

Governance & Services Committee

TO: Governance and Services Committee

FROM: Peter Rotheisler
Manager of Environmental Services

DATE: October 3, 2017

SUBJECT: Westside Waste Disposal and Recycling Centre Service Review

Purpose: To present a service review report for the Westside Waste Disposal and Recycling Centre service and confirm if there are any issues the Board wishes to have addressed.

Executive Summary:

In 2017, the Westside Waste Disposal and Recycling Centre service is scheduled for review as part of the Board approved 5 year review cycle. The Westside Waste Disposal and Recycling Centre services the self-haul needs of households in the City of West Kelowna, District of Peachland, Central Okanagan West Electoral Area and Westbank First Nation.

Annual operating expenses for the service have increased from \$602,008 in 2012 to \$791,779 in 2016. The service and facility is well supported within the community. However, rapid residential development around the site may put increased pressure on relocating the facility or providing an alternative service.

The two most significant challenges associated with the service are siting and developing a user-pay-based service. An opportunity to replace the Westside Waste Disposal and Recycling Centre service with an alternative curbside-based service is currently being examined. No changes are recommended to the Westside Waste Disposal and Recycling Centre service at this time.

RECOMMENDATION:

THAT the Governance and Services Committee recommend the Board continue to support the current service delivery model for the Westside Waste Disposal and Recycling Centre.

Respectfully Submitted:



P. Rotheisler
Manager of Environmental Services

Approved for Committee Consideration



Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan: To ensure the services are effective and efficient, to maximize cost/benefit.

Policy: Board Policy is a five-year service review cycle.

Background:

The Regional Board adopted a five year cycle of service reviews in 2014. The Westside Waste Disposal and Recycling Centre service is scheduled for review in 2017. A detailed description of the Westside Waste Disposal and Recycling Centre service including current and historic financial information is provided in the attached Regional District of Central Okanagan Service Review – Westside Waste Disposal and Recycling Centre document.

The Westside Waste Disposal and Recycling Centre began operating in 2010 after the Westside Landfill closure. The service provides residential customers a location to drop-off of common household waste from the City of West Kelowna, Westbank First Nation, District of Peachland and Central Okanagan West Electoral Area. The facility is open between 7:30am and 4:00pm Friday to Monday. Common household waste is accepted including mixed garbage, scrap metal, wood waste, and yard waste and it is subsequently consolidated into large loads and hauled off site for final disposal at Glenmore Landfill or to a recycling processor. The facility serves between 100 and 500 users per day.

The facility and service have been well supported by the community since inception. Comments from the public related to the service and facility are generally positive. At the Westside Landfill Closure open house held on March 1, 2017 the majority of the forty participants came to voice their support for continued operation of the Westside Waste Disposal and Recycling Centre despite it not being a topic for discussion at the open house.

As part of the consultation for the Solid Waste Management Plan update, City of West Kelowna and District of Peachland residents were surveyed about increasing the hours of operation for the facility. The results indicated 73% of those surveyed would not be willing to pay to have the facility opened more days of the week.

The cost of service has increased by approximately 30% since 2012 from \$602,008 to \$791,779 in annual operating expense. Much of the increase has occurred in the last two years and is the result of increased waste hauling and tipping fee expenses related to increased growth, economic activity and development in the Region.

Regional District staffing of the Westside Waste Disposal and Recycling Centre is comprised of 2.18 FTEs. These FTE's include two full-time site attendants, part-time administrative support and management oversight. Regional District staffing levels at the Centre has remained unchanged since its inception. Contractors are retained for waste loading and waste hauling to the Glenmore Landfill.

The SWOT analysis below identifies factors that currently support and challenge the service. In addition, the analysis identifies an opportunity that potentially addresses the two most significant challenges associated with the service, siting and development of a user-pay-based service.

	Positive	Negative
Internal	<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Facility is well used. • Clear benefits to Region (reduced traffic, customer convenience). 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Location in high growth rate residential area. • Difficult to establish user-pay financial structure do to illegal dump risks and incentive to travel to Glenmore Landfill.
External	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Replace service with curbside-based user-pay program. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Finding a new location. • Future residential growth around the site.

The current site was originally established as a temporary site. Historically, the current site was suitable as it was previously a landfill site and was located on the fringe of the residential community. However, residential development has now expanded around the site and residential growth is expected to continue in the area which will embed the facility within the residential community. This may result in increased pressure to relocate the facility or provide an alternative service.

Regional Board Directors have requested that Regional District staff work towards funding the service more on tipping (user) fees and reducing the need for general taxation and utility fees. In 2016, the Regional District raised fees and added tipping fees on small yard waste loads in order to increase tipping fee revenue. Regional District staff will continue to work toward increasing tipping fee revenue and are currently preparing a recommendation to the Regional Board for a tipping fee increase to take effect January 1, 2018.

An opportunity to replace the Westside Waste Disposal and Recycling Centre service with an alternative service is currently being examined. A pilot program will be operating in October and November, 2017 assessing the costs and benefits of the curbside collection of bulk items (eg. furniture and appliances), wood waste, drywall and numerous other common residential self-haul items. The program is targeting approximately 500 homes in the City of Kelowna, District of Peachland, and District of Lake Country. Two key objectives of this program will be to determine if this type of program can be offered on a completely user-pay basis and eliminate the need for additional transfer stations in the District of Lake Country, City of Kelowna, District of Peachland and the Westside Waste Disposal and Recycling Centre.

No changes are recommended to the Westside Waste Disposal and Recycling Centre service at this time.

Considerations not applicable to this report:

- *General*
- *Organizational*
- *Financial*
- *Legal/Statutory Authority*

Attachment(s):

- Service Review Report

REGIONAL DISTRICT OF CENTRAL OKANAGAN

SERVICE REVIEW

Service Under Review: **092 – Westside Waste Disposal and Recycling Centre**

Service Review Requested by: Regional Board (Service Establishment Bylaw Review Schedule Approved-Jan 16, 2014)

Year of Review: 2017

Mandate:

To provide effective and efficient self-haul residential waste disposal services to the City of West Kelowna, District of Peachland, Westbank First Nation and Central Okanagan West Electoral Area in order to contribute to a safe and healthy community and support responsible environmental protection

Program Management Goals:

- Effectively manage resources and budget to provide efficient self-haul waste disposal management to a safe and acceptable standard, and provision of a temporary self-haul transfer station. This includes providing operations staff, and managing the contract for site work (loading and hauling of waste, heavy equipment operation, and snow removal).
- Review and manage taxation service invoicing to partners, and tipping fee rates to ensure adequate cost recovery.
- Follow guidelines and policy requirements issued by BC Ministry of Environment.
- Monitor environmental indicators and take action as required to manage the site and ensure the safety of users, employees, and residents of areas surrounding the landfill.
- Ensure staff treat the public with courtesy, respect and fairness to promote excellent service quality.
- Reduce the volume of waste put into the landfill by:
 - Working with Waste Reduction staff to educate the public.
 - Diverting certain types of waste to designated areas within the transfer station so that:
 - Recyclable materials (metals, tires, etc.) can be sold to salvage contractors.
 - Garden waste can be more easily composted.

Program Activities:

- Monitoring, reporting and management of:
 - Tonnage of waste accepted
 - Service population and waste discharge rates

- Managing the operation and maintenance of the transfer station site, including:
 - Collecting Tipping Fees from users.
 - Directing the public to appropriate dumping areas within the transfer station.
- Managing the site work contract (loading and hauling of waste, heavy equipment operation and snow removal).

Participating Members:

Funding: Tipping Fees
 Westbank First Nation Service Contract
 Invoicing to City of West Kelowna and District of
 Peachland
 Electoral Area Parcel Tax

Committees: Governance and Services Committee

Contracts / Agreements: Waste Management – Waste Loading and hauling
 Westbank First Nation Service Contract

Objective of Service Review

To meet the Regional Board endorsed service review policy.

Concerns Regarding Current Provision of Service

There are two historic concerns with this service:

1. The location. The current location was established as a temporary site.
2. Funding model. Regional Board Directors and City of West Kelowna Councillors have expressed their desire to transition the service to a user-pay funding model whereby the service is funded completely by tipping fees.

Authority Under Which The Service Is Approved

- Service agreement with City of West Kelowna, Westbank First nation and District of Peachland.

Participants

By Parcel Tax – Central Okanagan West Electoral Area

By Requisition – City of West Kelowna and District of Peachland

By Contract – Westbank First Nation

Historical Cost of Service By Participant – as attached

- 2012 – 2016 Actual General Revenue Fund Budgets
- 2017 – 2021 Five Year Program Budget Projections

Other Financial Implications To Consider

- Reserve Balance Yes (x) No ()
 - \$81,095 Reserve balance as of the end of 2016

- Capital Investment Yes (x) No ()
 - Waste hauling trailers
 - Site infrastructure (asphalt, concrete, attendant trailer)

Future Service Review Considerations

- If the service should be relocated to a more industrial site
- If the service should be terminated and replaced with a user-pay-based curbside bulky item collection program.

Next Proposed Service Review Period

- 2022 as per Regional Board resolution of five year service review cycle.

Recommendation(s) to the Regional Board

- Service should remain status quo.

Prepared on September 28, 2017.

2012-2016 Actual General Revenue Fund Budgets

Revenue:	2012	2013	2014	2015	2016
TCA TRSF Amort/Gain/Loss	(0)	(0)	(1,071)	(2,573)	(3,596)
NON-TCA TRSF	(16,036)	(0)	(0)	(0)	(7,322)
Services - Peachland	(43,720)	(39,493)	(40,567)	(47,345)	(69,440)
Services – West Kelowna	(203,407)	(184,723)	(190,714)	(223,680)	(332,254)
Service - WFN	(60,485)	(55,452)	(57,333)	(68,917)	(102,319)
Sundry Sales	(80,073)	(72,266)	(72,978)	(40,964)	(27,543)
Tipping Fees	(270,191)	(282,133)	(288,867)	(315,270)	(341,446)
Parcel Tax	(50,667)	(45,690)	(46,721)	(54,585)	(84,989)
Previous years Surplus/Deficit	(13,591)	(50,074)	(12,214)	3,164	41,995
From Operating Reserve	(0)	(0)	(25,315)	(0)	(0)
Admin Overhead	72,705	73,963	80,900	89,954	115,536
Eng Admin Overhead	13,384	23,559	23,928	24,477	33,010
Total Revenue	(652,082)	(632,309)	(630,950)	(635,740)	(778,367)
Expenses:	2012	2013	2014	2015	2016
Operations	45,435	63,021	50,235	52,562	35,978
Transfer to Reserves	35,000	60,037	0	0	25,000
Non TCA Expense	16,036	(0)	(0)	(0)	7,322
TCA Amort/Gain/Loss	(0)	(0)	1,071	2,573	3,596
Total Expenses	602,008	620,095	634,114	677,735	791,779
(Surplus)/Deficit	(50,074)	(12,214)	3,164	41,995	13,413

REGIONAL DISTRICT OF CENTRAL OKANAGAN
2017 - 2021 Five Year Program Budget Projections

Program: 092 -- SWM: Westside Waste Disposal & Recycling Centre a

Department: Community Services (Solid Waste Management)

General Revenue Fund Budgets

	2017 Budget	2018 Projected Budget	2019 Projected Budget	2020 Projected Budget	2021 Projected Budget
Revenue:					
Tipping Fees, Sundry Sales	(405,000)	(400,000)	(408,000)	(416,160)	(424,483)
Services - Peachland	(67,408)	(67,116)	(68,412)	(69,732)	(71,080)
Services - West Kelowna	(325,522)	(324,110)	(330,366)	(336,747)	(343,256)
Parcel Tax	(82,965)	(82,605)	(84,200)	(85,826)	(87,485)
Previous Year's Surplus/Deficit	13,413 b	(0)	0	0	0
Engineering Admin OH	32,950	32,981	33,641	34,314	35,000
Administration OH	115,726	115,837	118,154	120,517	122,927
Services - WFN	(99,846)	(99,413)	(101,332)	(103,289)	(105,285)
Total Revenue	(818,652)	(824,425)	(840,514)	(856,924)	(873,662)
Expenses:					
Operations	803,652 c	804,425 d	820,514	836,924	853,662
Transfer to Capital Facility Reserve	15,000 b	20,000	20,000	20,000	20,000
Total Expenses	818,652	824,425	840,514	856,924	873,662
(Surplus) / Deficit	(0)	0	0	0	0
FTE's	2.18 c	2.18	2.18	2.18	2.18

Parcel Tax	(82,965)	(82,605)	(84,200)	(85,826)	(87,485)
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General Capital Fund Budgets

	2017 Budget	2018 Projected Budget	2019 Projected Budget	2020 Projected Budget	2021 Projected Budget
Revenue					
Transfer From Cap Fac Reserves	(17,853)	(10,162)	(10,162)	(5,012)	(5,012)
Total Revenue	(17,853)	(10,162)	(10,162)	(5,012)	(5,012)
Expenses					
Vehicles	0	0	0	0	0
Improvements	5,150	5,150 b	0 b	0	0
Facility Improvements	2,678	5,012	5,012	5,012	5,012
Trailer	10,025				
Non-TCA Transfer to General Rev.	0	0	0	0	0
Paving	0	0	5,150	0	0
Total Expenses	17,853	10,162	10,162	5,012	5,012
(Surplus) / Deficit	0	0	0	0	0
Equip. Reserve Fund Balance at Y/E	(3,577)	(3,613)	(3,649)	(3,686)	(3,723)
Capital Facilities Reserve Bal.at Y/E	(75,297) b	(85,786) b	(96,381) b	(112,282) b	(128,343) b

Notes

- This is part of the overall SWM service. Costs are split out into this cost centre for tracking and billing purposes.
- 2016 had a deficit. Revenues were less than anticipated. Reduce transfer to capital reserve in 2017 to make up the difference. In future, will no longer own trailers for hauling, it will be part of contract services. Will therefore not need to replace trailers in the future, reducing capital needs.
- Increases: Garbage Tipping Fees \$37k, Drywall Recycling \$15k, Contract Services \$7.5k, Hauling Charges \$5k, Travel \$2k, misc. \$2.9k. Decreases: Payroll \$36k (FTE reduction), Yard Waste Tipping Fees \$10k, Site Mtce \$3k, misc. \$2.6k.
- Remove \$15k for Service Review .