

REGIONAL DISTRICT OF NANAIMO  
SOLID WASTE MANAGEMENT SELECT COMMITTEE  
AGENDA

Thursday, September 14, 2017

1:30 P.M.

Committee Room

Pages

1. CALL TO ORDER
2. APPROVAL OF THE AGENDA
3. ADOPTION OF MINUTES 2
  - 3.1 **Solid Waste Management Select Committee Meeting - July 17, 2017**

That the minutes of the Solid Waste Management Select Committee meeting held July 17, 2017, be adopted.
4. INVITED PRESENTATIONS
5. DELEGATIONS
6. CORRESPONDENCE
7. UNFINISHED BUSINESS
8. COMMITTEE MINUTES AND RECOMMENDATIONS
9. REPORTS 4
  - 9.1 **Waived Tipping Fees for Charitable Organizations – Follow up**

That this report be received for information.
10. BUSINESS ARISING FROM DELEGATIONS
11. NEW BUSINESS
12. IN CAMERA

That pursuant to Sections 90 (1)(j), and (m) of the *Community Charter* the Board proceed to an In Camera meeting for discussion related to third party business interests, and intergovernmental relations.
13. ADJOURNMENT

## REGIONAL DISTRICT OF NANAIMO

## MINUTES OF THE SOLID WASTE MANAGEMENT SELECT COMMITTEE MEETING

Monday, July 17, 2017

1:30 P.M.

Committee Room

In Attendance:	A. McPherson	Chair
	M. Young	Electoral Area C
	H. Houle	Electoral Area B
	J. Stanhope	Electoral Area G
	T. Westbroek	Town of Qualicum Beach
	B. McKay	City of Nanaimo
	J. Hong	City of Nanaimo
	J. Kipp	City of Nanaimo
Regrets:	M. Lefebvre	City of Parksville
Also in Attendance:	R. Alexander	General Manager, RCU
	L. Gardner	Manager Solid Waste Services
	M. Larson	Solid Waste Planner
	R. Graves	Recording Secretary

**CALL TO ORDER**

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

**APPROVAL OF THE AGENDA**

It was moved and seconded that the agenda be approved as presented.

**ADOPTION OF MINUTES****Solid Waste Management Select Committee Meeting - June 14, 2017**

It was moved and seconded that the minutes of the Solid Waste Management Select Committee meeting held June 14, 2017, be adopted.

**INVITED PRESENTATIONS****Solid Waste Services Update**

It was moved and seconded that the Solid Waste Management Select Committee recommends that the attached Regional Solid Waste Advisory Committee motion on Zero Waste Recycling be forwarded to the City of Nanaimo council for their consideration prior to being brought forward to the Regional District of Nanaimo Board for possible inclusion in the Regional District of Nanaimo Solid Waste Management Plan.

Opposed (4): Director McPherson, Director Houle, Director Stanhope, and Director McKay

DEFEATED

It was moved and seconded that staff prepare a report on the Regional Solid Waste Advisory Committee Zero Waste Recycling motion. The staff report is to be provided at the next Solid Waste Management Select Committee meeting for further consideration of the following Regional Solid Waste Advisory Committee motion:

The Regional Solid Waste Advisory Committee recommends that the Board fund a non-profit enterprise to act as a research/recycling hub for recycling items currently not commercially marketable. The research/recycling hub would develop methods, markets and collaborations for items not currently easily recyclable, investigate barriers to recycling these items, and develop recycling programs that would ultimately benefit the Regional District of Nanaimo as a whole. Funding for the research/recycling hub would be set at \$300,000 annually over a 5 year pilot project.

Opposed (1): Director Young

CARRIED

### **Organics Processing Update**

Staff provided Committee with a verbal presentation.

### **REPORTS**

#### **Contract Award - Regional Landfill Scale and Scale House Replacement**

It was moved and seconded that the contract for the construction of the Regional Landfill scale and scale house be awarded to Island West Coast Development in the amount of \$498,301 and a total project cost of \$572,801.

### **NEW BUSINESS**

### **ADJOURNMENT**

It was moved and seconded that the meeting be adjourned.

Time: 3:29 pm

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CHAIR

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**TO:** Solid Waste Management Select Committee      **MEETING:** September 14, 2017

**FROM:** Ben Routledge      **FILE:** 5360-01  
Zero Waste Coordinator

**SUBJECT:** Waived Tipping Fees for Charitable Organizations – Follow up

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### RECOMMENDATION

That this report be received for information.

### SUMMARY

On June 14, 2017, the Solid Waste Management Select Committee passed the following motion:

*“...that the Charitable Organization Waived Tipping and Hauling Fees report be referred back to staff to provide further information.”*

Presently the Nanaimo Recycling Exchange (NRE), Gabriola Island Recycling Organization (GIRO), Salvation Army and Society for Organized Services D69 (SOS) receive waived tipping and hauling fees at the Regional Landfill and Church Road Transfer Station (CRTS). In 2016, the total cost of the program was \$80,798 which accounted for over 520 tonnes of material. The projected budget for 2017 is \$88,680 with over 590 tonnes of material.

GIRO and NRE’s priorities are to maximize waste diversion and this is less of a priority for Salvation Army and SOS. About 20-35% of the disposal costs are attributed to illegal dumping at each of the facilities. The balance of the disposal cost is a consequence of the materials they accept. Non-funded charities have the same challenges with illegal dumping and waste generated as those supported by the program. There are variable levels of effort by the facilities to discourage illegally dumped material or the acceptance of non-recyclable or saleable items. The Regional District of Nanaimo (RDN) can assist with efforts to reduce illegal dumping and increase recycling. Such efforts are expected to have a minor influence on future escalating costs.

### BACKGROUND

The current charitable organization waived tipping and hauling fees program began in 1991 when the RDN introduced mandatory curbside collection of garbage and recycling. This collection had an unexpected consequence of increasing the illegal dumping at the Salvation Army and SOS Parksville thrift stores. At that time the RDN Board supported the waiving of Solid Waste tipping fees for those organizations, to alleviate these added costs.

On June 8, 2004, the Board passed the following motion:

*“That the Board, support a policy of granting waste disposal fee relief only for illegal dumping clean-up and to non-profit organizations that incorporate waste reduction as a core function. Other organizations, such as thrift store operations, may not qualify for fee relief pending discussions with thrift operators on proper recycling practices.”*

As a result of the 2004 Board motion the following organizations have been granted fee relief;

1. Salvation Army (Nanaimo and Parksville);
2. Society of Organized Services D69 (SOS);
3. Nanaimo Recycling Exchange (NRE);
4. Gabriola Island Recycling Organization (GIRO).

The program also covers the cost of a commercial bin and the associated hauling and disposal fees for the Salvation Army Parksville and Nanaimo, SOS and GIRO.

On December 16, 2016, the Board directed staff to prepare a report outlining potential arrangements for reduced tipping fees for non-profit organizations. This report was presented to the Board on March 28, 2017 at which time staff were directed to prepare a supplementary report providing a recommendation for future administration for the waiving of tipping fees for charitable organizations. The supplementary report is attached (Appendix A), and resulted in staff direction to provide further information which is the basis of this report.

Staff interviewed representatives of the four organizations currently receiving waived tipping fees and/or RDN paid hauling costs under the program to determine site specific issues such as; illegal dumping, donation of unsellable material, infrastructure challenges, barriers to recycling, and options to reduce disposal costs. GIRO has very low disposal costs and little problem with illegal dumping. Findings from the interviews for the other 3 participating charities are as follows:

- 20-35% of their waste generation is from illegal dumping at their locations;
- Illegally dumped material arrives at their facilities “hidden” in loads and as after-hours illegally dumped material. Donations made after business hours, result in people rummaging for items, breaking material and rendering sellable goods damaged;
- They agree that signage, surveillance and increased public education will help to reduce the amount of illegally dumped material, unwanted donations and detrimental behavior;
- Recycle depots such as NRE and GIRO make waste diversion a priority. Waste diversion is less of a priority for other charitable organizations that focus on raising funds that assist disadvantaged people. For these charities, the practice of recycling is often not fully realized;
- They welcome assistance from the RDN in messaging acceptable donations, appropriate donation times, and the impact of illegal dumping;
- All of the organizations interviewed expressed interest in increasing recycling and diversion and will participate in applicable recycling programs as they were made aware of them; and,
- Comments suggested an expectation that the current program would see future changes such as a reduction in the costs covered by the RDN.

Based on these interviews staff estimate that of the approximate \$80,000 annual program cost, 20-35% can be attributed to illegal dumping at the charitable organizations and the balance is for disposal costs of items that they accept and are either unsellable, broke or damaged.

Salvation Army identified a national drive to accept all donated material which will include items that are unsellable. These attempts to increase donations are likely to increase the Salvation Army's future volume of waste.

Prior to August 2017, the Salvation Army Nanaimo used their own truck to transport waste to the landfill. As a result of the truck requiring major servicing, the Salvation Army Nanaimo is now receiving a waste bin service. Should they not repair or replace the vehicle and continue the bin service, the future RDN annual cost contribution to the Salvation Army Nanaimo will increase from \$13,750 to \$22,500.

Interviews with representatives of charities with thrift stores not currently benefiting from the program indicate that they have similar challenges with illegal dumping despite security systems, physical barriers and signage. One of the organizations employs 1-800-Got Junk to pick up and sort material for disposal. Approximately 50% of their disposal costs can be attributed to illegally dumped wastes. As this is a higher percentage than the charities benefiting from the program, it suggests they apply a greater degree of scrutiny that the materials they accept for donation are saleable.

For all the charitable organizations there is potential for lowering waste disposal costs by:

1. Greater scrutiny of saleable/recyclable items that are accepted;
2. Improved signage;
3. Surveillance in the form of cameras;
4. Improved security;
5. Encouraging the public through printed, digital and audio material to donate responsibly; and,
6. Direct assistance in finding and managing applicable recycling streams for the organizations would also help to lower the cost of the program and increase material diversion.

RDN staff committed to providing assistance to all the charities with the last 2 items noted above. Nevertheless, staff believes these activities will only have a minor impact on the anticipated future escalating costs of the program.

The previous staff report outlined potential cost containment options as follows:

1. 50/50 Cost Share Model (recommended): Set a maximum fixed budget amount to be dispersed between qualifying charities and payable at 50% of the disposal/hauling costs. Qualifying charities would be those carrying out activities associated with waste diversion.
2. Full Reimbursement Model: Set a maximum fixed budget amount to be dispersed between qualifying charities payable at 100% of the submitted hauling and disposal costs. Funds would be available until the organization's allocation is depleted. Qualifying charities would be those carrying out activities associated with waste diversion.

## ALTERNATIVES

1. Accept this report for information.
2. Provide alternate direction to staff.

## FINANCIAL IMPLICATIONS

The current Waived Tipping Fee program has no limiting mechanism in place and is expected to increase annually.

## STRATEGIC PLAN IMPLICATIONS

The review of existing programs is consistent with the RDN Strategic Plan's focus on economic health and demonstrates the attention to fiscal responsibility.

The promotion of reuse, recycling and diversion aligns with the governing principal of respect for the environment and directly supports the Solid Waste Management Plan.



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Ben Routledge  
broutledge@rdn.bc.ca  
August 22, 2017

### Reviewed by:

- L. Gardner, Manager, Solid Waste Services
- R. Alexander, General Manager, RCU
- P. Carlyle, Chief Administrative Officer

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**TO:** Solid Waste Management Select Committee      **MEETING:** June 14, 2017

**FROM:** Ben Routledge  
Zero Waste Coordinator      **FILE:** 5360-01

**SUBJECT:** Waived Tipping Fee for Charities Recommendation March 28 2017.docx

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**RECOMMENDATIONS**

1. That a 50/50 Cost Share program for waived tipping and hauling fees for qualifying charitable organizations operating within the Regional District of Nanaimo beginning in 2018 be adopted;
2. That an annual budget of \$80,000 per year be set for the 50/50 Cost Share program and;
3. That qualifying organizations be registered charities with the Canada Revenue Agency and eligibility funding be for those activities associated with waste diversion.

**SUMMARY**

On March 28, 2017, the Board directed staff to provide a recommendation for the future administration of the Waived Tipping Fees for Charitable Organizations program. The recommendation is a 50/50 cost share program and that a maximum budget amount for the program is established. The objective is to deliver equitable funding to qualifying charitable organizations involved in waste diversion efforts operating in the Regional District of Nanaimo (RDN), as well as to contain expenditures.

The concept is to have applicants to the program apply by a predetermined date for acceptance into the following year's program. By requiring a yearly application, new organizations could be considered and the funds would be distributed in an equitable manner. If requests exceed the annual budget, funds would be allocated to organizations displaying the higher volunteer hours and waste diversion. For example, registered charities with high voluntary hours and high waste diversion would receive proportionately higher funding than charities with lower volunteer hours and less waste diversion. Eligible costs would be 50% of their waste hauling and or tipping fee. Reimbursement would be paid on the submission of scale and/or hauling receipts.

**BACKGROUND**

On March 15, 2017, the Board received the report "Charitable and Non-Profit Organizations – Waived Tipping Fees" (attached) which described the current program. On March 15, 2017, the Board directed staff "to provide a recommendation for the future administration of the Waived Tipping Fees for Charitable Organizations Program".



The current funding program, that assists charities with their waste disposal, began in 1991 when the RDN introduced mandatory curbside collection of garbage and recycling. This collection had an unexpected consequence of increasing the illegal dumping at the Salvation Army and Society of Organized Services (SOS) Parksville thrift stores. At that time the RDN Board supported the waiving of Solid Waste tipping fees for those organizations, to alleviate these added costs.

On June 8, 2004, the Board passed the following motion;

*That the Board, support a policy of granting waste disposal fee relief only for illegal dumping clean-up and to non-profit organizations that incorporate waste reduction as a core function. Other organizations, such as thrift store operations, may not qualify for fee relief pending discussions with thrift operators on proper recycling practices.*

As a result of the 2004 Board motion the following organizations have been granted fee relief;

1. Salvation Army (Nanaimo and Parksville)
2. Society of Organized Services D69 (SOS)
3. Nanaimo Recycling Exchange (NRE)
4. Gabriola Island Recycling Organization (GIRO)

The current program also covers the cost of a commercial bin and the associated hauling and disposal fees for the Salvation Army, SOS and GIRO.

Initially designed to provide short term relief from additional costs, the program has expanded and now provides waived fees for all material sourced through these facilities, including unsellable items from their thrift stores. In 2016 the total cost of the program was \$80,798, which accounted for over 520 tonnes of material. The projection for 2017 is \$88,680 with over 590 tonnes of material. At present there is no mechanism to limit the costs incurred under the program.

On November 26, 2016, Vancouver Island Workability Society (VIWS) made a request to join the program. They sighted their operation of a thrift store as their reason for the request. The inclusion of VIWS to the current program would initially add approximately \$5,000 to the budget. VIWS also operates a kitchen and nursery (The Farm at Cedar Woods Society), providing meaningful employment to disadvantaged members of the community. Their request did not include relief for disposal of waste from these two other enterprises.

Presently there are over 280 registered charities operating between Cedar, City of Nanaimo, District of Lantzville, City of Parksville, the Town of Qualicum Beach and the RDN Electoral Areas. The primary source of revenue for most of these charities is through donations to their organization. Staff estimate that there are a total of 15 charities operating thrift stores, equipment repair services and other businesses that are potentially involved in waste diversion activities.

Staff contacted neighboring Regional Districts and their approaches to waived tipping fees vary:

*Capital Regional District (CRD)*

The CRD provides funding through their Non-Profit Recycling Initiative. Currently the CRD budgets \$89,000 to be dispersed between ten organizations based on their needs and application. The

organizations must reapply each year following a specific application process. Once their allotment is used, any other fees are paid directly by the organization. The allotments are not equal and funding is based on the amount requested and the type of recycling being conducted by the organization.

*Comox Valley Regional District (CVRD)*

The CVRD applies a 50% reduction in tipping fees for organizations performing fundraising events. In addition, the CVRD provides \$4,500 yearly to both the Salvation Army and Habitat for Humanity for disposal of solid waste. The organizations are required to submit a written request in advance and a waiver is applied until the funds are drawn down.

Options for the RDN include;

1. **Status Quo:** the charities currently under the program will continue to receive 100% of the funding, namely Society of Organized Services (SOS), Salvation Army, Gabriola Island Recycling Organization (GIRO) and Nanaimo Recycling Exchange (NRE). Waived tipping fees for 2016 were \$80,798 which follows the trend of a 9% increase per year since 2013.
2. **50/50 Cost Share Model (Recommendation):** delivers equitable funding to qualifying charitable organizations. Applications would be made by a predetermined date for acceptance into the following year's program. By requiring a yearly application, new organizations could be considered, and the funds would be distributed in an equitable manner. If applications exceed the budget amount, the Proportionate Weighting System (Appendix A) would be used. This system would distribute funds based on volunteer hours and waste diversion. Reimbursement would be paid at 50%, on the submitted scale and/or hauling receipts. Based on a fixed budget amount, each organization would be assessed and allotted a maximum amount they could claim in the fiscal year. Providing advanced notice of the program change would minimize any negative effects to currently funded charities. RDN Solid Waste staff could work with charities to find alternative disposal options and develop waste reduction strategies. If a surplus is generated, it will be carried to the following year's budget.
3. **Full Reimbursement Model:** funds all qualifying organization's entire disposal costs until the end of the fiscal year or until their allotted amount is exhausted. Based on a fixed budget amount, the application, qualifying and fund allotment process would be the same as the Cost Share Model. Approved organizations could be reimbursed for any amount of their allotment at any time, provided they submitted valid scale and/or hauling receipts.

Table 1 lists the pros and cons of each option;

<b>Table 1</b>	<b>Pros</b>	<b>Cons</b>	<b>Effects on Charities</b>
<b>Status Quo</b>	<ul style="list-style-type: none"> <li>Limited staff time required</li> </ul>	<ul style="list-style-type: none"> <li>Costs of the program will continue to rise</li> <li>No new organizations will be allowed access to funding</li> <li>Program does not encourage diversion</li> </ul>	<ul style="list-style-type: none"> <li>Currently funded charities benefit from status quo</li> <li>The program prevents inclusion and equality</li> <li>Diversion of recyclable materials is not promoted</li> </ul>
<b>50/50 Cost Share Model (Budgeted \$80,000 per year)</b>	<ul style="list-style-type: none"> <li>Broader distribution of funds across the RDN</li> <li>Equitable funding to charities</li> <li>Costs are contained</li> <li>Diversion is encouraged focusing on reuse, recycling and reduction</li> <li>Charities operations promote Solid Waste Management Plan and Strategic Plan</li> </ul>	<ul style="list-style-type: none"> <li>Staff time to determine eligibility</li> <li>Staff time to determine reimbursement</li> <li>Potential Staff time to educate charities on diversion strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Encourages diversion focusing on recycling, reuse and reduction</li> <li>Currently funded charities will be faced with higher operating costs both from loss of revenue and additional administration to manage requests for reimbursement and annual application for funding</li> <li>Inclusion of other charities practicing waste diversion</li> <li>Broader financial distribution to RDN charities</li> <li>Empowers charities to be proactive in waste diversion</li> </ul>
<b>Full Reimbursement Model (Budgeted \$80,000 per year)</b>	<ul style="list-style-type: none"> <li>Broader distribution of funds across the RDN</li> <li>Equitable funding to charities</li> <li>Costs are contained</li> </ul>	<ul style="list-style-type: none"> <li>Staff time to determine eligibility</li> <li>Staff time to determine reimbursement</li> <li>Does not fully encourage diversion</li> </ul>	<ul style="list-style-type: none"> <li>Currently funded charities receive lower funding</li> <li>Inclusion of other charities</li> <li>Broader distribution across the RDN to more charities</li> </ul>

## **ALTERNATIVES**

1. Status Quo, tipping and hauling fees for the four organizations currently enrolled in the program are fully waived. Inclusion of other charities is not permitted without Board approval.
2. Adopt a 50/50 Cost Share model where a fixed budget amount is dispersed between approved charitable organizations and payable at 50% of the disposal/hauling costs. Funds would be available until the end of the fiscal year or the organizations allotment was depleted.
3. Adopt the Full Reimbursement Model where a fixed budget is dispersed to qualifying organizations payable at 100% of the submitted hauling and disposal costs. Funds would be available until the end of the fiscal year or the organizations' dispersals were depleted.
4. Provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

If the Board were to budget the sum of \$80,000 per year, the financial cost of the program would remain consistent with the costs seen in 2016.

Charities currently receiving funding will see a lower distribution under the new program. By allowing for a 2018 program start date, these organizations will have time to prepare financially and seek alternatives to disposal. The new program will allow for a broader dispersal of funding and support for charities across the entire Regional District of Nanaimo.

Staff time would be required in order to administer either of the models proposed. Approximately one hour per month for both the Solid Waste Planner and an RDN Finance staff member will be required to calculate and process the remuneration. An additional sixteen hours per year is estimated to evaluate the applicants and meet with the approved organizations. Therefore aggregate costs to administer such a program are estimated to be less than \$3,000 per year.

## **STRATEGIC PLAN IMPLICATIONS**

By reviewing and implementing proactive change to existing programs, the recommendations are consistent with the RDN Strategic Plans focus on economic health and shows over all fiscal restraint and responsibility. As the current program provides unlimited disposal, the unpredictable nature of future costs would be eliminated with the implementation of the recommendations.

The 50/50 Cost Share program provides a fair and equitable solution to all potential users of the program. Under a cost share program, charities will seek to increase their recycling practices as this will result in lower costs for their organization. In turn this will increase the overall diversion of the RDN and promote a reduction in waste material received at the Solid Waste facilities.

The promotion of reuse, recycling and diversion aligns with the governing principal of respect for the environment and directly supports the Solid Waste Management Plan.



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Ben Routledge  
[broutledge@rdn.bc.ca](mailto:broutledge@rdn.bc.ca)  
April 27, 2017

Reviewed by:

- L. Gardner, Manager, Solid Waste Services
- R. Alexander, General Manager, RCU
- P. Carlyle, Chief Administrative Officer

Attachments

- Charitable and Non-Profit Organizations – Waived Tipping Fees Report
- Appendix A: Proportional Weighting System

**Appendix A: Proportionate Weighting System**

**1. Undersubscribed: If all applicants total requested amount is less than \$80,000, allocate funding based on 50% of applicants waste disposal cost projection.**

\*Reimbursement is made at 50% of valid submitted scale and hauling receipts.

**2. Over Subscribed: If applicants total requested amount is more than \$80,000, calculate eligible funding using the Proportionate Weight Score**

**Step #1**

$$\frac{\text{Total Volunteer Hours from all Applicants}}{\text{Applicants Projected Volunteer Hours}} + \frac{\text{Total Waste Diverted}}{\text{Applicants Projected Waste Diverted}} = \text{Individual Proportionate Weight Score (IPWS)}$$

**Step #2**

**Total All Individual Proportionate Scores (TPWS)**

**Step #3**

$$\text{IPWS/TPWS} \times \text{Budget Amount} = \text{Maximum Eligible Funding*}$$

\*Applicant eligible for the lessor of Maximum Eligible Funding or Application Amount

Org.	Volunteer Hours	Waste (in Tonnes)	IPWS	Allotment
Charity 1	5	10	$\frac{5}{75} + \frac{10}{38} = .07 + .26 = .33$	$\text{IPWS } 0.33 \times \$80,000 = \$13,266$ TPWS 1.99
Charity 2	10	3	$\frac{10}{75} + \frac{3}{38} = .13 + .08 = .21$	$\text{IPWS } .21 \times \$80,000 = \$8,442$ TPWS 1.99
Charity 3	20	15	$\frac{20}{75} + \frac{15}{38} = .27 + .39 = .66$	$\text{IPWS } .66 \times \$80,000 = \$26,532$ TPWS 1.99
Charity 4	40	10	$\frac{40}{75} + \frac{10}{38} = .53 + .26 = .79$	$\text{IPWS } .79 \times \$80,000 = \$31,758$ TPWS 1.99
<b>Total</b>	<b>75</b>	<b>38</b>	<b>TPWS 1.99</b>	

*Unallocated funding to be distributed up to charities application request.*