

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 6 November 1996

TO/DEST. Corporate Services and Economic Development Committee

FROM/EXP. Co-ordinator
Corporate Services and Economic Development Committee

SUBJECT/OBJET **SOLID WASTE FUNDING**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council approve the use of a special solid waste mill rate to be applied against rateable properties within a defined service area to raise the funding requirement of the Solid Waste Fund beginning in 1997.

BACKGROUND

At the 05 November 1996 Corporate Services and Economic Development Committee meeting, the above-noted report was received and tabled by the Committee, to be considered at the meeting of 19 November 1996.

*Approved by
Cheryle Watson*

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

REPORT
 RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 29 October 1996

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner
 Environment and Transportation Commissioner

SUBJECT/OBJET **SOLID WASTE FUNDING**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee receive and table this report with the following recommendation to be considered at the regular meeting scheduled for 19 November 1996:

That the Corporate Services and Economic Development Committee recommend Council approve the use of a special solid waste mill rate to be applied against rateable properties within a defined service area to raise the funding requirement of the Solid Waste Fund beginning in 1997.

BACKGROUND

In September of 1994, Council approved the assumption of the responsibility for solid waste collection and diversion from all area municipalities, excluding the Township of Osgoode. At that time, Council also approved a transition plan for the transfer of the service responsibility. The transition plan provided for the following with regards to the funding of the service:

1. *January 1995 - December 1996 - During this period the Regional Municipality would requisition each municipality for its own waste management costs. In this period, costs would stay the same because they would be determined by the contracts and levels of service currently existing in the municipalities. Also, while this would be a Regional charge, each municipality would have flexibility in raising the necessary revenues, i.e. Kanata could raise revenues via a user fee.*

2. *January 1, 1997 - For the inception of a regional waste management system, Regional Council should establish a new system for financing solid waste (i.e. rate or tax or other system).*

Council also approved, by resolution, the following amendment to the transition plan:

“Resolved that commencing on or before 1 January 97, the financing of solid waste management will be provided through a direct Regional levy or other funding mechanism other than a requisition of the local municipality”.

DISCUSSION

The Regional Municipalities Act, as amended, provides the following options for the funding of solid waste management services:

Option 1 - Requisition of Area Municipalities

- by bylaw, impose a charge against an area municipality.
- charge may vary based on the volume, weight, or class of waste, or any other reasonable basis.
- area municipality decides how to raise the charge.

This option represents the system referred to in the amending resolution passed by the previous Council. While Council is not bound by this resolution, it was the intent of the previous Council that the requisitioning system would only be used for the two year transition period leading up to the point where regional collection contracts would provide for standard levels of service across the Region.

Option 2 - Include in the Region Wide Levy

- all rateable properties in the RMOC would pay the same residential or commercial mill rate against assessed value for property tax purposes.

This option would not allow for the continued exclusion of the Township of Osgoode from the solid waste management system.

Option 3 - Monthly Rate

- a monthly rate charged to either the owners, householders or occupants of any building.
- any class of owners, householders or occupants may be exempted from the monthly rate.

This option, while possible to administer, would require enhancements to some area municipality property tax billing and administration systems and would generate a significant ongoing workload for staff of the area municipalities. While it uses a basis other than property value to bill ratepayers, the fact that the legislation provides for only one flat fee prevents it from meeting the equity objective of a user-pay system.

Option 4 - A User Pay Scheme

- establish fees for the use of any part of the waste management system.
- fees may be established on any basis Council feels is appropriate.

Option 4 really represents a class of options unto itself, as there are many methods and systems that fall under a user-pay classification. The most common examples involve providing for a direct relationship between the use of the service and the amount paid for the service (e.g. bag stickers or tags). User pay systems have two major objectives; the establishment of equity between users of the service and the motivation of users to change their behaviour (i.e. produce less garbage). The introduction of user-pay would assist in the objectives of the 3R's strategy to reduce, re-use and recycle, but should be staged to complement the further service changes that are being evaluated to offer the public viable options to reduce the number of bags put out. While these systems are becoming more common, they are difficult to implement and administer on a scale as large as the RMOC and would result in significant costs associated with establishing a new billing and collection system. While staff continue to study opportunities for building effective user-pay policies into the funding system to be employed by the RMOC, it is felt that these are future strategies that should not be considered for implementation at this time.

Option 5 - Special Rate on All Properties Within Special Service Area

- the same as Option 6, except all properties would pay the same residential or commercial mill rate against assessed value for property tax purposes.
- would include properties such as municipal buildings, roads, schools and churches that are excluded from rateable assessment by *the Assessment Act*.

This option is rendered impossible to administer due to the fact that the Provincial Regional Assessment Office no longer keeps up to date assessment data for properties excluded by *the Assessment Act* from property taxation.

Option 6 - Special Rate on Rateable Properties Within Special Service Area

- provides for the definition of a service area.
- all rateable properties in the special service area would pay the same residential or commercial mill rate against assessed value for property tax purposes.

Staff recommend this option - the use of a special solid waste mill rate to be applied against rateable properties within a defined service area. This would allow for the continued exemption of the Township of Osgoode from the solid waste management system and the use of a common rate of taxation for a common service level standard provided across the remainder of the Region. This in effect would provide for a region-wide mill rate for solid waste services, excluding the Township of Osgoode.

FINANCIAL IMPLICATIONS

In 1995 and 1996, ratepayers in each of the ten area municipalities served by the regional solid waste management system paid different amounts due to the use of the requisition system, varying service level standards and the selection by area municipalities of different methods to raise the regional requisition. The average 1996 bill for solid waste services by area municipality is provided in Annex A. Due to the wide range in average bill, moving to a single mill rate to be applied consistently across the service area will result in changes in the tax bill for this service in 1997 compared to 1996. Annex A also compares these 1996 average bills to the forecasted average 1997 bill under a special solid waste mill rate system.

CONSULTATION

Staff recommend that this report be tabled to be considered by the Corporate Services and Economic Development Committee at its regular meeting of 19 November, 1996, which will serve as a public meeting to allow interested parties the opportunity to consider the recommendations made by this report and, if deemed necessary, prepare for delegations to the committee.

Approved by
J.C. LeBelle
Finance Commissioner

Approved by
M.J.E. Sheflin
Environment and Transportation Commissioner

MUNICIPALITY	1996 MILL RATES	AVERAGE HOUSE IMPACT	1997 MILL RATES	AVERAGE HOUSE IMPACT	AVERAGE HOUSE CHANGE
	#	\$	#	\$	\$
Ottawa	6.770	49	7.74	56	7
Vanier	12.550	90	7.74	56	(35)
Nepean	7.849	57	7.74	56	(1)
Gloucester	9.890	71	7.74	56	(15)
Kanata	7.670	55	7.74	56	1
Rockcliffe Park	7.290	52	7.74	56	3
Cumberland	16.880	122	7.74	56	(66)
Goulbourn	12.078	87	7.74	56	(31)
Rideau	9.310	67	7.74	56	(11)
West Carleton	11.430	82	7.74	56	(27)

- Notes: 1. Assumes a residential property with a market value of \$150,000.
2. In 1996, the Township of Rideau and the City of Cumberland employed a per household charge. The corresponding mill rate has been calculated for presentation purposes only.