

SCRD STAFF REPORT

DATE: July 9, 2013
TO: Community Services Committee – July 11, 2013
FROM: Jeremy Valeriote, Manager of Waste Reduction and Recovery
RE: **OPTIONS FOR SHIFTING GREEN WASTE PROGRAM COSTS TO TAXATION FUNDING**

RECOMMENDATION(S)

THAT the Manager of Waste Reduction and Recovery Report regarding Options for Shifting Green Waste Program Costs to Taxation Funding be received;

AND THAT the Committee provide direction on which Option to pursue for the 2014 budget.

BACKGROUND

The following resolution was adopted by the Board at the regular meeting held on March 14, 2013.

Res. 110/13 No. 26

THAT the Manager, Sustainable Services' report titled "Regional Solid Waste [350-353] – 2013 R3 Budget Proposal" be received;

AND THAT the following budget proposal be approved and included in the 2013 Budget:

- *Budget Proposal 9 – Funding 2013 Landfill Cost Increases as follows:*

<i>Landfill Cost Increases</i>	<i>\$171,500</i>
<i>Town of Gibsons Green Waste</i>	<i>\$51,400</i>
<i>TOTAL Landfill Cost Increases</i>	<i>\$222,900</i>

- *Funded per the following Model:*
 - a) by Service Reductions (Sechelt Landfill closed Mondays Year Round and Pender Harbour Landfill closed Tuesdays Year Round):*

<i>2013 start September 1</i>	<i>\$30,000</i>
<i>2014</i>	<i>\$95,000</i>

<i>b) by Tipping Fee Increase (\$25/tonne):</i>	
<i>2013 start September 1</i>	<i>\$85,000</i>
<i>2014</i>	<i>\$190,000</i>
<i>c) by 2013 Operating Reserve</i>	
	<i>\$55,000</i>
<i>d) by 2013 Required Revenue</i>	
	<i>\$55,000;</i>

AND THAT Town of Gibsons Green Waste component be included in the 2013 Landfill budget;

AND THAT staff report to the May Infrastructure Services Committee Meeting regarding a feasibility study for looking at separating Green Waste into its own function and the possibility of leaving the Islands out of the function;

AND FURTHER THAT staff develop a communication plan to advise the public of the Service Reductions and Tipping Fee Increases.

The following resolution was adopted by the Board at the regular meeting held on May 09, 2013.

Res. 210/13 No. 4

THAT the Manager of Sustainable Services, Manager of Legislative Services and Treasurer's report entitled "Feasibility for New Green Waste Function" be received;

AND THAT staff report back on options for separating the green waste program out as a separate accounting under Regional Solid Waste (funded from taxation) and advising if islands residents can be excluded and showing what benefits the islands would receive if they cannot be excluded.

The following resolutions were adopted by the Board at the regular meeting held on June 13, 2013.

Res. 261/13 No. 4

THAT the Acting Manager of Sustainable Services' report entitled "Including Green Waste Program within Regional Solid Waste Function" be received;

AND THAT this report be referred to the District of Sechelt, Town of Gibsons and Sechelt Indian Government District requesting their feedback.

Res. 261/13 No. 5

THAT a report be brought back to a future committee meeting providing information pertaining to equity costs to residents in Area F (and islands) that would pay for this service but may not receive any benefits of the service, and if the islands were removed from the function what would be the effect on other funding areas.

Res. 261/13 No. 6

THAT the Manager of Legislative Services provide a report to the June Community Services Committee meeting on logistics around an AAP to create a new Green Waste Service, including timelines and whether the process can be completed in time to be incorporated in the 2014 budget.

Res. 262/13 No. 21

THAT the report from the Manager of Legislative Services regarding Establishing a Green Waste Service be received;

AND THAT this report be forwarded to the Town of Gibsons, District of Sechelt, and Sechelt Indian Government District with a request for comments to come back in time for the July 4, 2013 Infrastructure Services Committee meeting.

July 4 ISC - Recommendation #1 (not yet adopted by Board)

The Infrastructure Services Committee recommended that the Acting Manager of Sustainable Services' report entitled "Options for Shifting Green Waste Program Costs to Taxation Funding" be received;

AND THAT the Acting Manager of Sustainable Services' report entitled "Options for Shifting Green Waste Program Costs to Taxation Funding" be referred to the July 11th Community Services Committee meeting with all previous reports on the subject attached;

AND THAT the cost of service to the Area F Islands for Islands Cleanup, garbage collection services at mainland docks, and how much the islands are already contributing in function 350, be included in the report;

AND FURTHER THAT the report lists what options are available if an Alternative Approval Process (AAP) to create a new taxing function for green waste fails.

DISCUSSION

The Board has expressed support in principle for the shift from tipping fees to taxation, with direction to consult with member municipalities. A summary memo including three staff reports on green waste funding options was sent to municipalities on June 18, 2013, requesting comments by July 2 so that municipal directors could enter into Board discussions with input from their staff and Councils.

Two options for shifting funding from landfills to taxation were presented:

Option 1. Include green waste costs as a separate object code under Regional Solid Waste Function 350, which is funded by all participants.

Option 2. Create a new green waste function funded by all participants excluding Area F Islands.

Area F Islands residents could be excluded from a new function, but not from Function 350. Two reports on Option 2, establishing a new green waste service, were previously brought to the May 2 Infrastructure Services Committee and the June 13 Community Services Committee. These reports estimate a minimum of four months to complete an Alternative Approval Process (AAP) once service-related decisions are made. To establish a tax function for the 2014 fiscal year, the deadline for bylaw adoption is December 31, 2013 for a land & improvements tax (October 1, 2013 for a parcel tax). The reports on a new green waste function are included as Attachments 1 and 2. A previous report to the June 6 ISC is also included as Attachment 3.

As previously discussed, 2013 estimated green waste program costs, now that Town of Gibsons direct costs have been absorbed into the SCRD operating budget, are \$185,000 based on current service levels and operating costs.

Staff notes that cost pressures on landfill tipping fees are expected to continue to increase despite the tipping fee increase and service reductions adopted for the 2013 budget, as regulatory requirements and handling costs for specific materials such as asbestos and wood waste continue to increase.

It is important to clarify that contributions to the Town of Gibsons facility are fully funded from tipping fees; Gibsons is not currently contributing to a taxation function that is funding a contribution back to their operating costs for the green waste facility. Opportunities to improve operating efficiencies, particularly at the Gibsons Green Waste Facility, continue to be explored.

Under the two taxation function options, green waste program costs would be assigned as shown in Table 1 below. Note that under a new function, costs in the first year (anticipated to be 2014) would be slightly higher than later years to offset the costs of an AAP.

Table 1. Funding Options for Green Waste Program

Area or Municipality	Option 1 – Existing Function 350	Option 2 – New Function	
		Year 1	Future years
SCRD Electoral Areas			
A	\$ 29,267	\$ 32,869	\$ 32,044
B	\$ 21,534	\$ 22,210	\$ 21,653
D	\$ 17,205	\$ 19,355	\$ 18,870
E	\$ 12,432	\$ 13,974	\$ 13,623
F – Mainland	\$ 23,189	\$ 26,022	\$ 25,369
F - Islands	\$ 9,297	-	-
Subtotal - SCR Electoral Areas	\$ 112,924	\$ 114,430	\$ 111,559
Municipalities			
SIGD	\$ 4,440	\$ 5,054	\$ 4,927
District of Sechelt	\$ 46,842	\$ 52,635	\$ 51,315
Town of Gibsons	\$ 20,794	\$ 23,376	\$ 22,790
Subtotal - Municipalities	\$ 72,076	\$ 81,065	\$ 79,032
TOTAL	\$ 185,000	\$ 195,495	\$ 190,592

Option 1 is the most administratively simple and cost-effective, and avoids the introduction of a new taxation function and associated inefficiencies. As a statutory function, there is no mechanism for excluding Area F Islands from Regional Solid Waste Function 350, so Area F Islands would be paying into a function that includes a service they do not typically use.

Option 2, assuming the AAP is successful, provides greater equity for the green waste program in isolation. Pursuing Option 2 through an AAP increases demands on staff time at the expense of other projects, and may not succeed given general public opposition to new taxation.

If the AAP were to fail, options to shift to taxation would include the following:

1. Abandoning the establishment of a new green waste function;
2. A referendum on a new green waste function; or,
3. Revisiting taxation under an existing function.

For the Regional Solid Waste function as a whole, Area F Islands residents currently receive equitable service levels through the Islands Cleanup program and dock collection and disposal services, as detailed in Table 2 below.

Table 2. Function 350 - Area F Islands Taxation and Expenditures

2013 Area F Islands Taxation Portion	\$ 44,357
Proposed Increase for Green Waste Program Funding	\$ 9,297
Total Area F Islands Taxation for Function 350 (with proposed increase)	\$ 53,654
2013 Regional Solid Waste Services to Area F Islands	
Islands Cleanup – Area F portion ¹	\$ 44,500
Garbage Containers and Disposal (Gibsons and Langdale Docks)	\$ 10,767
2013 Total Value Services to Area F Islands	\$ 54,267

RECOMMENDATION

Staff requests that the Committee provide direction on which option to pursue for the 2014 budget. Town of Gibsons and District of Sechelt indications of support for Option 1 are attached as Attachments 4 and 5, respectively. Staff expects feedback from the Sechelt Indian Government District after a July 23 Council meeting.

¹ Area F Islands Cleanup costs differentiated from overall Islands Cleanup program based on barge hours and material tonnage; includes contractor charges, tipping fees, estimated staff coordination time and advertising costs.

SCRD STAFF REPORT

DATE: June 7, 2013
TO: Community Services Committee Meeting – June 13, 2013
FROM: Angie Legault, Manager of Legislative Services
RE: **Establishing a Green Waste Service**

RECOMMENDATION(S)

THAT the Manager of Legislative Services' report concerning Establishing a Green Waste Service be received.

BACKGROUND

The following recommendation was made at the June 6, 2013 Infrastructure Services Committee meeting:

Recommendation No. 6 *Green Waste Program*

The Infrastructure Services Committee recommended that the Manager of Legislative Services provide a report to the June Community Services Committee meeting on logistics around an AAP to create a new Green Waste Service, including timelines and whether the process can be completed in time to be incorporated in the 2014 budget.

DISCUSSION

An Alternative Approval Process would be the most cost effective method to obtain the elector approval required to establish a new service. In general, an AAP would take four (4) months to complete (after all service related decisions are made and assuming staff capacity).

In order to have a new service in place for taxation in 2014, an establishing bylaw must be adopted by December 31 (October 1 if costs are to be recovered via parcel tax). Given the timing and work to be completed, decisions will need to be made quickly if the Board wishes to pursue this option.

The following steps are required:

- Service decisions
 - Define service area, service level and proposed annual budget
 - Determine cost recovery mechanism e.g. ad valorem, parcel tax, etc.
 - Calculate tax rate (should be sufficient to ensure amendment isn't required for at least five years)
- Communication with member municipalities
- Public consultation
- Draft bylaw
 - Bylaw must receive 3 readings and be approved by the Inspector of Municipalities prior to commencing AAP (3-6 week turnaround time)
- Prepare for and initiate AAP – voters lists, forms, information package, statutory advertising (two consecutive weeks), website updates, managing public inquiries and elector responses, determining final results

- Bylaw adoption and submission to Province
- Information to BC Assessment for service area coding

The amount of staff time required for the AAP will depend on the level of elector response. Given our past experience with matters related to solid waste, it would be reasonable to expect a high level of community interest. Legislative Services staff would deal with elector response forms and inquiries about process. Solid Waste staff would deal with service related inquiries.

Given the number of tasks that need to be accomplished, it is unlikely that an elector approval process could be accomplished by October 1st (if cost recovery is to be parcel tax).

If the Board deems completion of an AAP to be a priority for 2014 taxation, the Solid Waste and Legislative Services Division work plans would be adjusted accordingly to ensure the bylaw could be adopted prior to year end.

Should the Board choose to move forward with an AAP, the next step would be to request a full staff report discussing the service related issues and financial implications.

Estimated cost of process (note to be charged to Regional Feasibility Study)

Alternative Approval process (required to establish new service)

Legal (contingency)	\$ 500.00
Statutory Advertising	\$1,200.00
Meetings & Supplies	\$1,520.00
Staff Time	\$4,500.00***
Total	<u>\$7,720.00</u>

*** Staff time will be dependent on the amount of public interest generated.

SCRD STAFF REPORT

DATE: April 18, 2013
TO: Infrastructure Services Committee – May 2, 2013
FROM: Dion Whyte, Manager of Sustainable Services
 Angie Legault, Manager of Legislative Services
 Tina Perreault, Treasurer
RE: **Feasibility for new Green Waste Function**

RECOMMENDATION(S)

THAT the report concerning feasibility for a separate Green Waste function be received;

AND THAT the 2013 Financial Plan be amended to include \$7,720 in the Regional Feasibility Function (150), to be recovered in 2014.

BACKGROUND

At the March 14th, 2013 regular Board meeting, motion 110/13 was adopted as follows (in part):

Recommendation No. 26 - Regional Solid Waste [350-353] – 2013 R3 Budget Proposal

...AND THAT the following budget proposal be approved and included in the 2013 Budget:

- Budget Proposal 9 – Funding 2013 Landfill Cost Increases as follows:

Landfill Cost Increases	\$171,500
Town of Gibsons Green Waste	<u>\$51,400</u>
TOTAL Landfill Cost Increases	\$222,900
- Funded per the following Model:
 - a) by Service Reductions (Sechelt Landfill closed Mondays Year Round and Pender Harbour Landfill closed Tuesdays Year Round):

2013 start September 1	\$30,000
2014	\$95,000
 - b) by Tipping Fee Increase (\$25/tonne):

2013 start September 1	\$85,000
2014	\$190,000
 - c) by 2013 Operating Reserve
 - d) by 2013 Required Revenue

AND THAT Town of Gibsons Green Waste component be included in the 2013 Landfill budget;

AND THAT staff report to the May Infrastructure Services Committee Meeting regarding a feasibility study for looking at separating Green Waste into its own function and the possibility of leaving the Islands out of the function;

DISCUSSION

As presented during the 2013 budget process, funding for the SCRD's free green waste program currently comes from landfill tipping fees, thus creating additional cost pressures for landfills. A proposal was put forward to shift funding for this program to taxation in order to alleviate escalating landfill costs and required tipping fee increases. The proposal was not approved, in part due to concerns over the current participation structure in the Regional Solid Waste Function and a desire to consider an alternative whereby island residents would not be taxed for green waste services they cannot access. Furthermore, the SCRD elected to fund that portion of the Gibsons Green Waste Facility costs previously funded through the Town of Gibsons' operating budget, thereby increasing costs to landfills by over \$50,000. A mechanism is needed to shift these cost out of the landfill budgets in order to maintain the financial sustainability of these facilities and affordability of landfill services to the public. The purpose of this report is to assess the implications of conducting a feasibility study for establishment of a new taxing function for the free residential green waste program.

Legislative process to implement a new function

An elector approval process would be required to create the new function. The amount of staff time required for the AAP will depend on the level of elector response.

The following steps are required:

- Service decisions
 - Determine cost recovery mechanism (if separate service) e.g. ad valorem, parcel tax, etc.
 - Calculate tax rate (should be sufficient to ensure amendment isn't required for at least five years)
- Public consultation
- Draft bylaw
 - Bylaw must receive 3 readings and be approved by the Inspector of Municipalities prior to commencing AAP
- Prepare for and initiate AAP – voters lists, forms, information package, statutory advertising, managing public inquiries and submissions
- Bylaw adoption and submission to Province
- Information to BC Assessment for service area coding

In order to 'code' the service for 2014 taxation, BC Assessment requires that the bylaw be adopted by December 31st. Bylaws recovering for Parcel Tax are required by October 1st. Given the number of tasks that need to be accomplished, the completion of an elector approval process is not likely to be accomplished by October 1st.

Staff from Finance (Treasurer), Solid Waste (description of service and supporting materials), and Administration (including Corporate Communications) would be involved in outlining the AAP related information.

Scheduling requirements for 2014 Budget

Given the process described above, it is estimated that it may take at least 4-6 months for it to unfold (pending staff workload).

A report and draft service establishing bylaw needs to be written for discussion at Committee.

Once the service related decisions have been made, and the Board has given the bylaw third reading, the bylaw would be sent to the Inspector of Municipalities for approval. Depending on workload at the Ministry, the approval could take 3-6 weeks.

Once Inspector approval is received, statutory advertisements are required in two consecutive newspapers. The elector response period must be a minimum of 30 days after the last advertisement.

Estimated costs for implementation (note to be charged to Regional Feasibility Study)

Alternative Approval process (required to add new function)

Legal (contingency)	\$ 500
Advertising	1,200
Meetings & Supplies	1,520
<u>Staff Time</u>	<u>4,500</u>
Total	\$7,720

Participants

The service area would be all of the SCRD (including member municipalities) except the island portions of Electoral Area B & F (as these property owners are not able to access drop off facilities).

Financial Analysis

If a new function was established in 2014, this amount would be recovered in the first year. In addition, a small increase of 1.5% was built in for any anticipated contract or overhead increases. Therefore the proposed 2014 and 2015 Budget would be as follows:

	2014	2015
Feasibility Cost Recovery	\$7,720	
Green Waste Program Costs	185,000	187,775
Possible Contract/OH increase 1.5%	2,775	2,817
Total Proposed Budget	\$195,495	\$190,592

The tables below provide a financial analysis for three options for cost recovery (less Area B & F islands) of the proposed new function. The options are taxation, parcel tax or some type of user fee. They are as follows:

Taxation

	A	B- Mainland	D	E	F- Mainland	ToG	SIGD	DoS	Total	Rate per \$100K *	Residential Rate per \$100K*
2014	32,869	22,210	19,355	13,974	26,022	23,376	5,054	52,635	\$195,495	\$2.56	\$2.20
2015	32,044	21,653	18,870	13,623	25,369	22,790	4,927	51,315	\$190,592	\$2.49	\$2.14

*Amounts subject to change-based on 2013 Revised Roll assessment rates

Using taxation as a means of cost recovery, the average household would see an increase to their tax bill in the amount of \$8.80 in 2014 and \$8.56 in 2015 (using \$400,000 home-land & improvements). Taxpayers within the rural areas (A-F) would also see the additional 5.25% that the Surveyor of Taxes charges, making it \$9.26 for 2014 and \$9.02 for 2015. Therefore, Staff recommend a bylaw rate of 0.04¢/per \$1,000, which would be sufficient for a number of years.

Parcel Tax or User Fee

	2014 SCR D- 5.25% Collection Fee	2014- Member Municipalities	2015- SCR D 5.25% Collection Fee	2015 Member Municipalities
Parcel Tax (per occurrence*	\$10.90	\$10.35	\$10.62	\$10.09
User Fee*	\$10.35	\$10.35	\$10.09	\$10.09

*Amounts subject to change-based on 2013 Revised Roll assessment rates

Typically, parcel tax is the method used to recover debt payment, for example, the PH Pool renovation, and has an anticipated "end date". However, if the "flat tax" option was approved, a SCR D taxpayer would again see the 5.25% added from the Surveyor, and the member municipalities would not. A User Fee is another option, but is least recommended, due to the logistics of recovering the funds regionally. For the SCR D users, it would be possible to add the fee onto the refuse collection bill, but for the member municipalities, an invoice would have to be issued and paid each year.

SCRD STAFF REPORT

DATE: May 21, 2013
TO: Infrastructure Services Committee – June 6, 2013
FROM: Jeremy Valeriotte, Acting Manager, Sustainable Services
RE: **INCLUDING GREEN WASTE PROGRAM WITHIN REGIONAL SOLID WASTE FUNCTION**

RECOMMENDATION(S)

THAT the Acting Manager, Sustainable Services' Report regarding Green Waste Funding be received;

AND THAT the Green Waste Program be proposed as a separate accounting object code within the Regional Solid Waste Function 350 in the 2014 Budget.

BACKGROUND

The following resolution was adopted by the Board at the regular meeting held on May 9, 2013:

Res. 210/13 No. 4

THAT staff report back on options for separating the green waste program out as a separate accounting under Regional Solid Waste (funded from 7) and advising if islands residents can be excluded and showing what benefits the islands would receive if they cannot be excluded.

DISCUSSION

As presented during the 2013 budget process, funding for the SCRD's free green waste program currently comes from landfill tipping fees, creating additional cost pressures for landfills. A proposal was put forward to shift funding for this program to taxation in order to alleviate escalating landfill costs and required tipping fee increases. Regional taxation is also a more appropriate means of funding as there is universal mainland access to the green waste program; it is not restricted to those who use the landfill. Green waste is similar to recycling (also funded from taxation) in that it is a disposal item that has no associated disposal fee.

The 2013 budget proposal to shift green waste funding was not approved, and the SCRD elected to fund the portion of the Gibsons Green Waste Facility costs previously funded through the Town of Gibsons' operating budget, thereby increasing costs to landfills by over \$50,000. A mechanism is needed to shift these costs out of the landfill budgets in order to maintain the financial sustainability and affordability of landfill services to the public.

In response to the Feasibility report which described a lengthy AAP process to implement a new green waste function, the Board requested options for separating green waste as a separate accounting object code under Regional Solid Waste Function 350.

As previously described, 2013 estimated green waste program costs, now that the Town of Gibsons direct costs have been absorbed into the SCRCD operating budget, are \$185,000 based on current service levels and operating costs. Opportunities to improve operating efficiencies, particularly at the Gibsons Green Waste Facility, continue to be explored on an ongoing basis.

Under a taxation function such as Regional Solid Waste, green waste program costs would be assigned as follows:

Egmont/Pender Harbour	\$ 29,267
Halfmoon Bay	\$ 21,534
Roberts Creek	\$ 17,205
Elphinstone	\$ 12,432
West Howe Sound	\$ 32,486
Subtotal - SCRCD Electoral Areas	\$ 112,924
SIGD	\$ 4,440
District of Sechelt	\$ 46,842
Town of Gibsons	\$ 20,794
Subtotal - Member Municipalities	\$ 72,076
TOTAL	\$ 185,000

As a statutory function, there is no mechanism for excluding islands from Regional Solid Waste Function 350. However, the Islands Cleanup program, and disposal services at mainland docks for islands residents represents about \$70,000 in spending on islands residents. Under the existing taxation scheme, islands contribute about \$53,000 to Function 350; with an additional proposed \$9,000 contribution to the green waste program, the total contribution (\$62,000) would still be less than the benefits derived from this function.

There is also a collective environmental and human health benefit to the green waste program. The program diverts about 3,200 tonnes of organic material from the waste stream, equivalent to about 20% of the residential waste currently being landfilled. This tonnage is being diverted from landfills or from open burning, which has quantifiable human health benefits that extend to islands residents. Organic material deposited in the landfill generates methane gas, about 25 times more potent than carbon dioxide as a greenhouse gas that impacts global climate change.

The US EPA estimates \$360,000 in health benefits related to reduced production of particulate matter, per ton of residential wood combustion PM_{2.5} particulate emissions¹. These benefits are mostly related to avoided premature deaths, but also include reduced frequency of acute respiratory health events and loss of productivity. A rough estimate (based on wood stove emissions²) of PM_{2.5} particulate emissions avoided by not burning 3,200 tonnes of green waste is about 30 tons, corresponding to \$11 million dollars in health benefits. While these estimates are associated with higher population densities, the avoidance of open burning in the airshed

¹ <http://www.epa.gov/airquality/benmap/sabpt.html>

² <http://www.epa.gov/ttnchie1/ap42/ch01/final/c01s10.pdf>

has externalized health benefits that counterbalance the taxation burden for all residents, including the islands.

The regional solid waste function is an excellent example of a taxation function that benefits the population of the SCRDC as a whole. A separate accounting object code under Function 350 – Regional Solid Waste is considered an appropriate use of regional taxation funding and it is recommended that it be brought to the 2014 budget process within the Regional Solid Waste function.

DATE: June 26, 2013

TO: Jeremy Valeriotte, Acting Manager of Sustainable Services, SCRD
Cc: Mani Machado – TOG CAO,
Councillor Tretick - TOG Representative to SCRD

FROM: Ian Poole
Director of Finance

SUBJECT: SCRD Green Waste Funding Options

This memo is in response to your request for the Town of Gibsons comments on Green Waste Funding Options as proposed in your staff memo dated June 13, 2013. It is my understanding that the SCRD Infrastructure Committee will be discussing funding options at their regular meeting on July 4, 2013.

Firstly a point of clarification in your report of June 18, 2013. Your report speaks to the Gibsons Green Waste Facility costing \$50,000 which is, in the current 2013 SCRD budget, being added to the landfill cost centre. Please note this is Gibsons share of the cost to operate the Green Waste facility – the total cost that should be added to the landfill budget is roughly \$90,000. (see attached spreadsheet). The SCRD has been contributing approximately \$40,000 per year to this facility via a contribution from the Greater Gibsons Area Participation budget resulting in a net cost of \$50,000.

In reviewing your report I understand that the three options to fund future green waste activities are:

1. Taxation
2. Parcel Tax
3. User fee.

Option 1 has two possible subsets – i) creation of a new function which would include all SCRD participants excluding the islands of Area B and F, or ii) create a new cost centre **within** the existing Regional Solid Waste Function # 350.

Further it is my understanding that the SCRD has proposed the following funding charges for TOG with respect to each funding option;

Taxation – New function (excluding the islands) - \$23,376
Existing function - \$20,794

Parcel Tax – annual parcel tax of \$10.35

User Fee - proposed fee of \$10.35 – although it is not clear from the report if this is per visit or some other frequency charge.

The user fee is the least desirable option as it would likely require an extremely high administrative component as the facilities would have to be staffed and collection mechanisms would need to be created. The Gibsons facility is currently unstaffed so this option would add additional costs with higher risk that the increased costs would not be recovered (people stop

using the facility) and increases the risk of illegal dumping or burning of green waste.

The parcel tax option is not preferred, from our perspective, as there is no correlation between the benefit received for the payment made. Parcel taxes are applied uniformly and not in relation to the size of the property and presumably the larger the property the more green waste created. Also, parcel taxes are charged to unimproved properties which distorts the concept of payment for use of service. Typically, green waste is generated from home owners who are cutting grass, pruning etc. which is not an activity generally associated with vacant parcels.

Taxation then is the preferred option. With respect to the two choices within taxation the option preferred by the Town of Gibsons is the assigning of costs to an existing function and **not** the creation of a new function excluding the islands.

This choice is preferred for several reasons:

- Creation of a new function comes at an additional expense in that an AAP process is required and the estimated cost of roughly \$8,000 would need to be subsequently recovered and on-going administration of a new function carries additional costs.
- The estimated cost to TOG in 2014 is cheaper under the option of using an existing function (\$20,794 vs. \$23,376) which is expected in that the funding participants are greater than with the creation of a new function excluding the islands.
- The argument for excluding the islands as they do not have access to the green waste facility, while true, does not recognize the fairness concept in that mainland taxpayers are paying for an island program called Islands Cleanup which the mainland taxpayers have no access to. So, quid pro quo

In summary, the Town prefers the funding of the green waste program from taxation within the existing function #350.

Regards,

A handwritten signature in cursive script, appearing to be the initials 'Ia'.

lan\memos\2013\SCRD Green Waste Funding Options

Town of Gibsons

Summary of Green Waste Costs

<u>Item</u>	<u>Year</u>		
	2010	2011	2012
Own Labour	21,576	21,379	26,144
Machine Costs	17,769	17,103	13,133
Hauling	36,599	39,757	51,780
Total	<u>75,944</u>	<u>78,239</u>	<u>91,057</u>
SCRD Contrib.	<u>38,900</u>	<u>39,678</u>	<u>39,678</u>
SCRD % of Total	51.22%	50.71%	43.58%
Net cost to TOG	<u>37,044</u>	<u>38,561</u>	<u>51,379</u>
TOG % of Total	48.78%	49.29%	56.42%

ATTACHMENT '5'

From: [Victor Mema](#)
To: [Jeremy Valeriote](#)
Cc: [Darnelda Siegers](#)
Subject: RE: Request for Comment on Green Waste Funding Options
Date: Thursday, July 04, 2013 11:27:13 AM
Attachments: [image001.png](#)
Importance: High

Jeremy,

The District of Sechelt Council reviewed the Green Waste Funding Options per your memo and resolved to support Option 1. Thank you.

Victor Mema, CTP | Chief Financial Officer



Direct Tel: (604)740-8454 **Main Tel:** (604)885-1986
P.O.Box 129, Sechelt, BC, V0N 3A0
2nd Floor 5797 Cowrie Street | www.sechelt.ca

From: Jeremy Valeriote [mailto:Jeremy.Valeriote@scrd.ca]
Sent: June-19-13 2:06 PM
To: Victor Mema
Cc: Darnelda Siegers; Paul Appelt; Bryan Shoji; John France
Subject: Request for Comment on Green Waste Funding Options

Victor,

Please find attached a memo summarizing two options for shifting funding for the SCRD's residential green waste dropoff program from landfill tipping fees to taxation.

SCRD Board has requested that we send the attached memo and staff reports and consult with municipalities, **requesting comments by July 2**, in time for the next Infrastructure Services Committee meeting.

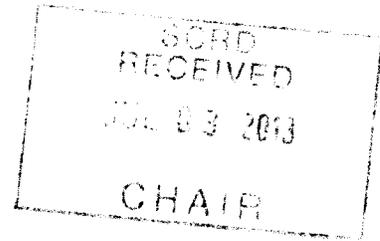
Please contact me with any questions; I look forward to hearing from you.

Best regards,

Jeremy

Jeremy Valeriote, P.Eng.
Acting Manager
Sustainable Services Division, Infrastructure Services
Sunshine Coast Regional District

July 3rd, 2013



Mr. Gary Nohr
Chair
Sunshine Coast Regional District
1975 Field Road
Sechelt BC

Dear Mr. Nohr,

I am writing on behalf of the Sunshine Coast Homelessness Advisory Council. We are working to provide a cold weather shelter and drop-in feeding program for homeless people on the Sunshine Coast during the cold weather months of November through March.

Our activities to support the homeless are well supported by the community. We have received some funding for the shelter aspect of this program through the SCRd, the Town of Gibsons, the District of Sechelt and the Sunshine Coast Community Foundation and private donors. We have in-kind donations through the Sunshine Coast Rotary Club-Sechelt who are improving the outbuilding of St. Hilda's Anglican Church to better facilitate this project.

We also have in-kind donations from the organizations who helped with the Cold Weather Drop-in Feeding Program. They provided a dinner to our homeless population seven nights a week from early December 2012 to the end of March 2013. These organizations have mostly committed to this again next year. Last year their involvement represented 111 dinners with a commitment of one hour of dinner preparation and three hours of providing drop in companionship for a total of 444 hours. Given the widely used rate of \$18 per hour for volunteer time this equals almost \$8000 of volunteer work. We expect more this year as we add on the month of November. Our partner organizations in the Cold Weather Drop-in Feeding Program are: the Sunshine Coast Rotary Club – Sechelt, the Sunshine Coast Lions Club, St. John's United Church, St. Hilda's Anglican Church and the Bethel Baptist Church.

We have enough money to fund the shelter for approximately three months of the five cold weather months this coming year if we use a model such as paying one trained staff position and call on volunteers in the community who could sleep through their shift but be on call should the staff person need them.

SCHAC representatives include:

Sunshine Coast Community Services
Vancouver Coastal Health
MLA Nicholas Simons Constituency Office
Town of Gibsons
SCRD
RCMP
St. Hilda's Anglican Church
Salvation Army
Cold Weather Drop-in Feeding program
Co-op Shelter
Ministry of Children and Family Development
PLEA
Ministry of Social Development
Gibsons Youth Centre
Arrowhead Centre Society
Sechelt Nation
Youth Outreach Program
John Weston MP office
Sunshine Coast Housing Committee