MINUTES

SWMMP Steering Committee Meeting #02-08

Wednesday, February 13th, 2008

Hamilton City Centre, 320B
10:00 a.m. to 12:00 p.m.

Present:
Councillor Maria Pearson
Councillor Lloyd Ferguson
Councillor Russ Powers
Beth Goodger, Director of Waste Management, Waste Management Division
Pat Parker, Manager of Solid Waste Planning, Waste Management Division
Blair Smith, Manager of Waste Collection, Waste Management Division
Craig Murdoch, Manager of Waste Disposal, Waste Management Division
Ann Pekaruk, Director of Audit Services, City Manager’s Office
Colleen Clark, Policy Analyst, Waste Management Division
Peter Hutton, Waste Reduction Task Force Member

Regrets:
Councillor Chad Collins

1. Adoption of Agenda

The Agenda was adopted as presented (moved by Councillor Powers, seconded by Councillor Pearson). CARRIED

2. Approval of Minutes of Previous Meeting from January 16th, 2008

The minutes were adopted as presented (moved by Councillor Powers, seconded by Councillor Pearson). CARRIED

3. Recycling Revenue Audit Report

Ann Pekaruk, Director of Audit Services reported to the committee on the findings of the Recycling Revenue Audit. Ann detailed a number of issues that were brought to light as a result of the audit. Firstly, it was found that there was a lack of written procedures in the Finance and Administration area. Since this area has had a large turnover of staff, procedures are needed. Specifically procedures are needed to deal with billing of end markets. Secondly, the audit found that while a Revenue Reconciliation Sheet was being used to reconcile to Geoware and against what comes back from the marketer it should also be reconciled to the General Ledger and there should be signoff by Finance and the Project Manager. The form is not being filled out in its entirety and should be to be used effectively. The audit also noted a discrepancy in steel cans between Geoware and what is marketed. This problem has been resolved. Some other issues that came up were that the City uses kilograms and metric tonnes and some end markets that purchase some of our recycled commodities in the United States use pounds. It would be helpful for all concerned to have a standard of measure. Lastly, our marketer gives us the weights and then we bill the third parties. The marketer is getting the weights from the third party so in effect the third party is telling us what to bill. This needs to be addressed.

Ann Pekaruk informed the group that audit is looking at the contract which is for the management of the Landfill and Transfer Stations and this will also be coming to the Audit and Administration committee.
Beth Goodger stated that staff agrees with everything that has been brought to light in the Recycling Revenue Audit. Blair Smith responded that staff has drafted a policy and procedure manual for the Finance Section and that the Revenue Reconciliation Sheet will be checked and signed off on a monthly basis by the Contract Administrator. Finance will also sign off on the Reconciliation Sheet. End market stated that we were being penalized for contamination in steel cans. Since the separation of steel cans are is done by magnets, it is reasonable to question why loads of steel cans were being penalized. ReMM is our marketer and we are looking at all reconciliation sheets now to confirm discrepancies.

Councillor Pearson asked when the audit was completed. Anne Pekaruk stated that the audit was finished in November, 2007 and staff responded in January with mitigation measures for all the areas of concern. Ann stated that the report will go to the Audit and Administration Committee in March. The information was received by the committee. (moved by Councillor Powers, seconded by Councillor Ferguson).

4. **Per Capita Analysis of Waste Management Costs**

Pat Parker presented the per capita analysis of waste management costs. Our collection costs are higher than other municipalities, however, this is due to Hamilton having an organics collection and processing program while other municipalities do not.

Waste Management also has a high level of Capital debt financing as money was borrowed for the landfill remediation projects. Most other municipalities in the comparison use reserves for this purpose and therefore don’t have these costs.

The information was received by the committee. (moved by Councillor Powers, seconded by Councillor Ferguson).

5. **Transfer & Disposal System Review Update**

Beth Goodger updated the Committee on the Transfer & Disposal System review.

A best practices review amongst municipalities has been completed. With regards to best practices in the Transfer Station/Community Recycling Centres (TS/CRC) & Haulage, staff has looked at fourteen (14) different municipalities. There was a range of practices with regards to operations, a couple of the municipalities ran the TS/CRC themselves but most contract out the haulage portion due to the capital costs involved. It was noted that the best practice for haulage is to include it with the operations of the TS/CRC. Staff feels it is not feasible to look at operating this portion of the work in house at this time. It would be a complex costing process and costs are estimated to be higher due to the high staffing requirements (~60 FTEs) and capital costs.

A number of studies were completed to determine the effectiveness of the Transfer Stations and CRCs. A TS/CRC Waste Audit, a CRC User Survey and a Public Opinion Study were undertaken in November and December 2007. The results of the studies will be provided to Council in an Information Update and an overview was provided to the Committee. The audit showed that over 60% of the garbage at the Transfer Station and CRC was made up of wood (non-virgin), glass and construction and demolition waste. The CRC Customer survey showed that 95% of residents found the CRCs easy to use and that their main purpose of visiting the site was to recycle materials, they would however like to see more recycling options and better signage. The Public Opinion survey showed that our user profile was an older resident male, who was a home owner and long time Hamilton resident. The survey also showed that 51% of residents were aware of CRCs and 67% or those aware had visited. Pat Parker stated that because of these findings staff will be promoting the CRCs this year. Councillor Pearson mentioned that an information sheet in the ad bag might be helpful. Pat Parker stated that staff is considering producing a Waste Management Guide which would go out at a different time in the year from the calendar. This guide would give all information on waste programs. Councillor Ferguson asked why we do not make wood (large diameter logs) available for people to use in their fireplaces. Beth Goodger sited site constraints and health and

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safety concerns. Staff stated that they will check with the Forestry Division to see if residents can drop off or pick up wood at their yard on Upper Ottawa.

With regard to Landfill operations staff surveyed ten (10) municipalities and found that there are no best practices. No examples of 100% in house operation were found due to range of expertise required (e.g. bird control) and frequency of service. Tipping Face operations are operated in-house in Halton, Waterloo and Northumberland. In-house operations allow for better control of the site which would be an advantage to considering in house operations.

Staff also looked at Leaf and Yard Waste Composting operations and surveyed nine (9) municipalities in total. They found that six (6) out of the nine (9) contracted out this operation. Of the three (3) municipalities who performed the operation in-house, two (2) of the municipalities contracted out the grinding/shredding/screening portion of the operation.

From these findings staff recommends incorporating the information and findings from best practices, procuring market pricing for all operations and limiting the internal costing to Landfill and Leaf and Yard Waste Composting operations. The reasons staff would exclude the Transfer Station/CRC operations from Internal Costings are as follows:

- The City has no haulage experience
- Large capital investment required
- Large staffing requirement
- Time limitations for staff to cost out
- Current contracted operation performing well

Staff informed the committee that there will be a single Request for Proposal (RFP) for a ten (10) year term from March 1, 2010 to February 29, 2020. The Request for Proposal will procure pricing for the following:

- Transfer Station, Community Recycling Centres, Reuse Store and Haulage Operations or;
- Landfill and Leaf and Yard Waste Composting Operations or;
- All services above.

The RFP will include the contract and will outline the internal costing process. The evaluation process will consider company performance and clarify the internal costing process. The internal costing process will follow the same timeframes as the RFP and will require flexibility in the procurement process to obtain costing for any work that can not be done internally. Staff will be preparing a report to Public Works Committee and Council outlining the process for internal costing and requesting approval.

Councillor Ferguson advised staff to make the Internal Costing approach as transparent as possible for the private sector. The committee received the information provided.

6. Diversion Options Implementation Update
Deferred to next meeting.

7. Waste Services for Festivals and Special Events Update
Deferred to next meeting.

8. Glanbrook Landfill Operations Update
Deferred to next meeting.

9. Waste Reduction Task Force Update
Peter Hutton reported to the Committee that the Waste Reduction Task Force nominated a new chair. The new chair is Jim Sweetman who is a retired engineer. Mr. Sweetman is very interested in performance standards and the group will be working on that in the coming months. Pat Parker
mentioned that the group had expressed an interest in meeting with the Steering Committee and that staff are looking at April for a date.

10. **Other Business**

None reported.

11. **Adjournment**

The meeting was adjourned at 11:45 am

12. **Next Meeting:** March 12th, 2008, Room 320B, Hamilton City Centre