

Adopted by Council at its meeting held June 15, 2015 [M220-2015]
/RB
Windsor, Ontario June 15, 2015

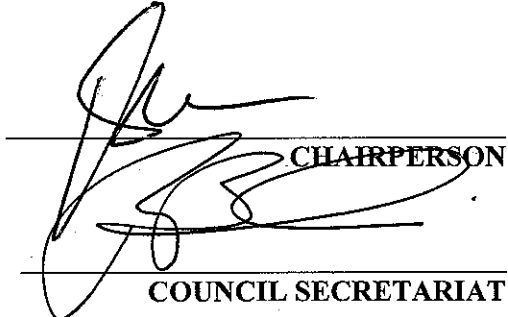
REPORT NO. 267 of the
ENVIRONMENT, TRANSPORTATION & PUBLIC SAFETY
STANDING COMMITTEE
of its meeting held May 20, 2015

Present:
Councillor P. Borrelli
Councillor F. Francis
Councillor C. Holt
Councillor H. Payne
Councillor B. Marra (Chair)

That the following recommendations of the Environment, Transportation and Public Safety Standing Committee **BE APPROVED:**

Moved by Councillor Borrelli, seconded by Councillor Holt,
THAT the minutes of the Essex-Windsor Solid Waste Authority Board Meeting held February 3, 2015 **BE RECEIVED** for information.
Carried.

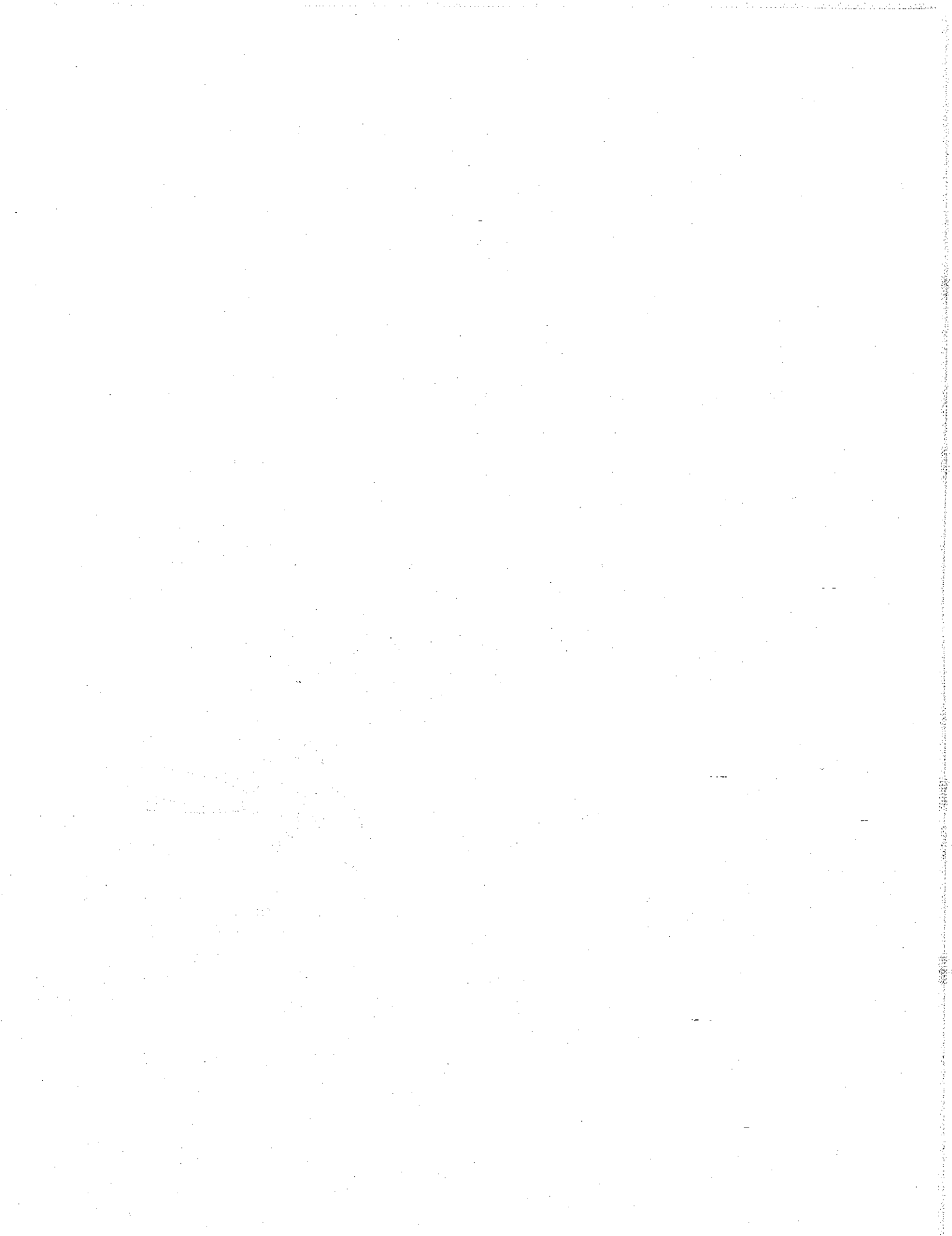
Clerk's Note: The minutes of the Essex-Windsor Solid Waste Authority Board Meeting held February 3, 2015 are attached as background information.

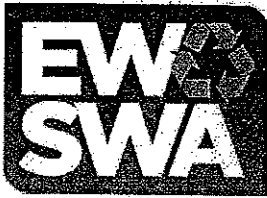


CHAIRPERSON

COUNCIL SECRETARIAT

NOTIFICATION:	
NAME	CONTACT INFORMATION





Essex-Windsor Solid Waste Authority Regular Board Meeting Minutes

Meeting Date: Tuesday, February 03, 2015
Time: 4:30PM
Location: Essex County Civic and Education Centre – Meeting Room C
360 Fairview Avenue West, Essex Ontario

Attendance:

Board Members:	Ken Antaya	County of Essex
Chair	Ron McDermott	County of Essex
	Aldo DiCarlo	County of Essex
	Hilda MacDonald	County of Essex
	Tom Bain	(Ex-Officio) County of Essex
	Rino Bortolin	City of Windsor
	Fred Francis	City of Windsor
	Ed Sleiman	City of Windsor
Vice Chair	Hilary Payne	City of Windsor
Absent:	Drew Dilkens	(Ex-Officio) City of Windsor
EWSWA Staff:	Eli Maodus	General Manager
	Katherine Hebert	Executive Secretary
	Cameron Wright	Manager of Waste Diversion
	Ralph Reiser	Manager of Waste Disposal
County of Essex Staff:	Mary Brennan	Director of Council Services / Clerk
	Rob Maisonville	Director of Corporate Services / Treasurer
City of Windsor Staff:	Anne Marie Albidone	Manager of Environmental Services
	Tony Ardovini	Deputy Treasurer Financial Planning
	Mark Winterton	Executive Director of Operations
	Michael Dennis	Financial Planning Administrator

1. In-Camera Agenda

No Items

2. Call to Order

As the Board's Chair and Vice-Chair have yet to be elected for 2015, the General Manager called the meeting to order at 4:30 PM. The General Manager provided introductions of all the EWSWA Staff in attendance.

3. Election of a Chair and Vice Chair and Board Member Orientation

A) Election of a Chair and Vice-Chair for 2014

The General Manager called for nominations for a Board Chair from among the County of Essex representatives.

Tom Bain nominated Ron McDermott for Board Chair. No seconder is required.

The General Manager called 2 additional times for nominations for the position of Board Chair. None were noted. He then questioned Mr. McDermott whether he would stand for the Board Chair position.

Ron McDermott accepted the nomination.

Moved By Tom Bain

Seconded By No Seconder Required

THAT County Councillor Ron McDermott be named as Board Chair for the period ending on December 31, 2015.

**-Carried Unanimously
1-2015**

Ron McDermott assumed the Chair position and continued the election process.

The Chair called for nominations for a Board Vice-Chair from among the City of Windsor representatives.

Ed Sleiman nominated Hilary Payne for Board Vice-Chair. No seconder required.

The Chair called 2 additional times for nominations for the position of Board Vice-Chair. None were noted. He then questioned Mr. Payne whether he would stand for the Board Vice-Chair position.

Hilary Payne accepted the nomination.

Moved By Ed Sleiman

Seconded By No Seconder Required

THAT City Councillor Hilary Payne be named as Board Vice Chair for the period ending on December 31, 2015

**-Carried Unanimously
2-2015**

The Chair declared the election period closed and proceeded with the meeting.

B) Board Members for 2015-2018 & Orientation

The General Manager indicated that the Board Members and Orientation Report would be discussed at a later time, should there be any questions arising from the report.

4. Declaration of Pecuniary Interest

The Chair called for any declarations of pecuniary interest and none were noted. He further expressed that should a conflict of a pecuniary nature or other arise at any time during the course of the meeting that it would be noted at that time.

5. Approval of the Minutes

A) November 24, 2014 Regular Meeting Minutes

Moved By Ken Antaya

Seconded By Fred Francis

THAT the Minutes from the Essex-Windsor Solid Waste Authority regular meeting, dated November 24, 2014 be approved and adopted.

**-Carried Unanimously
3-2015**

B) November 24, 2014 In-Camera Meeting Minutes

Moved By Hilary Payne

Seconded By Fred Francis

THAT the Minutes from the Essex-Windsor Solid Waste Authority in-camera meeting, dated November 24, 2014 be approved and adopted.

**-Carried Unanimously
4-2015**

6. Business Arising From the Minutes

There was no business arising from the minutes.

7. Correspondence

There were no correspondence items.

8. Delegation

There were no delegations present.

9. Finance and Administration**A) Blue Box Funding Arbitration**

The General Manager outlined that the same information was sent out to each municipality directly from the Association of Municipalities of Ontario (AMO) in November of 2014, so there is a possibility that some of the Board members may be familiar with the information already.

Mr. Payne expressed delight at the decision of the arbitrator, and questioned what were the compelling arguments used to strengthen the position of AMO during the arbitration process.

The General Manager indicated that AMO presented its case via their solicitor, Ms. Dianne Saxe. Ms. Saxe is widely regarded as very knowledgeable and a thorough solicitor who made compelling arguments in favour of AMO.

Moved By Ken Antaya

Seconded By Ed Sleiman

THAT the report pertaining to the Blue Box Funding Arbitration be received as information.

**-Carried Unanimously
5-2015**

B) City of Windsor Letter RE 2015 EWSWA Budget

The General Manager noted that the report was previously brought to the preceding EWSWA Board at their September 10, 2014 meeting who resolved at the time of presentation that the report would be brought back again for the new EWSWA Board to consider.

Mr. Payne discussed the favourable position that the City of Windsor faces as a result of cost savings related to the Landfill #3 Perpetual Care, noting that the savings are proof that the placing of clay on the site is working to remediate the leachate.

The Chair further noted that it was a savings of a lesser scale for Tecumseh and Lakeshore as well.

Moved By Aldo DiCarlo

Seconded By Rino Bortolin

THAT the report pertaining to the letter from the City of Windsor addressing the 2015 Authority Budget be received as information.

**-Carried Unanimously
6-2015**

C) 2015 EWSWA Budget Cover Report and Draft 2015 Budget

The General Manager requested direction on how the Board wanted to address the budget, he noted that the Executive Summary would provide a good baseline for discussion then further questions could be addressed as they arise.

Mr. Francis requested that the General Manager proceed with the Executive Summary as suggested.

Item A – Windsor and 7 County Municipalities will be asked to pay \$68,000 more in 2015 compared to 2014

The General Manager explained the fixed cost allocation. Certain costs that are fixed in nature are allocated based on population. Other costs are allocated based on tonnes. A separate fee related to organics collection is further assessed. Landfill #2 and Landfill#3 Perpetual Care is assessed separately as it pertains to specific municipalities.

Mr. Payne questioned the increase as noted and the reason for the increase.

The General Manager discussed the table on page 18 of the agenda package. He noted that when the Authority plans the budget, there are two areas of focus. One is the fixed cost and the other is variable depending on tonnes. As it relates to Windsor, there is a favorable decrease stemming from Landfill #3 savings for perpetual care, so significant that it was included as information.

Item B – No New Costs or Program Enhancements – There are no new costs or programs proposed as part of the 2015 Budget

Mr. Francis remarked that the large majority of the Authority's budget is non-discretionary. The fixed cost allocation and the variable costs to municipalities make up most of the budget. He questioned what percentage is non-discretionary.

The General Manager confirmed that Mr. Francis' observations were correct, the non-discretionary portion of the budget was relatively small.

Item C – \$32.44 per tonne Municipal Total Waste Management Fee – it is being proposed that this fee remain unchanged for 2015.

Mr. Payne questioned how the zero increase was possible when considering inflation costs alone?

The General Manager indicated that inflation is considered when developing the 10 year Forecast Model. An increase for 2015 was reflected in the Fixed Cost Allocation to municipalities.

Mr. Antaya questioned how blue box revenue is factored in, as well as 2014 revenue amounts that were budgeted but never came to fruition, for example the ICI projection of \$300,000.

The General Manager indicated that those surpluses or shortfalls are factored into the 10 year forecast.

The Manager of Finance and Administration noted that page 20 of the agenda package has a table that itemizes the projections with the actuals.

The General Manager indicated that had the Authority not budgeted that extra \$300,000 in ICI Revenue the 2014 budget would have been essentially reconciled.

Mr. Antaya questioned whether any additional business was generated as a result of that Board decision and solicitation done by administration?

The General Manager indicated that no additional tonnes were brought to the Authority resulting from that exercise.

Item D – \$39 per tonne Municipal Organics Fee – It is being proposed that this fee remain unchanged for 2015.

Mr. Payne questioned the difference between the \$32.44/tonne fee known as Total Waste Management Fee and the \$39 per tonne fee assessed to municipalities for organics.

The General Manager indicated that the \$32.44 is assessed on tonnes of refuse delivered by municipalities for disposal.

Item E – \$5 per load residential plat fee payable at public Drop off depots – it is being proposed that this fee increase by \$1 from the 2014 rate

Mr. Payne questioned whether the increase may deter users from bringing waste to the depot.

The Manager of Waste Diversion noted that since many items are free to drop off, it will not impact most of the traffic at the site. The increase will impact those who drop off waste.

Item F – Industrial Commercial Institutional Tipping Fee – It is being proposed that these rates remain unchanged from the 2014 rates.

The General Manager noted that the fees for ICI are not competitive with other options available in the USA. Those who bring waste to the Authority do so likely out of convenience weighed with the cost of hauling.

Item G – Landfill Life – at current levels of refuse disposal it is estimated that the Regional Landfill has enough capacity to last until 2040

The General Manager noted that the Regional Landfill opened to the receipt of waste in 1997 and was originally estimated to last for 25 years. At current tonnage levels, the estimates indicate that 2040 is more likely.

Mr. Payne noted the irony that the reduced tonnages make for challenging budgets but seem to also continually prolong the estimated life of the landfill. He questioned whether there was a point where it would become a financial disparity to continue using the landfill to its intended capacity.

The General Manager noted that these are the estimates based on current tonnages.

The General Manager further noted that it is possible that with the advancement of technology there may never be another need to site a new landfill, but today for Essex-Windsor, landfilling is still by far the most economical and cheapest way to handle waste disposal.

Item H – Ten Year Forecast Model. – For 2015 it is being proposed that municipalities pay \$10,425,000 in Fixed Cost Allocation and Total Waste Management Fees. The 10 Year Forecast Model estimates that municipalities will be required to pay \$15.7M in 2024.

The General Manager noted debenture payments are not fixed but increase annually. Compensation increases with inflation annually. The forecast doesn't include program enhancements or new programs.

Mr. Sleiman questioned the terms of the repayment of the debenture and where the funds would be coming from.

The General Manager pointed to page 27 of the agenda package which shows a line graph depicting the 10 year forecast 2015-2024. The dashed line represents expenditures and the solid line is non-municipal revenue. Expenditures are not increasing as a result of enhanced programs or new programs. Some costs are increasing as a result of non-discretionary obligations such as the landfill debenture, landfill cell cost development and host municipal compensation. Most other expenditure line items are subjected to normal annual inflationary increases and adjustments to contracted services. (e.g. blue box recycling collection and processing; waste transfer hauling etc.) The total amount the Authority requires will be sources from reserves and from municipalities.

Mr. Sleiman questioned what the amount owing on the debenture is and can it be paid off sooner.

The Manager of Finance and Administration indicated that the amount owing on the debenture at the end of 2013 was \$68 million and there is an agreed to, set re-payment schedule.

The General Manager indicated that although the Authority has approached the creditor to revisit the terms of repayment of the debenture, they show no interest in changing the obligations for the repayment schedule by the Authority. The final payment on the debenture is scheduled to be in 2031.

Mr. DiCarlo questioned whether the Authority was open to examining the possibility of accepting waste from outside Windsor and Essex County in order to mitigate some of the upcoming increases to municipalities.

The General Manager indicated that should the Board wish to discuss the matter, that is an option.

Mr. Antaya questioned the Authority tipping rates compared to that of other areas.

The General Manager indicated that the lowest tipping fee offered by the Authority is \$30 per tonne for ICI waste. In Michigan and other areas of the United States, the tipping fees are as low as single digits USD \$9 per ton (CAD \$13 per tonne). Administration can say that compared to other municipal waste disposal sites, the

expenses and fees of the Authority are in line with others in Ontario. Most Ontario municipalities are having the same or similar issues as Essex-Windsor regarding the ability to raise non-municipal revenue.

Mr. Sleiman questioned what the cost of siting a new landfill are, compared with the added revenue benefit should the Authority consider accepting outside waste.

The General Manager noted that it is not possible to forecast landfill siting costs 25 years in the future. In regards to how much landfill life would be consumed, in order for the Authority to offer a competitive rate, the minimum tonnes is 35,000 tonnes per year for 5 years. Currently the Authority is receiving 160,000 tonnes per year. Using those figures, that one contract would shave off one year of landfill life. A new landfill encompasses a lot of fees other than construction cost. Legal fees, consulting fees, analysis and environmental approvals are among some others.

Mr. Payne noted as a follow-up to Mr. DiCarlo's comment about considering the receipt of outside waste, he requests a report from administration regarding that subject and analysis to be brought back to the Board for consideration and debate on reversing the decision from 2011. (See Minutes Item 12A)

Mr. Bortolin questioned that since the attempt to solicit ICI waste from Essex-Windsor didn't materialize whether the option of bringing in waste from outside Essex-Windsor would prove to have similar results.

The General Manager indicated that the two, although seemingly similar have different considerations. Most of the large volumes of waste in Ontario is from the Greater Toronto Area. Waste is treated like a commodity of sorts and often brokers are used to "move" waste for generators. Challenges exist for both acquiring ICI local waste and acquiring waste from outside Essex-Windsor.

Mr. Antaya noted that the reality is that the Authority would end up charging generators from outside Essex-Windsor less dollars per tonne than that which we charge to our own municipal partners for the disposal of municipal refuse. He further suggested that if the Authority is looking to increase revenue that perhaps there will be a need to look at user fees and other types of revenue options in conjunction with the consideration for accepting waste from outside Essex-Windsor. Board members need to keep in mind that there is a future responsibility that comes with the administration of Authority facilities, not only current financial benefit.

Item I – Expenditures and Non-Municipal Revenue – Expenditures rise on an annual basis (even with no program enhancements) while non-municipal revenue remains at a constant level meaning more is required to be assessed to municipalities each year.

The General Manager indicated that the increase will be approximately 4.7% annually. \$10.25 Million required from municipalities in 2014 increases to \$16.1 Million by 2024 as shown in the line graph on page 27 of the agenda package.

Item J – Expenditures – most of the Authority’s costs are either mandated by legislation, contracted or fixed in nature. There are few discretionary expenditure items. This results in little opportunity for expenditure reductions.

The General Manager spoke briefly regarding discretionary and non-discretionary expenses. He noted that most of the expenses are non-discretionary such as mandated costs associated with legislation, environmental responsibility costs associated with programs (because it is the right thing to do) and contracted costs that are tied to agreements obtained through the tender process. Other expenses account for a small percentage of the budget.

Mr. Francis questioned the need for conferences for staff and Board members. Could that cost not be reduced?

The General Manager indicated that continual changes to legislation requires that staff remain up to date on information and new procedures and protocols. If available, staff participates in learning not only by seminars and conferences but by conference calls and web-based learning.

Item K – Rate Stabilization Reserve and Annual Budget Deficits – the 10 Year Forecast shows annual budget deficits. The Authority’s \$11 Million Rate Stabilization Reserve will be used to offset these deficits. Annual increases to municipalities will still be required.

The General Manager indicated that the Authority is in a fortunate position with healthy reserve balances. The existing plan is to use portions of the reserve funds coupled with increases to municipalities to meet budget requirements.

Ms. MacDonald questioned that since the debenture is driving the use of the reserves, what will happen once the reserves are depleted or the debenture is paid in full?

In accordance with the 2011 Business Review recommendations, once the last debenture payment is made in 2031 that same level of payment will be made towards the Regional Landfill Perpetual Care Reserve.

Mr. Sleiman questioned what percentage of the budget will be portioned to the debenture each year?

The General Manager indicated that for 2015 the budget amount attributed to the debenture is 20%.

Mr. Payne questioned what some other technologies are as an alternative to landfilling.

The General Manager noted that landfilling is the cheapest method to dispose of waste at present. There are other methods, but introducing any of them now in Essex-Windsor would mean that we would be paying for not only the new method, but also the obligation of the Regional Landfill debenture until 2031. Incinerators cost approximately \$200 million. Some municipalities don't have landfills and have to come up with other ways to handle their waste, and cost is always an issue.

Mr. Antaya questioned whether the Landfill #3 savings that was noted in 2015 would be as significant again in future years.

The General Manager indicated that the bulk of the savings is thought to be in 2015, with modest savings moving forward.

Moved By Ed Sleiman
Seconded By Aldo Dicarlo

That the Board approve the 2015 budget; and

That the 2015 budget be recommended to the City of Windsor and the County of Essex for approval by their respective councils; and

That the City of Windsor and the 7 County of Essex municipalities be allocated \$7,310,300, for the Authorities fixed costs, based on population, in accordance with the 2011 census; and

That the City of Windsor and the 7 County of Essex municipalities be assessed a Total Waste Management Fee of \$32.44 (the same as 2014) for each tonne of refuse delivered for disposal; and

That the 2014 and 2015 deficits be funded by the Rate Stabilization Reserve; and

That the attached fee schedule be approved for 2015 and that this fee schedule be recommended to both the City of Windsor and the County of Essex for approval by their councils.

**-Carried Unanimously
7-2015**

D) Summary of Legal Accounts for February 3, 2015

Moved by Tom Bain

Seconded by Aldo DiCarlo

That the accounts pertaining to legal services as outlined be paid in full.

-Carried Unanimously

8-2015

10. Waste Disposal Issues

No Items

11. Waste Diversion Issues

No Items

12. Any Other Business

A) Waste from Outside Essex-Windsor

Moved by Aldo Dicarlo

Seconded by Ken Antaya

That a report from Administration be brought to the board pertaining to the analysis of obtaining waste from outside Essex-Windsor compared with optimal landfill life and budget implications.

-Carried Unanimously

9-2015

B) 2015 EWSWA Board Meeting Dates – Proposed Schedule

Mr. DiCarlo questioned how scheduling conflicts were handled if there are conflicting meeting dates.

The General Manager indicated that although the Authority meetings are on a set schedule, dates may change due to the nature of the agenda items and timing of meetings.

Moved by Fred Francis
Secodned by Hilda MacDonald
That the schedule for 2015 be approved.

**-Carried Unanimously
10-2015**

C) Items for Next Meeting

The General Manager indicated that the Board, at its next meeting will be required to appoint a member to 2 Authority Committees as follows:

- (i) Board to Appoint One Member to the Landfill Liaison Committee
- (ii) Board to Appoint One Member to the Landfill #3 Technical Review Committee

13. By-Laws

A) 01-2015 Being a By-Law to Confirm the Proceedings of the EWSWA Board Meeting of February 3, 2015

Moved By Rino Bortolin
Seconded By Tom Bain
THAT By-Law 01-2015, being a by-law to confirm the proceedings of the Board of the Essex-Windsor Solid Waste Authority be given three readings and be adopted this 3rd day of February 2015.

**-Carried Unanimously
11-2015**

14. Next Meeting

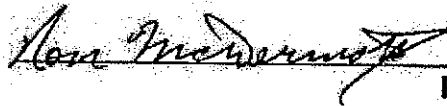
The next Authority meeting is estimated to take place on Tuesday March 3, 2015.

15. Adjournment

Moved By Ken Antaya
Seconded By Fred Francis
THAT the Board stand adjourned at 6:20 PM.

**-Carried Unanimously
12-2015**

All of which is respectfully submitted.



**Ron McDermott
Chair**



**Ilija Maodus
General Manager**