery model
3. Purchase a front-end load truck and replace the heavy commercial and apartment/mobile park bins with the appropriate sized bins and implement a full cost recovery model
4. Heavy commercial businesses only enter into an agreement with private waste haulers

Option #1: Status Quo Side Load Collection and Maintain Partial Cost Recovery Model

PROS	CONS
Remains with one style of collection system	Bins are out on the streets enabling illegal dumping and contamination of waste being disposed and poor esthetics.
	Continued excessive cost of maintenance for bins and equipment (\$190,000)
	Limits the Town's ability to use appropriate sized bins.
	Replace 300 of the older bins from 1993 – 1996 (\$308,000)
	Does not address fairness of collection system. Heavy user's vs light users
	Running operating deficit of \$206,000
Current 2017 Cost	
<ul style="list-style-type: none"> ➤ 3 yard / \$10.51 per lift ➤ I.C.I Flat fee \$28.31 per mos. ➤ Residential flat rate – 11.40 per mos. 	

Option #2: Status Quo Side Load Collection and Implement Full Cost Recovery Model

PROS	CONS
Remains with one style of collection system	Bins on the streets enabling illegal dumping and contamination of waste being disposed and poor esthetics.
Addresses the unfairness of the collection system. Heavy users would be charged appropriately. Tipping fees and wear and tear on the system.	Excessive cost of maintenance for bins and equipment (\$190,000)
Increased fees would address full cost recovery	Limits the Town's ability to use appropriate sized bins.
Savings of \$206,000 annually to Town Operations	Replace 300 bins (\$308,000)
	Increases residential user fees by \$3.37 per mos.
	Increases heavy commercial user fees by \$10.21 per lift.
	Increases light commercial user fees by \$2.40 per lift.
	I.C.I. flat fee increase of \$13.21 per mos

Option #2 Projected Cost – Full Cost Recovery – 3-yard side loader	
3 yard / \$10.51 per lift	Heavy Commercial \$20.72 per lift
	Light Commercial \$12.91 per lift
	Mobile Parks \$16.22 per lift
	Apartments \$17.03 per lift
Residential flat rate - \$11.40 per mos.	Residential flat rate - \$14.39 per mos
I.C.I. Flat Fee \$28.31 per mos.	I.C.I. Flat Fee \$41.52 per month

Commercial customers that have a bin will not be charged a flat fee. In addition, commercial customers that have a cardboard bin will not be charged additional recycling fees. On the waste bill, the flat fee will be structured to include both waste management fees and recycling fees. A recycling fee of \$13.21 is proposed to be added to the current flat fee of \$28.31. The total flat fee will be \$41.52.

Any commercial customer who would like to enter into an agreement with a private hauler may do so.

Residential customers flat rate for collection will be \$11.02 for waste collection and a recycling fee of \$3.37 per bill (\$14.39). This is an increase of \$2.99 per month.

Option #3: Purchase a front-end load truck, replace the heavy commercial and apartment/mobile park bins with the appropriate sized bins and implement a full cost recovery model

PROS	CONS
<ul style="list-style-type: none"> ➤ Decreases waste contamination ➤ Better utilization of staff resources ➤ Saving of \$206,000 ➤ Revamped waste system improves efficiency, truck maintenance and reduces frequency of pickups (\$50,000/yr.) 	Increase in garbage collection fees for commercial customers of \$144,000.
Majority of bins placed on private property reducing illegal dumping, litter & contamination and overfilling bins improving esthetics for the town.	Capital investment of new front load garbage truck - \$325,000
Recuperate collection costs, tipping fees and capital costs with revised tipping fees.	Capital investment of approx. 240 new bins - \$300,000

Option #3 Projected Cost – Full Cost Recovery – 6-yard front-end load truck	
3 yard / \$10.51 per lift (6 yd. equal = \$21.02)	Heavy Commercial \$27.75 per lift
	Light Commercial \$14.86 per lift
	Mobile Parks \$14.38 per lift
	Apartments \$14.38 per lift
Residential flat rate - \$11.40 per mos.	Residential flat rate - \$14.39 per mos
I.C.I. Flat Fee \$28.31 per mos.	I.C.I. Flat Fee \$38.52 per month

For option #3 to be feasible, all heavy commercial, light commercial and residential commercial (apartments and mobile parks) bins must be changed to a front load style bin.

Option #4: Heavy commercial businesses *only* enter into an agreement with private waste haulers

PROS	CONS
Savings to the Town; <ul style="list-style-type: none"> ➤ \$625,000 one-time capital investment (<i>not having to purchase new front load truck and bins</i>) ➤ Approximately \$144,000 annually <ul style="list-style-type: none"> • Bin maintenance, • Fuel and Maintenance Costs ➤ Extends the life of existing side load trucks (3-5 years) ➤ Better utilization of resources 	Increase in garbage collection fees and disposal fees directly to the businesses. (See costing charts below.)
Majority of bins placed on private property reducing illegal dumping, litter & contamination and overfilling bins improving esthetics for the town.	
Addresses the unfairness of the collection system. Heavy users would be charged appropriately. Tipping fees and wear and tear on the system	
Business would be able to foster a relationship with individual needs with the waste haulers.	
Loss of Commercial revenue will be offset by increased revenue at the Landfill (\$65,000)	

Town Front Load (Solid Waste)

<u>Scheduled Service</u>	<u>2016 Rate</u>	<u>Per Month</u>	<u>Town Annual Cost</u>
Commercial Heavy			
6 Yd. Bin per lift	\$27.75	\$120.15	\$1,441.75
3 Yd. Bin per lift	\$20.72	\$89.72	\$1,076.64
 Light Commercial			
6 Yd. Bin per lift	\$14.86	\$64.34	\$772.08
3 Yd. Bin per lift	\$12.91	\$55.92	\$671.04
 Res. Commercial (Apts./Tr. Parks)			
6 Yd. Bin per lift	\$14.38	\$62.25	\$747.04
3 Yd. Bin per lift	\$17.03	\$73.75	\$885.00

Commercial Front Load (Solid Waste) Private Hauler

<u>Scheduled Service</u>	<u>2016 Rate</u>	<u>Per Month</u>	<u>Private Hauler Annual</u>
6 Yd. Bin per lift	\$36	\$155.88	\$1,870.56

Administration's Conclusion / Proposed Direction

Most municipalities do not collect commercial waste. It is the responsibility of the commercial customer for their waste disposal.

The Town's current waste collection system is outdated, inefficient and does not meet the needs of the commercial sector. Illegal dumping, waste contamination and esthetics need to be addressed. The waste bins required should be suited to the individual business not to the Town's collection system. The bins must be placed on private property. Most businesses will see a cost increase of approximately 25% - 80% depending on individual needs.

Administration's proposed direction is to bring a report to Regular Council for decision including commercial waste collection that:

- ✓ maintains the use of side load trucks;
- ✓ implements a full cost recovery model; and
- ✓ moves heavy commercial business to private waste collection.

Acting CAO Comments

The commercial waste collection system is at a crossroads. The current service delivery model will require significant capital investment and ongoing operating dollars to maintain. This creates a good opportunity to review options for addressing service levels and customer/taxpayer costs.