

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON NOVEMBER 17, 2020
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	UPDATES – 60% WASTE DIVERSION ACTION PLAN INCLUDING GREEN BIN PROGRAM

RECOMMENDATION

That on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following actions be taken:

- a) This report **BE RECEIVED** for information;
- b) Civic Administration **BE DIRECTED** to adjust the implementation schedule for the 60% Waste Diversion Action Plan as outlined in this report;
- c) Civic Administration **BE DIRECTED** to submit the attached budget amendment (Appendix B) to the 2021 Annual Budget Update process to adjust the funding requirements for the 2020-2023 Multi-Year Budget Business Case #1 – “60% Waste Diversion Action Plan” as outlined in this report; and
- d) Civic Administration **BE DIRECTED** to:
 - i. continue to prioritize work activities and actions that also contribute to the work of the London Community Recovery Network; and
 - ii. submit a report to Civic Works Committee by June 2021 that outlines advantages, disadvantages, and implementation scenarios for various waste reduction and reuse initiatives including but not limited to reducing the container limit, examining the use of clear bags for garbage, mandatory recycling by-laws, reward and incentive systems, and additional user fees.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Relevant reports that can be found at www.london.ca under City Hall (Meetings) include:

- Business Case 1 – 60% Waste Diversion Action Plan – 2020-2023 Multi-Year Budget (January 30, 2020 meeting of the Strategic Priorities & Policy Committee (SPPC), Item #4.12a)
- 60% Waste Diversion Action Plan – Updated Community Feedback (September 25, 2018 meeting of the Civic Works Committee (CWC), Item #3.2)
- Public Participation Meeting 60% Waste Diversion Action Plan – Additional Information (September 25, 2018 meeting of the CWC, Item #3.2)
- 60% Waste Diversion Action Plan (July 17, 2018 meeting of the Civic Works Committee (CWC), Item #3.1)
- Update and Next Steps – Resource Recovery Strategy and Residual Waste Disposal Strategy as part of the Environmental Assessment Process (February 7, 2017 meeting of the CWC, Item #10)

COUNCIL'S 2019-2023 STRATEGIC PLAN

Municipal Council has recognized the importance of solid waste management in its 2019-2023 Strategic Plan for the City of London as follows:

Building a Sustainable City

London has a strong and healthy environment (Increase waste reduction, diversion and resource recovery)

Growing our Economy

London is a leader in Ontario for attracting new jobs and investments (Increase partnerships that promote collaboration, innovation and investment)

Leading in Public Service

Londoners experience exceptional and valued customer service (Increase community and resident satisfaction of their service experience with the City)

BACKGROUND

PURPOSE

The purpose of this report is to provide Committee and Council with a:

- revised implementation plan for the 60% Waste Diversion Action Plan, including the Curbside Green Bin Program (Appendix A);
- proposed budget amendment (Appendix B) to be submitted to the 2021 Annual Budget Update process to adjust the funding requirements for the revised implementation plan; and
- status of several key waste diversion initiatives (Appendix C).

CONTEXT

60% Waste Diversion Action Plan

The 60% Waste Diversion Action Plan (WDAP) proposes a set of 21 actions to achieve 60% diversion of residential waste by the end of 2022. As noted previously, the budget for the multi-year implementation (2020-2023 Multi-Year Budget Business Case #1) was approved March 2, 2020. Shortly after this date, the COVID-19 emergency was declared provincially on March 17, 2020, and locally March 20, 2020. Among many items and actions, this included a reallocation of corporate priorities, work activities, employee disruptions and impacts, financial challenges, community engagement restrictions, hiring freeze, etc.

As a result, the majority of the 60% Waste Diversion Action Plan actions items were placed on hold to ensure that essential services were operated in a safe manner following all rules from the Provincial Government and subsequent direction from public health officials, Council and the City's Senior Leadership Team.

Pandemic impacts have delayed projects and programs within the 60% WDAP by six months and potentially as long as eighteen months for projects that require equipment (e.g., new collection vehicles).

Transitioning the Blue Box Program to Industry Responsibility – Service Delivery and Financial

On October 19, 2020, the proposed regulation to transition the Blue Box program from 100% municipal responsibility and 50% funding responsibility to 100% industry responsibility and funding was released for comment. London is slated to transition in 2023. Originally it was thought that London would transition in 2024.

Estimated savings to the City will range between \$1 million and could reach \$4 million by 2026. The actual amount will be based on a negotiation with Industry (Producer Responsibility Organization – PRO) and our current contractor, Miller Waste Systems. Once further information is known, adjustments to the budget will be brought forward to a future annual budget update process.

The transition work also includes determining what to do with the City-owned material recovery facility (MRF) such as i) revise operations, ii) lease, iii) sell, iv) operating partnership, or v) re-purpose.

Addressing the Need for Action on Climate Change

On April 23, 2019, the following was approved by Municipal Council with respect to climate change:

Therefore, a climate emergency be declared by the City of London for the purposes of naming, framing, and deepening our commitment to protecting our economy, our eco systems, and our community from climate change.

The 60% Waste Diversion Action Plan and the developing Resource Recovery Strategy address various aspects of climate change mitigation within the waste management services area.

DISCUSSION

Revised Timetable and Status of 60% Residential Waste Diversion Actions (Appendix A)

Appendix A contains status information and a revised timetable for the 21 actions of the 60% Waste Diversion Action Plan.

On Table 1 is the revised schedule for the implementation of the Green Bin Program divided into the following 6 categories of activities (a) through f)

Table 1 – Revised Schedule for the Implementation of the Green Bin Program

Task	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020
a) Finalize operational details	<ul style="list-style-type: none"> • Underway <ul style="list-style-type: none"> ○ Need to make decisions on materials collected, Green Bin container size, type of collection vehicle, bi-weekly garbage collection etc. ○ Report to CWC on proposed operational details tentatively scheduled for February/March 2020 	<ul style="list-style-type: none"> • Underway <ul style="list-style-type: none"> ○ Need to make decisions on materials collected, Green Bin container size, type of collection vehicle, bi-weekly garbage collection consideration, etc. ○ Report to CWC on proposed operational details tentatively scheduled for February 2021 ○ Will require community engagement (See CWC

Table 1 – Revised Schedule for the Implementation of the Green Bin Program

Task	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020
	<ul style="list-style-type: none"> ○ Will require community engagement ○ Final decisions mid 2020 	<ul style="list-style-type: none"> report on Agenda for the November 17, 2020 meeting) ○ Final decisions March/April 2021
b) Select Green Bin material processor	<ul style="list-style-type: none"> • Release request for proposals (RFP) in winter 2020 and award by mid-year 2020. 	<ul style="list-style-type: none"> • Release RFP in winter 2021 and award by mid-year 2021.
c) Select Collection Vehicle Manufacturer	<ul style="list-style-type: none"> • Release RFP in early 2020 and award by the summer of 2020. 	<ul style="list-style-type: none"> • Release RFP in early 2021 and award by early spring of 2021.
d) Select Green Bin Manufacturer	<ul style="list-style-type: none"> • Release RFP in Summer 2020 and award by the end of the year. 	<ul style="list-style-type: none"> • Release RFP in early 2021 and award by the spring of 2021.
e) Promotion and Awareness Program and Distribution of Green Bins	<ul style="list-style-type: none"> • Tentative start date is between June and Fall 2021. 	<ul style="list-style-type: none"> • Tentative start date is summer 2022.
f) Begin Roll-out of Program	<ul style="list-style-type: none"> • Tentative start date is Fall 2021. 	<ul style="list-style-type: none"> • Tentative start date roll-out is summer/early Fall 2022.

2021 Annual Budget Update - Budget Amendment (Appendix B)

Appendix B contains a proposed budget amendment that staff recommend be submitted to the 2021 Annual Budget Update process to adjust the funding requirements as a result of the revised implementation plan for the 60% Waste Diversion Action Plan. The budget amendment is based on:

- the revised timetable for undertaking the work approved by Municipal Council on March 2, 2020. The revised timetable is discussed in the previous section and details provided in Appendix A.
- a revised 2021 – 2023 operating budget to match the new timetable. The revised plan has resulted in unspent operating funds in 2020 estimated at \$650,000 and recommended budget reductions in 2021, and 2022 in the amounts of \$2,300,000 and \$1,450,000 respectively, while the amount required in 2023 remains unchanged.
- Based on the draft Blue Box Regulation (transition program to producer responsibility) released on October 19, 2020 and the identification that London will transition some time in 2023, there will be a challenging and complex processes that will require additional technical consulting and contract staff resources (no permanent staff) in 2021, 2022 and possibly 2023. Work will be required with industry negotiations, materials recovery facility (MRF) management, community readiness, transition requirements and reporting. For example, a review of the City-owned MRF will require an analysis of options such as i) revise operations, ii) lease, iii) sell, iv) operating partnership, or v) re-purpose. It is estimated that \$150,000 per year will be required for up to three years. These costs have been included in the revised 2021-2023 budget estimates.

In summary, if the proposed budget amendment is approved during budget deliberations, the Multi-Year Budget for the 60% Waste Diversion Action Plan between 2021 and 2023 may be reduced by \$3,750,000.

General Update on Waste Diversion Activities (Appendix C)

In 2020, a number of activities did occur both as part of essential services as well as work at the provincial level. These updates are contained in Appendix C.

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PREPARED AND SUBMITTED BY:	RECOMMENDED BY:
JAY STANFORD, M.A, M.P.A. DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

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- c Anna Lisa Barbon, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer
- Kyle Murray, Director, Financial Planning & Business Support
- John Millson, Senior Financial Business Administrator
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Appendix A Revised Timetable and Status of 60% Residential Waste Diversion Actions

Appendix B Budget Amendment - 2021 Annual Budget Update Deliberations

Appendix C General Update on Waste Diversion Activities

Appendix A

Revised Timetable and Status of 60% Residential Waste Diversion Actions

Details in Appendix A are provided in two tables:

Table A1 - Revised Timetable and Status of Actions

Table A2 - Summary of Diversion, Estimated Operating Costs and Schedule

Table A1 - Revised Timetable and Status of Actions			
Action	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020	Comment, Staff and/or Financial Adjustment
Blue Box (Blue Cart) Programs			
1. Increase capture of recyclables from 63% to 75% (less placed in garbage)	<ul style="list-style-type: none"> • Province has approved transferring responsibility for Blue Box and Blue Cart programs to industry. • Municipalities will transition in 3 separate years between 2023 and 2025. • Diversion targets are in draft regulation. 	<ul style="list-style-type: none"> • Draft regulation released on October 19, 2020. • London has been identified to transition in 2023. • Transition activities: <ul style="list-style-type: none"> ○ Q1, 2021 – provincial regulation. ○ Q2, 2021 to Q2, 2023 – planning, discussion, negotiation, RFP for MRF, Council approval, implementation schedule. 	<ul style="list-style-type: none"> • Yes, increased technical resources required to assist with transition in 2021, 2022, and 2023 (included in revised budget estimates).
New (or Expanded) Recycling Programs and Initiatives			
2. Bulky and Other Plastics	<ul style="list-style-type: none"> • Continuing to divert bulky plastics incorrectly placed in Blue Box. 	<ul style="list-style-type: none"> • Ongoing. 	<ul style="list-style-type: none"> • No other changes.
a) Continue with existing pilot project			
b) Consider implementation of an expanded program once long-term, stable markets have developed	<ul style="list-style-type: none"> • Currently there is no stable long term market. 	<ul style="list-style-type: none"> • Place on-hold and review after London transitions the residential recycling program. 	<ul style="list-style-type: none"> • No other changes.
c) Implement a pilot project for hard-to-recycle plastics, flexible packaging, etc.	<ul style="list-style-type: none"> • New pilot project approved by Council in June 2019. 	<ul style="list-style-type: none"> • Pilot project will carry on until the end of 2021 	<ul style="list-style-type: none"> • No other changes.
3. Carpets	<ul style="list-style-type: none"> • Province still considering developing a provincial program; likely 	<ul style="list-style-type: none"> • Diversion of carpets not currently being publicly discussed at this time. 	<ul style="list-style-type: none"> • Continue to look for local business opportunities for carpet recycling.
a) Wait to see if the Province develops a provincial			

Table A1 - Revised Timetable and Status of Actions			
Action	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020	Comment, Staff and/or Financial Adjustment
program for carpets under the Waste-Free Ontario Act as there are limited markets for recycling carpets in the province	not to be introduced for a couple of years.		
b) If no provincial program exists by 2021, implement a pilot project	<ul style="list-style-type: none"> • See above. 	<ul style="list-style-type: none"> • See above. 	<ul style="list-style-type: none"> • If no provincial program exists by 2022, implement a pilot project.
4. Ceramics a) Provide drop-off location for ceramics at no cost at the City's EnviroDepots	<ul style="list-style-type: none"> • Tentative start date for ceramics drop-off at EnviroDepots is Fall 2020. 	<ul style="list-style-type: none"> • Tentative start date for ceramics drop-off at EnviroDepots is Summer 2021. 	<ul style="list-style-type: none"> • End markets discussion have been held and will be re-confirmed in early 2021.
b) Ban collection of toilets at the curb	<ul style="list-style-type: none"> • Tentative date for toilet/ceramics ban is Fall 2021. 	<ul style="list-style-type: none"> • Tentative date for toilet/ceramics ban is Fall 2022. 	<ul style="list-style-type: none"> • No other changes.
5. Clothing and Textiles a) Develop a textile awareness strategy to promote existing reuse opportunities for all Londoners	<ul style="list-style-type: none"> • Tentative start date is Spring 2020 	<ul style="list-style-type: none"> • Tentative start date is Spring 2021 	<ul style="list-style-type: none"> • No other changes.
b) Pilot depot collection at select multi-residential buildings	<ul style="list-style-type: none"> • Tentative start date is Fall 2020. 	<ul style="list-style-type: none"> • Tentative start date is Fall 2021. 	<ul style="list-style-type: none"> • No other changes.
6. Small Metal (Small Appliances/Electrical Tools/Scrap Metal) a) Implement semi-annual curbside collection of small metal items	<ul style="list-style-type: none"> • Tentative date for collection is Fall 2021 to coincide with other collection changes (e.g., Green Bin). 	<ul style="list-style-type: none"> • Tentative date for collection is Summer/Fall 2022 to coincide with other collection changes (e.g., Green Bin). 	<ul style="list-style-type: none"> • No other changes.
b) Pilot depot collection at select multi-residential buildings	<ul style="list-style-type: none"> • Begin pilot in Fall 2020 	<ul style="list-style-type: none"> • Begin pilot in Fall 2021 	<ul style="list-style-type: none"> • No other changes.
7. Furniture a) Provide a drop-off location at W12A	<ul style="list-style-type: none"> • Tentative start date is Fall 2020 	<ul style="list-style-type: none"> • Tentative start date is Fall 2021. 	<ul style="list-style-type: none"> • End markets discussion have been held and will be re-

Table A1 - Revised Timetable and Status of Actions			
Action	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020	Comment, Staff and/or Financial Adjustment
EnviroDepot for wooden furniture			confirmed in early 2021. <ul style="list-style-type: none"> No other changes.
b) Begin semi-annual collection of wooden furniture	<ul style="list-style-type: none"> Tentative date for implementation is Fall 2021 to coincide with other collection changes (e.g., Green Bin). 	<ul style="list-style-type: none"> Tentative date for collection is Summer/Fall 2022 to coincide with other collection changes (e.g., Green Bin). 	<ul style="list-style-type: none"> No other changes.
c) Ban wooden furniture from curbside garbage collection	<ul style="list-style-type: none"> 2022; based on the success of semi-annual collection services 	<ul style="list-style-type: none"> 2023; based on the success of semi-annual collection services 	<ul style="list-style-type: none"> No other changes.
8. Mattresses a) Wait to see if the Province develops a provincial program for mattresses under the Waste-Free Ontario Act as there are limited markets for recycling mattresses in the province	<ul style="list-style-type: none"> Province still considering developing a provincial program; likely not to be introduced for a couple of years 	<ul style="list-style-type: none"> Diversion of mattresses not currently being publicly discussed at this time. 	<ul style="list-style-type: none"> Continue to look for local business opportunities for mattress recycling. End markets discussion have been held and will be re-confirmed in early 2021. No other changes.
b) If no provincial program exists by 2021, implement a pilot project	<ul style="list-style-type: none"> See above. 	<ul style="list-style-type: none"> If no provincial program exists by 2022, implement a pilot project 	<ul style="list-style-type: none"> See above.
Curbside Organics Management Program			
9. Implement a curbside (residential) Green Bin program	<ul style="list-style-type: none"> See Table 2 for tentative schedule and status. 	<ul style="list-style-type: none"> See Table 2 for tentative schedule and status. 	<ul style="list-style-type: none"> This action has had the most significant impact due to the number of items that must occur and require additional human resources (included in revised budgets estimates).
10. Implement bi-weekly (same day) garbage collection	<ul style="list-style-type: none"> Subject to final approval on collection system parameters, 	<ul style="list-style-type: none"> Tentative date for collection is Summer/Fall 2022 to coincide with 	<ul style="list-style-type: none"> See above.

Table A1 - Revised Timetable and Status of Actions			
Action	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020	Comment, Staff and/or Financial Adjustment
	tentative date for implementation is Fall 2021 to coincide with other collection changes (e.g., Green Bin)	other collection changes (e.g., Green Bin).	
Multi-Residential Organics Management Program			
11. Implement a mixed waste processing pilot (to recover organics and other materials) on a portion of the waste from multi-residential homes	<ul style="list-style-type: none"> Tentative date for implementation is Fall/Winter 2021 but will depend on facility availability 	<ul style="list-style-type: none"> Tentative date for implementation is Fall/Winter 2022 but will depend on facility availability. 	<ul style="list-style-type: none"> A number of municipalities in Ontario, coordinated by the Region of Peel, are holding preliminary discussions on a collaborative approach to a mixed waste processing pilot project. This approach was approved by Region of Peel Council.
Other Organics Management Programs			
12. Develop and implement a food waste avoidance strategy	<ul style="list-style-type: none"> Development underway with major roll-out of program in early 2020. 	<ul style="list-style-type: none"> Development underway with major roll-out of program in early 2021. 	<ul style="list-style-type: none"> Due to the potential financial savings and potential climate change benefits, this action will require additional resources.
13. Reduce the cost of composters at the EnviroDepots and undertake additional sale events at select community locations	<ul style="list-style-type: none"> Tentative date for implementation is June 2020 or January 2021 	<ul style="list-style-type: none"> Tentative date for implementation is April 2021 or June 2021 	<ul style="list-style-type: none"> Requires changes to Fee and Charges by-law No other changes.
14. Provide financial support to community groups or environmental organizations that want to set up a community composting program	<ul style="list-style-type: none"> Tentative start date is Winter/Spring 2020. 	<ul style="list-style-type: none"> Tentative start date is Spring 2021. 	<ul style="list-style-type: none"> Pilot project with Urban Roots London.
Waste Reduction and Reuse Initiatives and Policies			
15. Create a Waste Reduction and Reuse Coordinator	<ul style="list-style-type: none"> Tentative start date is Summer 2020. 	<ul style="list-style-type: none"> Tentative start date is Q1 2021. 	<ul style="list-style-type: none"> No other changes.

Table A1 - Revised Timetable and Status of Actions			
Action	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020	Comment, Staff and/or Financial Adjustment
position within the Solid Waste Management Division			
16. Provide financial support for community waste reduction and reuse initiatives	<ul style="list-style-type: none"> Tentative start date is Fall 2020. 	<ul style="list-style-type: none"> Tentative start date is Spring 2021. 	<ul style="list-style-type: none"> No other changes.
17. Reduce the garbage container limit to two or three containers per collection (based on every other week garbage collection)	<ul style="list-style-type: none"> Tentative date for implementation is Fall 2021 to coincide with other collection changes (e.g., Green Bin). 	<ul style="list-style-type: none"> Proposed schedule: <ul style="list-style-type: none"> Q1, 2021 – Municipal review and curbside research June, 2021 – report to CWC. 	<ul style="list-style-type: none"> Tentative date for implementation is Summer/Fall 2022 to coincide with other collection changes (e.g., Green Bin). Could be undertaken sooner if Council wishes.
18. Further explore the use of clear bags for garbage collection if London does not move to a roll-out cart based garbage collection system	<ul style="list-style-type: none"> Further review is underway. 	<ul style="list-style-type: none"> Proposed schedule: <ul style="list-style-type: none"> Q1, 2021 – Municipal review and curbside research June, 2021 – report to CWC. 	<ul style="list-style-type: none"> Research work delayed during pandemic to focus on essential services.
19. Further explore a full user pay garbage system if London moves to a roll-out cart based garbage collection system	<ul style="list-style-type: none"> Further review underway. 	<ul style="list-style-type: none"> The Council approved budget on March 2, 2020 for the 60% Waste Diversion Action Plan did not include budget for cart-based garbage collection. 	<ul style="list-style-type: none"> 2022 – rollout carts to be further reviewed. 2023 – user pay garbage system to be further reviewed.
20. Further examine other incentive and disincentive initiatives (best practices) from other municipalities (e.g., mandatory recycling by-law, reward systems, user fees, etc.)	<ul style="list-style-type: none"> Further review underway. 	<ul style="list-style-type: none"> Proposed schedule: <ul style="list-style-type: none"> Q1, 2021 – Municipal review June, 2021 – report to CWC. 	<ul style="list-style-type: none"> Research work delayed during pandemic to focus on essential services.
21. Provide additional feedback approaches to residents (including how	<ul style="list-style-type: none"> To be completed in Summer 2020. 	<ul style="list-style-type: none"> To be completed in Winter 2020/2021. 	<ul style="list-style-type: none"> No others changes.

Action	Timing and/or Status as of December 2019	Proposed Revised Timing as November 2020	Comment, Staff and/or Financial Adjustment
waste reduction and waste diversion are calculated when providing waste management progress reports)			

Table A2 - Summary of Diversion, Estimated Operating Costs and Schedule

Program Category	Diversion Rate		Annual Estimated Operating Cost		High Level Schedule for Implementation Start Dates
	Range	Likely	MYB Annual Budget Estimate for Full Rollout	\$/Hhld ^{a)}	
Blue Box Recycling Improvements	1% - 3%	2%	\$0	\$0	Dates as per Draft regulation ^{b)}
New Recycling Programs and Initiatives	0.4% - 0.8%	0.6%	\$450,000	\$2.00 - \$3.00	Underway – 2023
Curbside Organics Management Program	8% - 12%	10%	\$5,000,000	\$21.75 - \$30.50	2021 (planning) and 2023 (Rollout period starting in late Summer/ Fall)
Multi-Residential Organics Management Pilot Program	0.5% - 0.7%	0.6%	\$500,000	\$2.25 – \$4.00	2021 (planning) 2022 (for start up)
Other Organic Management Programs	0.3%- 0.6%	0.4%	\$300,000	\$1.50 – \$2.00	Underway – 2023
Waste Reduction, Reuse Initiatives and Policies	1% – 4%	1.4%	\$250,000	\$1.00 - \$2.00	2021 – 2023
Total ^{c)}	11% - 21%	15%	\$6,500,000	\$28.00 - \$41.50	Underway - 2023

Notes:

a) Based on Best Estimate divided by 180,000 households.

b) The Provincial government released the draft regulation for review on October 19, 2020. The City of London is propose to transition some time during 2023.

c) Totals may not add due to rounding.

Appendix B



2021 Annual Budget Update Budget Amendment # - Revised Implementation (BC#1) – 60% Waste Diversion Action Plan

Strategic Area of Focus:	Building a Sustainable City
Strategy:	Work with residents and organizations to implement the 60% Waste Diversion Action Plan Update
Budget Amendment Type:	New Council Direction
Description:	Adjustment to 60% Waste Diversion Action Plan funding due to revised implementation timeline
Service(s):	Recycling & Composting
Lead:	Kelly Scherr, Managing Director, Environmental and Engineering Services & City Engineer

Budget Amendment Tax Levy Impact (\$ Thousands)	2020	2021	2022	2023	2020 to 2023 Total
Annual Net Tax Levy Impact	N/A	-\$2,300	-\$1,450	\$0	-\$3,750
Annual Net Incremental Tax Levy Impact	N/A	-\$2,300	\$850	\$1,450	\$0
Estimated Tax Levy Impact %	N/A	-0.36%	0.13%	0.21%	-0.01% Average
Estimated Rate Payer Impact \$ ¹	N/A	-\$11.08	-\$6.92	\$0	-\$4.50 Average

Subject to rounding.

1) Calculated based on the average assessed value of \$241,000 for a residential property (excludes education tax portion and impacts of tax policy).

60% Waste Diversion Action Plan Revision

What is the reason for the budget amendment?

The budget for the 60% Waste Diversion Action Plan (WDAP) multi-year implementation was approved as part of the 2020-2023 Multi-Year Budget on March 2, 2020. Shortly after this date, the COVID-19 emergency was declared provincially on March 17, 2020, and locally March 20, 2020. Among many items and actions, this included a reallocation of corporate priorities, work activities, employee disruptions and impacts, financial challenges, community engagement restrictions, hiring freeze, etc. As a result, the majority of the 60% Waste Diversion Action Plan actions items were placed on hold to ensure that essential services were operated in a safe manner following all rules from the Provincial Government and subsequent direction from public health officials, Council and the City's Senior Leadership Team. Pandemic impacts have delayed projects and programs within the 60% WDAP by six months and potentially as long as eighteen months for projects that require equipment (e.g., new collection vehicles).

Operating Budget Table (\$ Thousands)

60% Waste Diversion Action Plan Revision	2020	2021	2022	2023	2020 to 2023 Total	2024 to 2029 Total
Budget	\$700	\$3,900	\$6,500	\$6,500	\$17,600	\$24,000
Cumulative Amendment	N/A	-\$2,300	-\$1,450	\$0	-\$3,750	\$0
Amended Budget	\$700	\$1,600	\$5,050	\$6,500	\$13,850	\$24,000

Subject to rounding.

Staffing Impact Table

Staffing Summary - Changes	2020	2021	2022	2023
# of Full-Time Employees Impacted	N/A	0.0	0.0	0.0
# of Full-Time Equivalents Impacted	N/A	1.0	1.0	1.0
Cost of Full-Time Equivalents (\$ Thousands)	N/A	\$120	\$120	\$120

Subject to rounding.

Additional Details

Business Case #1 – 60% Waste Diversion Action Plan was approved by Municipal Council on March 2, 2020. All portions of the Business Case and supporting documentation remains unchanged with one exception. The transition of the Blue Box program to industry responsibility is much more likely now since the Province released a draft Blue Box Regulation on October 19, 2020. It is out for a 45 day review period (until December 3, 2020). The final regulation is expected at the end of 2020 or early in 2021. This will result in additional work activities in a shorter time period. This has been addressed through the reallocation of approved budget within the 60% Waste Diversion Action Plan.

Regarding recycling transition, there will be challenging and complex processes that will require additional technical consulting and contract staff resources (no permanent staff) in 2021, 2022 and possibly 2023, as noted in the staffing table above. Work will be required with industry negotiations, materials recovery facility (MRF) management, community readiness, transition requirements and reporting. For example, a review of the City-owned MRF will require an analysis of options such as i) revise operations, ii) lease, iii) sell, iv) operating partnership, or v) re-purpose.

A comprehensive report was submitted to the Civic Works Committee on November 17, 2020 which includes a revised timetable for the 21 actions in the Plan. The revised timetable has resulted in the adjustment of expenditures by year in 2020, 2021 and 2022. This is reflected in this budget amendment. At the appropriate time, key performance indicators associated with the Action Plan will be required to be pushed back one year. This would occur at the next Progress Report update for Council's Strategic Plan.

It is worth noting that the current commitment of Council, as part of the Environmental Assessment for the Expansion of the W12A Landfill process, to have programs in place and reach 60% waste diversion by the end of 2022 will only partially occur. The programs will be in place; however the delay in starting the programs may impact the actual diversion that will occur by the end of 2022. We do not anticipate any issues with Ministry of the Environment, Conservation & Parks (MECP) staff as they are aware of London's situation (and other municipalities) and are also working through these challenging times under different working circumstances.

What are the Risks of Not Making this Adjustment?

The risks of not proceeding are the same as the original Business Case #1 (2020 – 2023 Multi-Year Budget):

- Very unlikely that the MECP will approve the expansion of the W12A Landfill if the City does not demonstrate its willingness to achieve higher diversion levels through the Green Bin and other initiatives. This would also be renegeing on a "commitment" made as part of the Terms of Reference for the Environmental Assessment for the W12A Landfill expansion.
- The Province has indicated that all municipalities of a certain size must reduce/recover 70% of food waste and organics by 2025.
- For many, a loss of public trust as residents expect the City to increase waste diversion and implement the Green Bin Program.

- For some/many, a loss of public trust as residents expect the City to take action on the declared climate emergency.
- The City's existing investment in the Waste Diversion Action Plan process for London would not be built upon in the same manner.
- Strategic Plan and the London Plan vision and direction will be more difficult to meet.

Other Information to Refer to?

Civic Works Committee, November 17, 2020, Updates – 60% Waste Diversion Action Plan Including Green Bin Program

Civic Works Committee, November 17, 2020, Community Engagement on Green Bin Program Design

Civic Works Committee, November 17, 2020, CommNet's on Environmental Registry of Ontario (ERO): Proposed Blue Box Regulation

Strategic Priorities and Policy Committee, September 22, 2020, 2020 Mid-Year Operating Budget Monitoring Report & COVID-19 Financial Impacts

Civic Works Committee, September 22, 2020, 2nd Report of the Waste Management Working Group

Civic Works Committee, May 26, 2020, Response to the Association of Municipalities of Ontario (AMO) Regarding Transition Process

Appendix C

General Update on Waste Diversion Activities

As part of essential services and related supporting activities to essential services, the following key waste diversion related initiatives have occurred between January and October 2020:

- The City of London is the Co-chair of the Waste Subcommittee of the Regional Public Works Commissioners of Ontario (RPWCO). Between late March and the end of June 2020, the Waste Subcommittee was connected daily asking questions, sharing advice, and offering solutions for solid waste operations (essential service) during the first 3 months of the pandemic.
- The City of London continues to be a very active member of the Municipal Resource Recovery and Research Collaborative (M3RC) providing direct input into provincial legislation, regulation and policies for waste diversion and waste management. The collaborative partners include:



Among many items, perhaps the most important one, is the multi-million dollar transition plan and regulation for the Blue Box program to move to full industry financial and operational responsibility. This includes the most recent submission from M3RCs to the province entitled Regulation under *Resource Recovery and Circular Economy Act, 2016* for Packaging, Paper and Packaging-Like Products (July 29, 2020). A draft regulation from the Province was released on October 19, 2020. City staff comments on recommendation on this item can be found in the CWC report titled Comments on Environmental Registry of Ontario (ERP): Proposed Blue Box Regulation, November 17, 2020.

- As part of the Waste Free Ontario Strategy, the City continues to make contributions directly or indirectly towards the organics management and implementation framework in Ontario being undertaken by the Provincial Government. Further details are expected in the first half of 2021. This includes input on source separated organics, mixed waste processing and composting, material quality and facility siting.
- Working through RPWCO and M3RCs, City staff have been engaged and/or tracking the development of extended producer responsibility programs for a range of materials. The status of the various initiatives is identified on Table C1.

Table C1: Status of Various EPR Initiatives in Ontario

Material	Transition Status	Transition Date	How does the City get Involved?	Is City Receiving Funding?	Annual Estimated Cost Savings or Expenditures
Used Tires	Complete	January 1, 2019	Accept at EnviroDepots on behalf of Producers	No	Collected at no cost.
Batteries	Complete	July 1, 2020	Accept at EnviroDepots on behalf of Producers	Yes	Expected Funding Revenue after July 1 = \$4,500
Electronics	Regulation Complete	January 1, 2021	Accept at EnviroDepots	Yes	Current Revenue: \$85,000

Table C1: Status of Various EPR Initiatives in Ontario

Material	Transition Status	Transition Date	How does the City get Involved?	Is City Receiving Funding?	Annual Estimated Cost Savings or Expenditures
Municipal Hazard and Special Waste (MHSW)	Proposed Regulation for Comment (Draft expected Fall/Winter 2020)	July 1, 2021	Accepted at W12A HSW Building	Yes	Current Funding Revenue = \$120,000 Future Funding may increase
Blue Box Materials (during transition)	Draft Regulation	Proposed Transition January 1, 2023 to December 31, 2025	Part of the Core Team participating in regulation and process development	Current = about 50% heading towards 90% to 100% funding	Current Funding Revenue: \$3,400,000 Future Funding and/or Payment will likely increase by \$3.5 to \$4 million
Blue Box (post transition)	Preliminary discussions	January 1, 2026	Limited activity at this time	n/a	n/a

Resource Recovery Strategy

Work on this strategy has also been delayed. The following key resource recovery initiatives have occurred between January and October 2020:

- London's Hefty® EnergyBag® Pilot Project (for hard-to-recycle plastic items that are currently placed in the garbage) was launched in late October 2019 and proceeded as planned until March 2020. A number of adjustments have been made to address operating through the pandemic including measurement studies and postponing expansion until a clearer picture is available. Several project activities resumed in August 2020 including a revised overall project schedule and reporting. Also important to note is that similar to the City of London, a number of the Pilot Project partners had to deal with addressing other corporate priorities due to the pandemic. For many partners, these challenges will likely carry will into 2021.
- Through RPWCO Waste Subcommittee, mixed waste processing updates and initiatives continued to be shared among the 20 members. The most active municipalities are City of Toronto, Region of Durham, Region of Peel and the City of London. Other municipalities such as Region of Niagara and Region of Waterloo continue to track progress of others. A number of private sector companies continue to be active in research and development in Ontario, benchscale or pilot scale facilities, through operational facilities in other jurisdictions such as United States and Europe. A number of municipalities in Ontario, coordinated by the Region of Peel, are holding preliminary discussions on a collaborative approach to a mixed waste processing pilot project and/or additional research and data assessment.
- Research at the London Waste to Resources Innovation Centre including the NSERC Industrial Research Chair Thermochemical Conversion of Biomass and Waste to Bioindustrial Resources administered by Western University, has continued with most field activities curtailed. Field work has resumed at a slower pace to accommodate and health and safety measures associated with the pandemic. It is anticipated that field work will resume in August and September 2020. Work ranges from feedstock handling to material quality through to technologies and end market products (e.g., mechanical recycling, chemical recycling, material conversion, alternative low carbon fuel, solid recover fuel, etc.).