Business Plan: Garbage, Recycling & Composting

How does this service contribute to the results identified in the City of London Strategic Plan?

| A Strong Economy | Local jobs are created by managing many of our resources (recyclables, compostables) and all of our garbage in London instead of exporting it to other municipalities. Additional jobs have been created from processing recyclables from several other municipalities at London's Manning Drive Regional Material Recovery Facility. By owning our own Landfill Site, the City is able to provide London's citizens and businesses with local, secure and affordable waste disposal. Having local and municipality owned waste management facilities for waste diversion and disposal diversion provides London with the infrastructure to manage the City’s waste for the long term. |
| A Green and Growing City | By creating products of value from compostable/recyclable/reusable materials discarded by the citizens of London the City is reducing energy consumption, saving landfill space, reducing Greenhouse Gases and promoting a more sustainable lifestyle. |

Name the main activities done to provide this service:

<table>
<thead>
<tr>
<th>Name The Activities Done To Provide This Service</th>
<th>How Much Did We Do? (optional)</th>
<th>Is The City Mandated To Provide This Service?</th>
<th>Can The Level Of Service Be Changed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Garbage collection for 171,000 households</td>
<td>• 42 pickups/year for curbside homes&lt;br&gt;• 104 pickups/year for multi-residential and downtown core&lt;br&gt;• Litter box collection&lt;br&gt;• Collect approximately 100,000 tonnes/year of garbage and yard materials</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Name The Activities Done To Provide This Service</td>
<td>How Much Did We Do? (optional)</td>
<td>Is The City Mandated To Provide This Service?</td>
<td>Can The Level Of Service Be Changed?</td>
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</table>
| 2. Yard Material collection for 90,000 households | • 8 curbside pickups per year  
       • 2 EnviroDepots (over 200,000 visits/year) | Yes | Yes |
| 3. Recycling collection, processing and transfer to end markets for 171,000 households | • 42 pickups/year for curbside homes  
       • 52 pickups/year for multi-residential  
       • Ship $3 to $5 million in recyclables to end markets each year | Yes | Yes |
| 4. Landfill Operations | • Disposal of 200,000 tonnes of residential and business waste | Yes | No |

What is the current state of this service?

- Our goal is to contribute to the health of the environment and the citizens of London through appropriate collection and management of garbage, recyclables, yard materials, household special waste and other selected/designated materials.

- Solid Waste continues to make incremental improvements in waste diversion each year. More than 50% of waste from curbside residents is being diverted. The overall diversion rate (includes waste from curbside and multi-residential units) has gradually increased over the years to 44% in 2013.

- Future improvements in waste diversion will be more difficult as most existing programs (e.g., Blue Box recycling, yard material composting, etc.) are performing at an average to high level and have little room to grow. Significant improvements in waste diversion in the future will require new programs/initiatives.
• **Road Map 2.0 - The Road to Increased Resource Recovery and Zero Waste** and the **Interim Waste Diversion Plan 2014-2015** outline the next steps to be taken to increase waste diversion.

• There are several factors which are beyond the control of the City of London that may have a dramatic impact on the funding, timing and requirements of many of the waste diversion initiatives and programs contained in the Road Map 2.0. The demise of Bill 91 (Waste Diversion Act, 2013) has a significant ripple effect on many short and longer term programs and initiatives associated with waste diversion in London. Other related factors beyond the City’s control include the decision of the arbitrator in the fall of 2014 on how much industry stewards are to contribute towards Blue Box funding, continual changes to the mix of recyclables being collected and changing commodity prices.

• The City’s Manning Drive Regional Material Recovery Facility (recycling centre or MRF) continues to attract new customers. St. Thomas, the University of Western Ontario and Waste Management began using the facility in 2014 in addition to the six area municipalities already taking recyclables to the MRF. The cost to process recyclables decreases as more municipalities use the facility due to economies of scale.

• The City’s two EnviroDepots continue to be very popular (over 200,000 visits/year). Development of a permanent third depot to service the north end of the City continues to make slow progress due to siting difficulties. As a temporary solution, the TRY Recycling North EnviroDepot has been expanded to accommodate more yard materials and fall leaves and to begin accepting household garbage (for a fee), Blue Box recyclables, electronics, tires, batteries, compact fluorescent light bulbs, empty oil & antifreeze containers and propane tanks.

• Collection of garbage and yard materials and the operation of the W12A landfill continue to provide excellent service to residents/customers. Delivery of garbage from private haulers in 2014 was reduced compared to previous years. This will impact the overall Garbage, Recycling and Composting Budget as tipping fee revenue is down.

• The W12A landfill has between 9 and 11 years of capacity left.

• A 2014 audit of landfill operations by PricewaterhouseCoopers (PwC), section titled *Controls Operating Effectively*, noted “Landfill operation processes and controls are operating effectively and the City is able to maintain a low cost for waste disposal through operation of its own landfill.”
What has been done to manage the budget?

The service area has been actively managing its budget by implementing management lead initiatives aimed at creating efficiencies, avoiding costs and generating revenue. These include the following:

**Efficiencies / Costs Avoided**

**Previous 3 Years**

- The unit cost to process recyclables at the City’s Manning Drive Regional MRF decreases as more recyclables use the facility due to economies of scale. The recycling centre opened three years ago and currently processes recyclables from seven other municipalities, the University of Western Ontario and Waste Management, in addition to London’s recyclables. This saves the City approximately $400,000 per year.

- Renegotiation of the Miller Waste collection and processing contracts to align their end dates will result in the City receiving additional services and cost reductions valued at approximately $170,000 (consisting of $55,000 in additional services provided at no cost and $115,000 reduction in costs per year).

- Continued optimization of existing diversion, collection and disposal operations. For example, continued optimization of the garbage collection system has resulted in no increase collection staff over the last ten years, even though the number of homes being collected has increased over 20%.

- In the last three years, staff reductions have occurred in Solid Waste (Recycling, Composting & Garbage). In 2011, a Management Administrative Assistant was removed from the complement and a number of positions were reviewed. In 2012, a Public Service Clerk and a Division Manager were removed from the complement.

**Revenue Generation / User Fee Increases**

**Previous 3 Years**

- A raise in user fees for the disposal of bagged garbage and grass clippings in 2011 (going from $1.00 per container to $1.50) increased revenue by $40,000 per year.

- Generated $35,000 of revenue from the sale of carbon credits in 2013; in negotiations to sell more in 2014 and future years.

- Renegotiation of garbage collection and disposal arrangements resulted in $140,000 per year increase in fees paid by Western beginning in June 2014.
• The 2014 audit of landfill operations by PwC confirmed that City staff’s approach to managing tipping fee rates is fair, with the report noting “Waste disposal fees to external customers are calculated and charged accurately, and are reasonable when comparing to other municipalities and competitors.” Any increase in tipping fees is expected to result in loss of business that will more than offset any increase in revenue from the remaining customers.

What is the future direction of this service?

What future initiatives can be contained within the maintain existing service level budget?

2015 Budget

• Continued planning for long term disposal capacity (40 years). The 2014 audit of landfill operations by PwC has confirmed details provided by City staff to Committee and Council regarding waste export and using other disposal facilities: “There is a potential risk that the W12A landfill will reach capacity prior to receiving approval from the Ministry of Environment to expand. The additional cost to dispose of the City’s waste without the current landfill site is approximately $5 to $10 million per year. It is recommended that the City continue the process of applying for an expansion of the W12A Landfill with the Ministry of Environment and ensure that it remains one of the highest priorities for the division. It is also recommended that the City of London continue to investigate waste diversion initiatives which in turn will delay the required future expansion.”


• Continued examination of resource recovery and waste conversion technologies

• Continued optimization of existing diversion, collection and disposal operations. This will include:
  • Looking for additional revenue at the W12A landfill by seeking new customers (e.g., sand filter waste generated from the water treatment plants operated by Regional Water Supply) and exploring other revenue generating opportunities;
  • Optimizing the Blue Box program by pursuing other municipalities to use the Manning Drive Regional Material Recovery Facility and improving the quality of materials being collected (help residents understand what goes in the Blue Box and why it is important to ‘Sort it Right’).

2016-2018 Forecast

• The items listed above are multi-year initiatives and will carry over into the 2016-2018 period.
What service adjustments do you plan to make?

2015 Budget

- There are no service adjustments planned for 2015. There will be continued efforts for service optimization in garbage pickup and recycling including work on shared services. There are two pilot projects planned dealing with community composting and food waste reduction. These are initiatives that have been identified during the community engagement on Road Map 2.0.

2016-2018 Forecast

- The outcome of the above listed initiatives will determine what service adjustments are required

Key Performance Indicators

How Much?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Garbage Collected (tonnes)</td>
<td>91,000</td>
<td>91,000</td>
<td>91,000</td>
<td>92,000</td>
<td>93,000</td>
<td>94,000</td>
</tr>
<tr>
<td>2. Material Diverted (tonnes)</td>
<td>69,000</td>
<td>69,500</td>
<td>70,000</td>
<td>70,400</td>
<td>70,800</td>
<td>71,200</td>
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<tr>
<td>3. Recyclables Marketed (m3)</td>
<td>270,000</td>
<td>290,000</td>
<td>290,000</td>
<td>295,000</td>
<td>300,000</td>
<td>305,000</td>
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<tr>
<td>4. Waste Landfilled (tonnes)</td>
<td>200,000</td>
<td>205,000</td>
<td>210,000</td>
<td>220,000</td>
<td>220,000</td>
<td>220,000</td>
</tr>
<tr>
<td>5. Greenhouse Gases Destroyed (tonnes)</td>
<td>113,000</td>
<td>100,000</td>
<td>110,000</td>
<td>115,000</td>
<td>115,000</td>
<td>115,000</td>
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</tbody>
</table>

How Well?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Net Operating Cost ($/household)</td>
<td>73</td>
<td>78</td>
<td>79</td>
<td>79</td>
<td>79</td>
<td>79</td>
</tr>
<tr>
<td>7. Days garbage/recycling not fully collected</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>8. MOE Compliance (# of orders/year)</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>9. Diversion Rate (%)</td>
<td>44</td>
<td>44</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>10. Net Operating Cost ($/household)</td>
<td>73</td>
<td>78</td>
<td>79</td>
<td>79</td>
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