



STAFF REPORT ACTION REQUIRED

Disposal Agreement with the Regional Municipality of York

Date:	May 20, 2009
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services
Wards:	All
Reference Number:	p:/2009/swms/June/010PW

SUMMARY

The purpose of this report is to seek City Council authority to enter into an agreement between the City of Toronto and the Regional Municipality of York to continue the disposal arrangements for waste from the Region of York at the Green Lane Landfill.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that:

1. City Council authorize the General Manager of Solid Waste Management Services to execute an Agreement with the Regional Municipality of York for the Disposal of municipal and commercial waste from the Region of York at the Green Lane Landfill, at the prices and on the material terms set out in Attachment "A", and otherwise on terms and conditions satisfactory to the General Manager of Solid Waste Management Services and in a form satisfactory to the City Solicitor.

Financial Impact

The 2009 Operating Budget Solid Waste Management Services includes a revenue of \$2,220,240 in cost center SW0901 for the receipt and landfilling of waste from York Region. The new Agreement substantially changes fees for tonnages above 75,000 tonnes. Under this new Agreement, fees for waste volumes over 75,000 tonnes increase by 60.6% from \$38.60 per tonne to \$62.00 per tonne, however, the projected tonnage for 2009 is currently 54,000 tonnes. Entering into this new Agreement is not expected to

affect the tonnage amounts or rates for waste from York Region for 2009. There will also be no net impact on the 2009 Operating Budget as a result of this Agreement.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

As part of the purchase agreement for the Green Lane Landfill site, York Region entered into a Consent and Acknowledgement Agreement with the City of Toronto and Green Lane Landfill, a division of St. Thomas Sanitary Collection Service Limited (the “Vendor”). This Agreement provided continuity for York Region to dispose of its waste under the terms and at the rates set out in the previous contract with the Vendor after the City of Toronto assumed ownership of the landfill site.

Staff Report:

http://www.toronto.ca/garbage/greenlane/pdf/long-term_waste_discap_20060918.pdf

Confidential Attachment (Green Lane Landfill - Intent to Purchase Term Sheet):

http://www.toronto.ca/garbage/greenlane/pdf/term_sheet_balcklined_20060918.pdf

City Council Decision Document:

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060919sp/cofa.pdf>

ISSUE BACKGROUND

In 2002, York Region entered into a contract with the Vendor for disposal of York Region’s municipal and commercial waste at the Green Lane Landfill site.

As part of the City’s purchase transaction for the Green Lane Landfill, York Region was required to give its consent to the sale of the landfill. York’s consent was in the form of a Consent and Acknowledgement agreement (the “Consent and Acknowledgement”) between the City of Toronto, the Regional Municipality of York, and the St. Thomas Sanitary Collection Service Limited Partnership. The Consent and Acknowledgement provided that the City of Toronto would continue to provide disposal services to York Region for the remainder of the time period covered by the existing contract with the Vendor for the transportation and disposal of York’s waste at the Green Lane Landfill. The Consent and Acknowledgement also provided that should York Region terminate its contract with the Vendor, the City would continue to dispose of the Region’s waste at the current disposal fee, as adjusted for inflation, on commercially reasonable terms, at the Green Lane Landfill.

York Region has notified the City of Toronto that it is intending to terminate its contract with St. Thomas Sanitary Collection Service Limited Partnership. An agreement directly between the City and York Region is therefore necessary.

COMMENTS

The Consent and Acknowledgement obligated the City to provide disposal services at the cost attributable to disposal under the original agreement between the Vendor and York Region. It also provided for small increases in volumes on commercially reasonable terms.

Staff of Solid Waste Management Services have negotiated a substantially increased fee for volumes above 75,000 tonnes (up to 82,000 tonnes per annum in the term ending December 31, 2012, up to 80,000 tonnes per year in the term from January 1, 2013 to December 31, 2017, and up to 78,000 tonnes per year in the term from January 1, 2018 to December 31, 2022). For 2008, York Region brought 71,745 tonnes to Green Lane, and projected tonnage for 2009 is 54,000 tonnes. Therefore; the City does not anticipate a net change to the 2009 Operating Budget with respect to this proposed agreement.

The agreement with York Region will be substantially in the form of its original agreement with the Vendor, with adjustments to accommodate the fact that there is now no transportation and no private sector company involved. The disposal prices and a summary of material terms are set out in Attachment "A".

CONTACT

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SIGNATURE

Geoff Rathbone
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Solid Waste Management Services

ATTACHMENTS

Attachment "A" - Summary of Material Terms and Conditions of the Waste Disposal Agreement between the City of Toronto and the Region of York