

Adopted by Council at its meeting held February 1, 2016 [CR66/2016]

/AC

Windsor, Ontario February 1, 2016

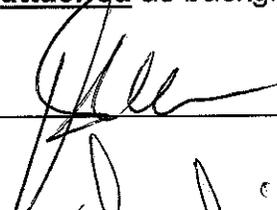
REPORT NO. 330 of the
ENVIRONMENT, TRANSPORTATION & PUBLIC SAFETY
STANDING COMMITTEE
of its meeting held January 20, 2016

Present: Councillor Fred Francis
Councillor Chris Holt
Councillor Bill Marra (Chair)
Councillor Hilary Payne
Councillor Paul Borrelli

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

Moved by Councillor Holt, seconded by Councillor Payne,
That the minutes of the Essex-Windsor Solid Waste Authority Regular Board meeting held November 3, 2015 **BE RECEIVED** for information
Carried.

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

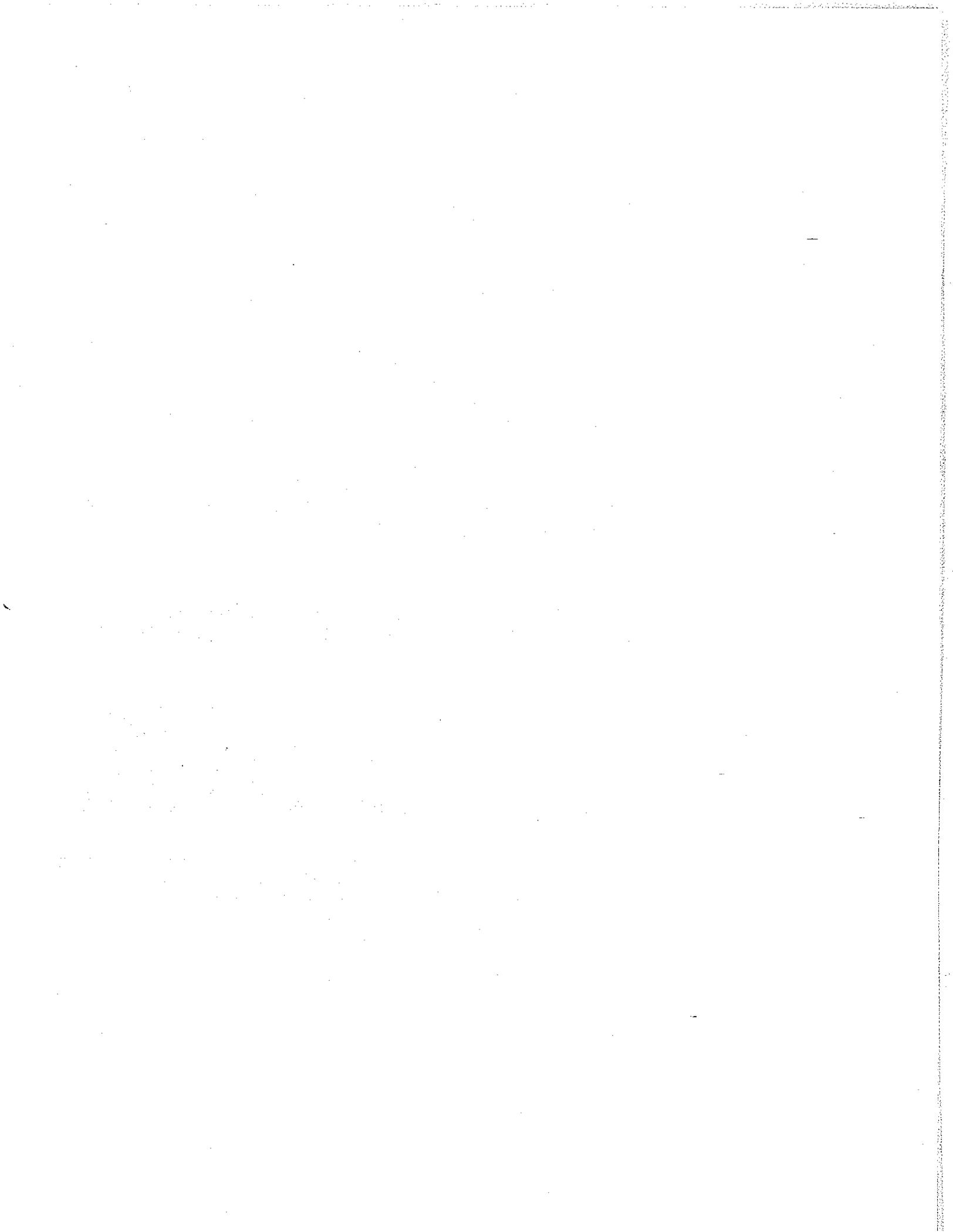


CHAIRPERSON



SUPERVISOR OF COUNCIL SERVICES

NOTIFICATION:	
NAME	CONTACT INFORMATION





Essex-Windsor Solid Waste Authority Regular Board Meeting Minutes

Meeting Date: Tuesday, November 03, 2015
Time: In-Camera Session 4:15 PM
Regular Session 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
	Hilda MacDonald	County of Essex
	Aldo DiCarlo	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:	Tony Ardovini	Deputy Treasurer Financial Planning
	Bobbi Reive	Financial Planning Administrator
	Dwayne Dawson	Executive Director of Operations, Engineering
	Anne Marie Albidone	Manager of Environmental Services

1. In-Camera Meeting

The In-Camera session was held at 4:15 PM

2. Call to Order

The Chair called the meeting of the regular session to order at 4:55 PM.

3. Declaration of Pecuniary Interest

The Chair called for any declarations of pecuniary interest. The Chair 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.

4. Approval of the Minutes

A) September 1, 2015 Regular Meeting Minutes

Moved By Ed Sleiman

Seconded By Rino Bortolin

THAT the Minutes from the Essex-Windsor Solid Waste Authority regular meeting, dated September 1, 2015 be approved and adopted.

**-Carried Unanimously
69-2015**

5. Business Arising From the Minutes

There was no business arising from the minutes.

6. Correspondence

There were no items for distribution.

7. Delegation

There were no delegations present.

8. Finance and Administration**A) Letter From City of Windsor RE Asking that the 2016 Budget Request be the Same as the 2015 Budget Request**

Moved By Ken Antaya

Seconded By Ed Sleiman

THAT the Board receive the letter from City of Windsor Administration as information and to refer it to the 2016 Budget deliberations.

**-Carried Unanimously
70-2015**

B) Executive Summary RE 2016 Draft Budget

The 2016 Budget Cover Report, 2016 Draft Budget and Executive Summary were considered concurrently.

C) 2016 Budget Cover Report (2016 Budget Cover Report, 2016 Draft Budget and Executive Summary to be considered concurrently)

The General Manager provided an overview of the budget approval process. The process begins with the Board considering the budget put together by Authority Administration in consultation with the Technical Staff Committee (Authority, City and County staff representatives), once approved then goes to both City and County councils for consideration. Authority staff met with the Technical Staff Committee to go over the budget on two occasions. The budget and recommendations are presented with options for the Board to consider. Administration recommends an increase to the municipal allocation to \$36.44 which is an increase from \$32.44 which has been in place since 2013.

The General Manager noted that page 28 of the agenda package has a chart that explains all non-municipal revenue and expenditures in a 10 year forecast model. For 2015 municipalities have paid \$10.425 million and \$16.6 million is forecasted for 2025. Page 27 offers 4 scenarios of municipal increases over 10 years. The greater increase now, lessens the increases over time that will be required by municipalities.

Mr. Payne expressed that with regard to voting on the Authority budget at this Board and then voting on it again at City council is a difficult task considering the discussion and debate that will likely take place. Although the budget is well prepared and very clear it will be in the spirit of solidarity with City council that I will not support the budget at today's Board meeting.

Mr. Francis expressed commendation to Authority Administration with regard to the preparation of the 2016 Budget Cover Report, the Executive Summary and the Budget document itself. It is well prepared and provides clear options for the Board to consider

in detail. He further noted that considering the budget line items individually may uncover areas where it can be trimmed. He indicated that he was in favour of finding some areas where it would be possible to reduce expenses, and asked if there was support to undergo this exercise.

The Chair expressed that Authority Administration along with City of Windsor and County of Essex staff have gone through the budget document line-by-line and page-by-page.

The General Manager indicated that there has been a line by line examination of this budget in order to determine the best options for the Board to consider today. He further noted that Administration came up with some Questions and Answers in an attempt to clarify any possible areas where more clarification was required, these are contained in the report on pages 18 and 19 of the agenda. Most of the expenses of the Authority are non-discretionary. Administration has looked at service level cuts and reducing accessibility in that area. Cutting some of these service levels and programs translate into tens of thousands of dollars but the Authority needs hundreds of thousands of dollars. Decreasing the service level and programs are not necessarily things that can be justified to the residents of Windsor and Essex County nor to the municipalities. He further noted that every dollar increase to the tipping fee equates to \$96,000 dollars. A reduction to the increase now, only intensifies the increases in the future. He pointed out that the Authority uses a ten year forecast model which demonstrates the impact of any increases over time. For example the 2015 budget was initially estimated to be in a deficit position of nearly \$700,000, however the projection is almost a balanced scenario. There could be fluctuations to estimations over time.

Mr. Payne expressed concern that inflation rate is 1.5 % and that alone translates into an increase of a similar amount, but the Authority is seeking an increase of approximately 5%. Why is there such a discrepancy?

The General Manager indicated that one of the increases, the debenture payment, is not tied to the inflation rate. Those are set payments that cannot be renegotiated. Since the tipping fee has not risen since 2013, that alone increases the amount required which is greater than the rate of inflation.

Mr. Payne confirmed that if there have been no increases over 3 years, then certainly it is not something that can be avoided forever.

The General Manager discussed the proposed \$4 increase and how it would impact future increases as indicated on page 26.

Mr. Payne reiterated that the era of zero increases is behind us.

The General Manager indicated that there have been zero increases over 3 years.

Mr. Sleiman requested that the General Manager explain the debenture debt and the obligation of the Authority as far as repayment schedule.

The General Manager explained that the debenture is the total amount borrowed from Sunlife back at the time of the construction of the Regional Landfill site. The repayment schedule was set at that time and is non-negotiable. The payments by the Authority increase annually by rate and amount.

Mr. Sleiman questioned whether the scope of the programs offered by the Authority are all mandated by the Ministry of the Environment and Climate Change or if they have set discretionary parameters on how programs are implemented.

The General Manager clarified that the MOECC stipulates that there has to be certain programs, it is up to the Authority to what degree these programs are implemented. For example, Public Education – the ECA does not provide an outline as to how the Authority must proceed with this requirement, only that there is a program that addresses the issue.

Mr. Sleiman questioned what the future might look like financially if in 2016 there was no increase approved by the Authority.

The General Manager indicated that page 19 provides an outline of the deficit forecast for 2016 with the scenario in question. He noted that the deficit may require funding from other sources such as the Rate Stabilization Reserve which with an unscheduled increase on the amount withdrawn from that reserve will cause the scheduled depletion of that reserve to be accelerated. There will also be a spike in the payments for the debenture as time moves forward. There will be large sums required as the payments increase over time.

Mr. Antaya congratulated Administration on the excellent preparation of the budget. He expressed that the overall scenario with the continued zero increases have created an alarming situation currently with the required increase being so dramatic. The Authority must heed its responsibility and allow for an increase to make up for the previous years zero increases, however unpalatable that may be. The governing and administration of a landfill and subsequent programs come with a cost. The Regional Landfill is a valuable municipal asset that unfortunately has a great cost associated with its administration and maintenance. The question is not whether municipalities will pay, it is when. It is better to mitigate the increased costs to municipalities with gradual increases over a longer period of time, rather than holding the line now and requiring future Boards to clean up the mess. There is a true cost to this asset and the Board has to accept that and make the responsible decision. There is nothing to cut in this budget. The Authority provides an asset and service to the area and this proposed budget is the true cost of that package.

Mr. Bain expressed that in general cutting any budget is top priority, but in the case of this budget it is simply not reasonable, justifiable nor feasible. He questioned whether administration has exhausted the possibility of increasing the revenue, since the discretionary expenditures are so negligible.

The General Manager outlined the possibility of increasing the revenue by increasing the rates for large volume waste haulers. The Authority is already in a position where it cannot compete with tipping fees at private landfills abroad or within the next county. Any increase to the tipping fee structure may mean the loss of the revenue source altogether. A \$2 increase will not guarantee the revenue source, it will most likely act as a deterrent.

Mr. Antaya questioned what term the one commercial hauler has on their current contract for waste.

The General Manager indicated that the term ends in 2015 and there is a strong possibility that the contract is not renewed. There are other options for that hauler.

Mr. Sleiman questioned the process for the Authority budget approval if the City of County councils reject it.

The General Manager indicated that the result would be brought back to the Board for reconsideration. The Technical Staff Committee may attempt to find areas where adjustments could be made. If the budget continues to be rejected and no resolution is found, then the procedure is that the CAO of the City and County would be consulted for a decision.

Mr. Payne questioned whether the Authority's budget is consistent with other entities across the province.

The General Manager indicated that when the Business Review was undertaken back in 2011, it was determined that the EWSWA was at staffing levels, wages and expenditures consistent or more efficient than others. When comparing with other municipalities for blue box programs, EWSWA is consistently at one of the lowest cost across the Province.

Mr. Bortolin questioned how long the contract with large volume waste haulers generally last.

The General Manager indicated that the only large volume waste hauler is currently in a 3 year deal with a net value of \$700,000 per year.

Mr. Bortolin questioned why would a three year term be set and not something shorter?

The General Manager indicated that locking into the rate for three years is the incentive for the hauler to sign a contract.

Mr. Bortolin questioned whether the rate could be lowered in order to save the contract and revenue source.

The General Manager indicated that analysis of the cost of operations resulted in the \$30/tonne rate. It is a real possibility that although this landfill is permitted to accept IC1

waste, it may become a residential waste landfill if waste haulers continue to deliver refuse to Michigan.

Ms. MacDonald questioned whether the major driver of the increase in the budget was the payments to the debenture.

The General Manager indicated in the positive.

Ms. MacDonald asked for clarification on the repayment schedule.

The General Manager indicated that the debenture will be paid off by 2031 with planned increases for 15 years. In 2016 \$4.6 million is allotted. In 2031 the amount is \$7.8 Million. The Authority has halted the payments to the Perpetual Care Reserve. Once the debenture is paid, that same amount of annual payment will be contributed to the Perpetual Care Reserve.

Ms. MacDonald expressed satisfaction that the budget was clearly not driven by discretionary expenses. It is related to the costs of contracts and the debenture as well as inflation. There is not likely going to be any cuts possible to programs without dramatic impacts of service level expectations from the public. The Authority can't go on with the masquerade of zero increases.

The General Manager further indicated that there is also a requirement for funds to be set aside for future cell development. There are currently no funds allocated to this.

Mr. Antaya questioned whether the ICI contract that is pending was included in the budget as revenue? He further questioned whether the contract for Auto Shredder Residue (ASR) was included as revenue and whether that contract was confirmed. Is this the worst case scenario deficit situation?

The General Manager explained that the waste revenue was included in the budget but the ASR revenue was not.

Discussion took place with regard to going through the budget line by line to examine areas where cuts could be made. Further discussion took place with regard to the detailed and thorough preparation of the budget and reports by administration.

Moved by Tom Bain

Seconded by Ken Antaya

1. That the Board approve the 2016 budget.
2. That the 2016 budget be recommended to the City of Windsor and the County of Essex for approval by their respective councils.
3. That the City of Windsor and the 7 County of Essex municipalities be allocated \$7,506,050 (an increase of \$195,750), for the Authorities fixed costs, based on population in accordance with the 2011 census.
4. That the City of Windsor and the 7 County of Essex municipalities be assessed a Total Waste Management Fee of \$36.44 (up from \$32.44) for each tonne of refuse delivered for disposal.
5. That the 2015 and 2016 deficits be funded by the Rate Stabilization Reserve.
6. That the large volume "put-or-pay" contract rates increase by \$1 per tonne.
7. That the attached fee schedule be approved for 2016 and that this fee schedule be recommended to both the City of Windsor and the County of Essex for approval by their councils.

-Carried

71-2015

Opposed – Sleiman, Payne, Francis, Bortolin
In Favour – MacDonald, Antaya, DiCarlo, Bain and McDermott

D) Summary of Legal Accounts

Moved By Fred Francis

Seconded By Rino Bortolin

THAT the Board approve the payment of the legal invoice on the statement presented.

-Carried Unanimously

72-2015

9. Waste Disposal Issues

There were no Waste Disposal items for discussion.

10. Waste Diversion Issues

A) Waste Reduction Week Results – October 19-25, 2015

The Manager of Waste Diversion provided a summary of his report.

Moved By Aldo Dicarlo
Seconded By Hilda MacDonald
That the report pertaining to Waste Reduction Week be received as information.

-Carried Unanimously
73-2015

11. Proposed Motion

A) Proposed Motion from Board Member Ken Antaya

Whereas, the Essex Windsor Solid Waste Authority, hereinafter referred to as the EWSWA has long sustained its position, of not accepting waste from "outside municipalities, agencies, etc.", in order to preserve the capacity of the Essex-Windsor Regional Landfill located in the Town of Essex;

And whereas in September 2015, the EWSWA effectively reconfirmed their position by resolution, denying the proposal to seek interested parties to transport "outside" garbage to the Essex-Windsor Regional Landfill in an effort to generate additional revenue;

Now therefore, be it resolved that, "The Essex Windsor Solid Waste Authority, maintain its commitment to their member municipalities, of not accepting garbage from outside the service area, and that the capacity of the landfill be preserved for future generations, as intended."

Mr. Francis requested clarification on the resolution that had already been passed related to the report from administration brought to the previous board meeting.

The General Manager indicated that the report was brought before the Board in September for consideration as requested. The resolution of the Board was to receive the report as information.

Mr. Antaya expressed that since the Board simply received the report but didn't formally decide anything, it is best to make things clear and pass a resolution which will officially outline the position of the Board as it relates to waste from outside Windsor and Essex County.

Mr. Payne expressed an understanding of the purpose of the motion, but cautions that the potential for revenue options being excluded as a result of the passing of this motion may be the means to offset the budget shortfalls that exist.

Mr. Francis expressed that it is the responsibility of any elected official and each Board member to make decisions based on facts. It is premature to have a blanket exclusion of any proposed waste generated from outside Essex-Windsor. This Board should at least consider each new offer brought to the General Manager. It is not set that the

Board has to accept all or any waste, but there is a need to at least consider it. Anything less than that is irresponsible and a philosophical difference of opinion on how this Board should be running.

Mr. Bortolin expressed that the Board should hear every request brought to administration. It is irresponsible to disallow the waste without even hearing the proposal.

Ms. MacDonald expressed that in her experience on other committees and the Landfill Liaison Committee, it has been raised that there are responsibilities to residents that are not only financial. Municipal representatives were sworn to the David Suzuki "Blue Dot Commitment" and should act in the best interest of the environment, along with residents which is not simply related to dollars, but to quality of life.

Mr. Antaya expressed that there are people who are not in favour of any increase, but there are also people who are not in favour of filling up landfill space to any degree with waste from outside this region. The bottom line is that the landfill resource is a valuable asset that was not procured without strife. Costs are always going to be there, so the Board has to do the right thing which may not be the popular thing.

Moved by Ken Antaya

Seconded by Hilda MacDonald

Whereas, the Essex Windsor Solid Waste Authority, hereinafter referred to as the EWSWA has long sustained its position, of not accepting waste from "outside municipalities, agencies, etc.", in order to preserve the capacity of the Essex-Windsor Regional Landfill located in the Town of Essex;

And whereas in September 2015, the EWSWA effectively reconfirmed their position by resolution, denying the proposal to seek interested parties to transport "outside" garbage to the Essex-Windsor Regional Landfill in an effort to generate additional revenue;

Now therefore, be it resolved that, "The Essex Windsor Solid Waste Authority, maintain its commitment to their member municipalities, of not accepting garbage from outside the service area, and that the capacity of the landfill be preserved for future generations, as intended."

-Carried

74-2015

Opposed – Steiman, Payne, Francis, Bortolin
In Favour – MacDonald, Antaya, DiCarlo, Bain and McDermott

12. Any Other Business

Mr. Bortolin discussed the scenario whereby large volume waste hauler contracts were not extended thereby extending the landfill's capacity.

13. By-Laws

A) 07-2015 Being a By-Law to Confirm the Proceedings of the EWSWA Board Meeting of November 3, 2015

Moved By Aldo DiCarlo
Seconded By Tom Bain

THAT By-Law 07-2015, 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 November 2015.

-Carried Unanimously
75-2015

14. Next Meeting

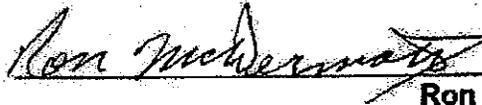
The next Authority meeting is scheduled to take place on Tuesday December 1, 2015.

15. Adjournment

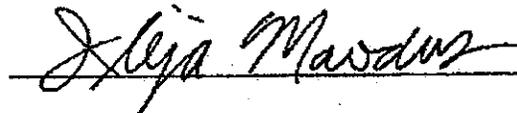
Moved By Aldo DiCarlo
Seconded By Hilda MacDonald
THAT the Board stand adjourned at 6:50 PM.

-Carried Unanimously
76-2015

All of which is respectfully submitted.



Ron McDermott
Chair



Ilija Maodus
General Manager

