

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment & Infrastructure

**Subject:** Temporary Recycling Residual Disposal Fee Adjustment for Existing Customers at W12A Landfill

**Date:** June 11, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on June 25, 2024 to amend By-law A-59, being "A by-law to provide for Various Fees and Charges" to establish a new temporary fee for existing customers that can no longer haul recycling process residuals in walking floor transfer trailers to the W12A Landfill due to operational constraints.

## Executive Summary

The purpose of this report is to request approval to establish a new temporary fee in the City of London's Fees and Charges By-law for existing customers that can no longer haul recycling process residuals in walking floor transfer trailers to the W12A Landfill due to operational constraints at the landfill site.

The remaining space in the last waste disposal cell of the originally approved W12A Landfill is currently being filled. Efficiently filling this remaining space requires reducing the active operational space leading up to the active tipping face, which has resulted in an operational constraint such that very shortly there is no longer enough room to receive and unload large walking floor transfer trailers.

The inability to receive walking floor transfer trailers at the W12A Landfill is expected to continue until mid-2025.

For the City of London to retain a large portion of the existing revenue stream and preserve the long term revenue stream from existing customers, a temporary fee of \$30 per tonne is proposed. The current fee is \$40 per tonne. The proposed temporary fee is expected to off-set some of the additional hauling costs that will be incurred by customers who will now have to use different hauling methods.

The introduction of the proposed temporary tipping fee should minimize financial risk to the City of London. It also remains supportive of local businesses and the desire to continue to recycle more materials in London. It is estimated that this change would reduce the 2024 actual gross tipping fee revenue generated at the W12A Landfill by approximately \$230,000.

## Linkage to the Corporate Strategic Plan

City Council continues to recognize the importance of waste management and the need for a more sustainable and resilient city in the development of its 2023-2027 Strategic Plan for the City of London. Specifically, London's efforts in waste management address the two following areas of focus: Climate Action and Sustainable Growth and Well-Run City.

The Climate Emergency Action Plan (CEAP) was approved by Council in April 2022 following the declaration of a climate emergency in 2019. CEAP includes Area of Focus 5, Transforming Consumption and Waste as Part of the Circular Economy.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Relevant reports that can be found at [www.london.ca](http://www.london.ca) under Council and Committees meetings include:

- 2024-2027 Consolidated Fees and Charges By-law (November 21, 2023, meeting of the Strategic Priorities and Policy Committee, Item #3.1)

#### 1.2 Purpose of Existing W12A Recycling Process Residual Waste Tipping Fee

The Council approved fees for waste disposal at the W12A Landfill include a Residual Waste Tipping Fee that has a rate of \$40 per tonne versus the regular waste which is tipped at \$47 per tonne (minimum vehicle tare weight of 10 tonnes). This price differential is designed as a recycling incentive to businesses to work with the local recycling industry to divert materials from landfill. Only the remaining materials (i.e., residuals) that have been processed for the purpose of extracting recoverable materials qualify for this reduced tipping fee.

Over the years, large scale recyclers in London have delivered Recycling Process Residuals to the W12A Landfill in large transfer trailers (i.e., walking floor transfer trailers designed to eject the load of materials at the landfill) to reduce transportation costs (e.g., fewer vehicles required, less fuel consumed, etc.). Small scale recyclers traditionally do not produce enough residual materials to warrant the use of transfer trailers and use smaller hauling vehicles as part of their operation.

#### 1.3 Current Operations

The remaining space in the last waste disposal cell of the originally approved W12A Landfill is currently being filled. Efficiently filling this remaining space requires reducing the active operational space leading to the active tipping face, which has resulted in an operational constraint such that there is no longer enough operational space to receive and unload large transfer trailers. Operationally, receiving walking floor transfer trailers at the W12A Landfill requires a larger active tipping face as they take more room to unload and turn around.

Walking floor transfer trailers are predominantly used by customers disposing of Recycling Process Residuals at W12A. These customers can continue to dispose of Recycling Process Residual however this will need to use alternate hauling methods such as roll-off bins, which will add hauling costs.

Walking floor transfer trailers are a common and efficient transportation vehicle for waste and residual materials in Ontario and are accepted at large private landfills in southwestern Ontario and Michigan. Transfer trailers provide the ability move materials longer distances for final disposal and increase competition.

#### 1.4 Current Financial Matters

Recycling Process Residuals is a large volume waste type that is received at the W12A Landfill. About 50,000 tonnes were received in 2023. In 2023, this waste type generated approximately \$1,980,000 in gross tipping fee revenue. Most of this waste type was received in walking floor transfer trailers and predominantly from two customers (about 95%).

A large percentage of the materials to be recycled are associated with the construction and renovation industry. This area continues to grow due to current economic activity and the future outlook in London.

## **2.0 Discussion and Considerations**

### **2.1 Potential Impact of Higher Transportation Costs for Large Volume Recycling Process Residuals Customers**

No longer accepting walking floor transfer trailers is estimated to add approximately \$10 per tonne of hauling cost to existing customers disposing of Recycling Process Residual as they will need to haul in small loads. Rather than absorb the full additional cost customers may choose to shift their Recycling Process Residuals to other waste disposal sites that are further away but still receive walking floor transfer trailers. Using the existing loading and transportation system requires no changes for existing customers; whereas a switch to smaller hauling vehicles requires operational changes.

There are several large private disposal facilities are between 45 minutes and 2.5 hours from London.

### **2.2 Proposed Temporary Fee Adjustment**

To retain a large portion of the existing revenue stream and preserve the long term revenue stream from existing customers disposing of Recycling Process Residual in walking floor transfer trailers at the W12A Landfill, a temporary fee of \$30 per tonne is proposed. The proposed temporary fee is expected to off-set some of the additional hauling costs that will be incurred by customers who will now have to use different hauling methods.

This temporary fee reduction only applies to customers that currently use walking floor transfer trailers. There are no changes to other disposal fee categories.

The temporary fee would start July 1, 2024 and be in effect until mid-2025. The adjustment being proposed in this report is for 2024 with additional information provided for 2025 in the upcoming 2025 Fees and Charges By-law amendments.

## **3.0 Financial Impact/Considerations**

### **3.1 Potential Financial Impact**

Adding a new temporary fee for existing customers disposing of Recycling Process Residual that previously hauled in walking floor transfer trailers is estimated to reduce the 2024 actual gross tipping fee revenue generated at the W12A Landfill by approximately \$230,000. This estimate assumes that similar volumes to those in 2023 for this waste type are received in 2024. The estimated reduction in overall gross tipping fee revenue is expected to have a minor impact on the overall Garbage and Recycling budget and will be addressed in the 2024 mid-year and year-end operating budget monitoring reports.

The inability to receive walking floor transfer trailers at the W12A Landfill is expected to continue into 2025, until the first cell of the expanded W12A Landfill can receive waste. Extension of the new fee proposed in this request (i.e., updates to 2025 Fees and Charges By-law) and 2025 budget implications will be addressed as part of the 2025 budget update process.

### **3.2 Potential Financial Risks**

Under a worst-case scenario, if there is a decision that no temporary fee adjustment is warranted, the financial risk would be associated with the loss of a portion of, to the majority of, this revenue stream. This amount could range between \$900,000 and \$1.8 million in gross revenue over a 12 month period. There would be some offsetting cost savings associated with some operational reductions depending on the actual amount of waste reduced.

## Conclusion

This report recommends approval to establish a new temporary W12A Landfill tipping fee for existing customers hauling Recycling Process Residuals in walking floor transfer trailers effective July 1, 2024, until the end of 2024.

The estimated loss of gross tipping fee revenue received at W12A for the remainder of 2024 is expected to have a minor impact on the overall Garbage and Recycling budget and will be accounted for in the 2024 mid-year operating budget monitoring report. The proposed tipping fee reduction is expected to extend into 2025 and the necessary adjustments will be made as part of the 2025 budget update process.

The proposed new temporary tipping fee is designed to mitigate against larger financial risks that could occur if existing customers shift their business to other landfill sites located within 45 minutes to 2.5 hours from London.

**Prepared by:** Mike Losee, B.SC  
Division Manager, Waste Management

**Submitted by:** Jay Stanford, MA, MPA  
Director, Climate Change, Environment & Waste Management

**Recommended by:** Kelly Scherr, P. Eng., MBA, FEC  
Deputy City Manager, Environment and Infrastructure

Appendix A A by-law to amend By-law A-59 being "A by-law to provide for Various Fees and Charges" to establish a new temporary fee for existing customers that can no longer haul recycling process residuals in walking floor transfer trailers to the W12A Landfill due to operational constraints.

## Appendix A

Bill No.  
2024

By-law No. A-\_\_\_\_\_

A by-law to amend By-law A-59 being “A by-law to provide for Various Fees and Charges” to establish a new temporary fee for existing customers that can no longer haul recycling process residuals in walking floor transfer trailers to the W12A Landfill Site due to operational constraints.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS section 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting: in paragraph 7, Services and things that the municipality is authorized to provide under subsection (1);

AND WHEREAS section 391(1) of the *Municipal Act, 2001* provides that a municipality may impose fees or charges on persons:

- (a) for services and activities provided or done by or on behalf of it;
- (b) for costs payable by it for services and activities provided or done by or on behalf of any other municipality or any local board; and
- (c) for the use of its property including property under its control;

AND WHEREAS it is deemed expedient to pass this by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. That Schedule “1” of By-law A-59 entitled “A By-law to provide for Various Fees and Charges” be amended under the Environmental Services Garbage Recycling and Composting Grouping to add a new temporary fee for existing customers who can no longer haul recycling process residuals to the W12A Landfill in Walking Floor Transfer Trailers, as outlined in the table attached as Schedule “A” to this by-law.
2. This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on June 25, 2024.

Josh Morgan  
Mayor

Michael Schulthess  
City Clerk

First Reading – June 25, 2024  
Second Reading – June 25, 2024  
Third Reading – June 25, 2024

**Schedule "A"****Schedule 1, 2024 Fees & Charges - Environmental Services**

Service Grouping: Garbage Recycling and Composting

<b>Service/Activity</b>	<b>Unit of Measure</b>	<b>2024 Effective Date</b>	<b>2024 Fee</b>
Garbage Collection and Disposal, Solid Waste Temporary Disposal Fees: Recycling Process Residuals for Existing Customers No Longer Able to Haul in Walking Floor Transfer Trailers	Tonne	July 1/24 expires Dec. 31/24	\$30.00