SUBJECT: Budget Reduction Opportunity - Household Hazardous Waste Depot Located at Hotz Environmental Services - (PW08020) - (City Wide)

RECOMMENDATION:

(a) That the Household Hazardous Waste Depot located at 239 Lottridge Street and operated by Hotz Environmental Services Inc. be phased-out and residents be directed to the newly opened Kenora Community Recycling Centre (KCRC) for the same services;

(b) That the budget savings of $150,000 from the transfer of services from 239 Lottridge Street to the Kenora Community Recycling Centre be removed from the 2008 Waste Management Operating Budget.

EXECUTIVE SUMMARY:

The transfer of services provided at the Lottridge Street Household Hazardous Waste (HHW) depot to the Kenora Community Recycling Centre (KCRC) provides an opportunity to reduce the 2008 operating budget by $150,000 without affecting service levels. The KCRC offers a full range of recycling services that are not available at the Lottridge Street depot and also has more service hours. The depot operator, Hotz Environmental Services Inc. (Hotz), is in support of the service transfer as they are interested in using the depot area for additional parking, required due to recent administrative office expansion.
The Lottridge Street depot is located at 239 Lottridge Street in Hamilton and was the City’s first permanent HHW. Usage of this facility has declined over the past few years as HHW drop-off depots were added to the new Community Recycling Centres (CRCs). April 2008 represents an ideal time to transfer services now that all three CRCs (Dundas, Kenora and Mountain) are in full operation and a new operating contract for HHW services will begin.

The current contract with Hotz expires on March 31, 2008. In anticipation of the end of the current HHW services contract the City, in partnership with the Region of Halton, issued a new tender in August 2007. Hotz was low bid and will once again collect, operate and dispose of HHW for the City commencing in April 2008. Operation of the Lottridge depot was an optional item in the contract and staff are recommending that this option not be exercised.

The transfer of services from the Lottridge depot is being recommended to optimize the use of the Kenora CRC and at the same time reduce operating costs. Of the 34,831 visits to the City’s four HHW depots between May and December 2007, 15.4% were to the Lottridge Depot and 13.3% to the Kenora CRC. By phasing-out the Lottridge Street depot, which was limited to HHW services, it is anticipated that it will encourage residents to take advantage of all the services offered at the KCRC when they visit and thus increase diversion. By doing this it will achieve the original intent of the Community Recycling Centres (CRCs), which was to be “one stop” facilities where residents could complete all of their waste management needs.

The transfer of services would occur starting March 31, 2008 and represents a savings of $150,000 to the 2008 operating budget. The transfer would be communicated to residents in the immediate vicinity of the Lottridge depot, to users visiting the site and using signage. Communications are also planned as part of the Waste Management Division’s communications strategy to promote the use of the Kenora CRC.

**BACKGROUND:**

The information and recommendations in this report have City Wide and Ward 3 implications.

The Household Hazardous Waste program was established in an effort to reduce the amount of hazardous materials from homes going to landfill or the City’s sewer system. The program began in the late 1980s and consisted of event days at set times of the year. It was expanded in 1992 to a year-round depot open on Saturdays and continued to be supplemented by seasonal events held at various locations in the community. The location of the HHW depot was determined by the location of the successful contractor, which was Hotz. This company has been the successful bidder to the contracts that have been issued since that time.

The program continued in this form until 2002 when depot hours were expanded to six days a week, increasing service hours by 680% from 6 hours to 41 hours per week. This change enhanced access to HHW drop off helping to increase participation in the program, while the City’s Solid Waste Management Master Plan (SWMMP) was being implemented.
The SWMMP recommended that CRCs be established as one-stop waste diversion and disposal facilities, including HHW. All three CRCs are now open providing convenient drop off locations for HHW and other materials. The CRCs are open 60 hours per week representing an increase in service hours for HHW disposal by a further 440% compared to what was previously provided at the Lottridge Street depot.

The CRCs provide convenient access to all areas of the City and are located adjacent to existing transfer stations. The transfer stations locations were selected in the late 1970s and were strategically located in these areas as they offered residents equal access to a transfer station. During the CRC planning process a postal code study was conducted to determine the coverage that the transfer stations provided. The study reconfirmed that the location of the transfer stations continued to be effective. As a result, the CRCs were located adjacent to the transfer stations as these locations continued to provide ideal access for residents across the City.

Under the HHW services RFP P-067-07 that was issued in August 2007 there were two optional items that the City could select. Option A was for Unit Operating Price per Environment Day / Mobile Event while Option B was for the Operating Price for Additional Permanent HHW Depot(s) to be Provided by Contractor. The operation of the Lottridge Street depot would fall under Option B. Consequently the operation of the Lottridge Street depot is a provisional item that could be added or deleted at time of contract award.

**ANALYSIS/RATIONALE:**

The recommended phase-out of the Lottridge Street HHW depot as of March 31, 2008 would represent the official transfer of HHW services to the Kenora Community Recycling Centre as part of the start of the new HHW contract with Hotz. Residents would be directed to the newly opened Kenora CRC for the same services and one stop drop off of recyclable materials.

The Lottridge Street HHW depot is currently underutilized compared to the HHW depots at the CRCs and competes with the services provided at the Kenora CRC. This is illustrated in Table 1, which provides a summary of visits and tonnes of HHW collected at each of the 4 HHW depots currently operated by the City.

**Table 1 - Summary of HHW Depot Usage (May to December 2007)**

<table>
<thead>
<tr>
<th>Depot Location</th>
<th># of visits</th>
<th>% of total visits</th>
<th>Tonnes HHW collected</th>
<th>% of total HHW Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lottridge St.</td>
<td>6,095</td>
<td>15.4%</td>
<td>198</td>
<td>18.6%</td>
</tr>
<tr>
<td>Kenora CRC</td>
<td>5,251</td>
<td>13.3%</td>
<td>149.3</td>
<td>14.0%</td>
</tr>
<tr>
<td>Dundas CRC</td>
<td>12,334</td>
<td>31.2%</td>
<td>303.1</td>
<td>28.4%</td>
</tr>
<tr>
<td>Mountain CRC</td>
<td>15,853</td>
<td>40.1%</td>
<td>415.9</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39,533</strong></td>
<td><strong>100%</strong></td>
<td><strong>1066.3</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The Kenora CRC offers a number of benefits to the Lottridge HHW depot:

- **Increased Hours for HHW Drop-off** - The Kenora CRC offers a 45% increase in accessibility in comparison to the Lottridge Street depot. The KCRC is open to residents ten (10) hours per day, six (6) days a week. Although the Lottridge Street
depot is open to 8:00 pm on Wednesdays the KCRC is open to 6:00 pm every day thus presenting residents with greater accessibility after 4:00 pm which allows many residents to visit the KCRC after their working day.

- Convenient Location – As a result of the proximity of the three CRC’s any resident in Central Hamilton is within nine kilometres of a CRC. The KCRC is located approximately six kilometres away from the Lottridge Street depot while the Dundas CRC is nine kilometres away and the Mountain CRC is eight (8) kilometres. The location of the Lottridge Street depot was established based on the location of the contractor and was not based on specifically servicing Central Hamilton.

- One-Stop Access - The intent of the CRCs is to increase diversion by providing a convenient and easy to use “one-stop” waste management destination for residents. The CRCs are central facilities where residents have the opportunity to dispose of: garbage; a variety of recyclable materials including metal, white goods, tires, wood, blue box recyclables, paper/cardboard, and electronics; leaf and yard waste; and HHW. In addition, throughout the year a variety of events such as thermometer exchanges, compost bag and compost giveaways are organized for residents. As a result the CRCs need to be employed for all of the waste management services that they provide and thus increase diversion in all areas rather than focusing in one area such as HHW.

The only change in service that would occur with the transfer of HHW disposal to the Kenora CRC is that asbestos would no longer be accepted as part of the HHW program. Due to regulatory restrictions asbestos can only be received at the Lottridge depot. Staff has reviewed the HHW materials accepted by other municipalities in Ontario and Hamilton is the only municipal HHW program that offers asbestos disposal. Quantities received in 2007 amounted to 8.6 tonnes. Asbestos is also a known carcinogen that should be removed and handled only with appropriate health and safety precautions. Therefore it is recommended that residents who wish to dispose of asbestos be advised to contact private contractors who provide asbestos removal services.

The service transfer will be communicated to residents in the vicinity of the Lottridge depot and will also serve as an opportunity to promote the Kenora CRC. The Communication will consist of advertising such as mobile signage located in the vicinity of the Hotz facility, mail outs to local postal codes and a Public Service Announcement. This communication can be accommodated as part of the existing budget. It is expected that the number of customers using the Kenora CRC will continue to increase as they become familiar with the services available.

**ALTERNATIVES FOR CONSIDERATION:**

An alternative is to keep the HHW program as it is and continue offering HHW disposal services at all four locations, the three CRCs and the Lottridge Street Depot. The new Contract P-067-07 with Hotz is for five (5) years with two optional one year renewals.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial - The closure of the Lottridge Street HHW depot will result in a savings of $150,000 to account number 55916-512745. This reduction is based on a savings in contractual costs associated with operation of the Lottridge depot for the period of April 1st to December 31st, 2008. It has been estimated that 50% of the HHW that would have otherwise gone to the Lottridge Street depot will now go to the KCRC.

The proposed budget reduction would reduce the 2008 Waste Management Division Budget from a 0.9% to a 0.4% increase over 2007.

Staffing - Staffing for the Lottridge Street depot is provided by Hotz. Therefore there are no staffing implications.

Legal - the current Contract C11-27-02 with Hotz is ending March 31st, 2008. It is recommended that the Lottridge Street depot be phased-out by March 31st to coincide with the end of the contract. Therefore, should the recommendations in this report be accepted, the operation of the Lottridge Street depot would be excluded from the new Contract No. P-067-07.

POLICIES AFFECTING PROPOSAL:

a) Solid Waste Management Master Plan (SWMMP)

The proposed service transfer relates to recommendations #2 and 4 of the SWMMP:

Recommendation #2 - The Glenbrook Landfill is a valuable resource, and the City of Hamilton must optimize the use to ensure there is a disposal site for Hamilton’s residual materials that cannot be otherwise diverted.

Recommendation #4 - The City of Hamilton must develop a waste management system that contains…Community Recycling and Reuse Centres.

The recommended change will help to optimize the use of the Kenora CRC and increase diversion from the Glenbrook Landfill.

b) Vision 20/20

Reducing and Managing Waste – to virtually eliminate hazardous waste in The City of Hamilton.

Provision of HHW depots at the CRCs provides safe diversion and disposal opportunities for these materials.

c) Public Works Strategic Plan

Services our communities connect with and trust - giving communities the opportunity to use all of the various waste management services available to them.

Sound financial management for the long haul - the transfer of HHW operations to the CRCs optimizes the financial investment the City made in constructing these facilities

RELEVANT CONSULTATION:

Finance and Administration staff
SUBJECT: Budget Reduction Opportunity - Household Hazardous Waste Depot
Located at Hotz Environmental Services
(PW08020) - (City Wide) - Page 6 of 6

SWMMP Steering Committee - The Committee was advised of the proposed change and requested that staff address current usage of the Lottridge HHW depot. This has been completed and is in the Analysis section of this report.

Hotz - The proposed change was discussed with the contractor and they are in support of staff recommendation to maximize the use of the CRCs. The change would also enable Hotz to use its property for its own business development.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
The Kenora CRC provides a greater range of diversion and disposal services and increased operating hours.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Encouraging the use of the CRCs will help to increase diversion from landfill.

Economic Well-Being is enhanced. ☑ Yes ☐ No
A savings of $150,000 has been identified in the 2008 Waste Management Operating Budget. The change also provides an opportunity for Hotz to optimize the use of its facility for other business opportunities that will help to strengthen the local economy.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No

The proposed change has no staffing implications.