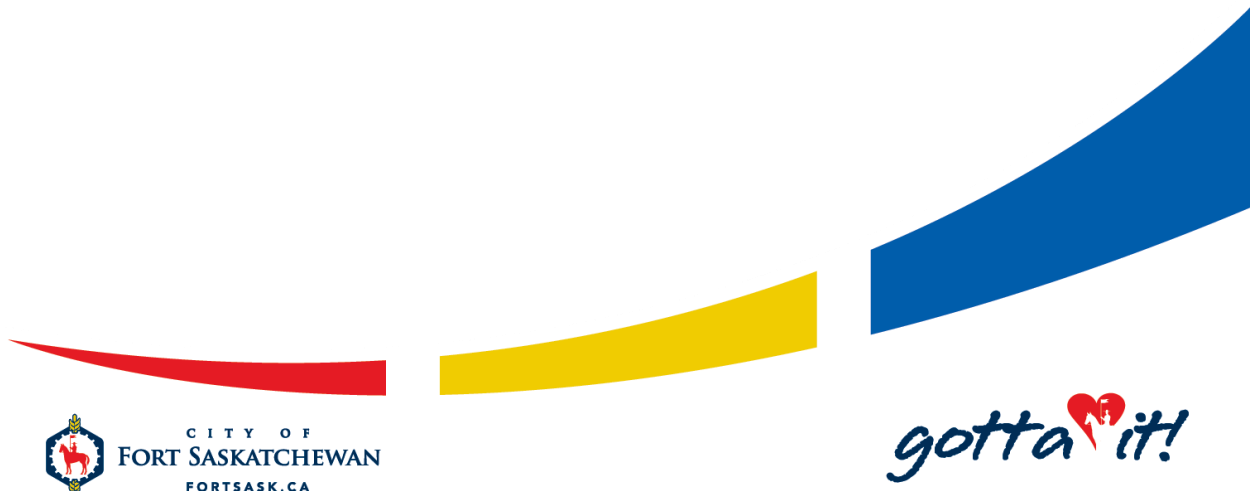


# City of Fort Saskatchewan Council Report

## Providing Free Access to the Waste Transfer Station for Fort Saskatchewan Not-For-Profit Societies & Organizations

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## Executive Summary

City Council directed Administration to provide a report addressing free access to the Waste Transfer Station for Fort Saskatchewan not-for-profit societies and organizations, using a card/pass system.

A review of regional comparators shows that other municipalities do not provide free access to waste stations for their not-for-profit groups. In Fort Saskatchewan, two non-profit groups have received this privilege: Twice but Nice and the local Food Bank.

If Council wishes to provide all local not-for-profit groups with free access to the Waste Transfer Station, access should be regulated by a policy defining the intent of the program and the criteria on how a group can qualify for and access the program. The policy would also address amount and type of waste eligible.

The implementation of a program for free access to the Waste Transfer Station will require the following steps to be completed in 2018:

- Approval by Council and direction to implement the program.
- Development of a policy and associated procedures. The documents will address criteria for program eligibility and how free-of-charge waste disposal privileges can be accessed by users.
- Creation of the forms and card system associated with the program.
- Promotion of the program with eligible groups.

Financial impacts are estimated as follows:

- Moderate on-going cost estimate of \$6,500 annually would be equivalent to about \$0.05 per household per month.
- A high cost estimate of \$18,000 annually would be less than 1% of the solid waste program budget and equivalent to about \$0.14 per household per month.

From a big picture perspective, this decision should be considered beyond simply the perspective of the Waste Transfer Station. This has potential impacts on the City's philosophies on how much support is provided to not-for-profit groups in the community. Do we want to provide services from more of a "user pay" perspective or do we want to provide more subsidization from the general population towards specific individuals and groups?

## **1 Introduction**

At the June 27 Regular Council Meeting, City Council directed Administration to provide a report on the implementation of granting registered Fort Saskatchewan non-profit societies and organizations a card/pass, authorizing free access to waste disposal privileges at the Fort Saskatchewan Waste Transfer Station.

This report provides high level information on regional comparators, community groups who will benefit from this privilege, benefits and concerns, program implementation, operations and costs.

## **2 Regional Comparators Review**

Comparators include Parkland County, Strathcona County, St. Albert, Stony Plain, Spruce Grove and Edmonton.

Edmonton provides discounts to non-profit groups but does not waive fees. This discount is not advertised.

St. Albert only accepts bagged waste with pre-paid tags. No discount or waiver is provided to any group for purchase of the tag. Stony Plain does not accept any waste and has no user charges to access to the recycle depot.

Parkland County, Strathcona County and Spruce Grove charge on-site for waste disposal at the time of drop-off. No waivers are granted for any group. Parkland County indicated they had discontinued the practice of waiving fees for community groups due to individual members taking advantage of the waiver for their personal benefit.

## **3 Organizations Who Could Access this Privilege**

### **3.1 Current Situation**

Fort Saskatchewan's Waste Transfer Station site was initially developed about 25 years ago as a no-charge service. As the site developed and user fees were introduced, local organizations disposing of surplus donations (Twice-but-Nice and the local food bank) were informally grandfathered into a no-charge status.

### **3.2 Potential Users**

Provincial legislation governs the registration of non-profit groups. Alberta legislation defines a society or non-profit company as an organization of people for a purpose other than the operation of a for-profit business. A non-profit may be formed for a variety of reasons, ranging from carrying out a charitable mission to providing a structure for a group, sharing a common recreational interest.

Community Services maintains an inventory of local community groups. About 160 groups are listed, including hobby clubs, schools, churches, sports associations, support groups and service organizations. About 45% of the groups are recreational in nature, including craft guilds and organized sports. Approximately 35% are religious, educational or special interest in nature; such as churches, preschools, community watch, animal rescue and business associations. The remaining 20% includes support groups and service clubs such as the Food Bank, Twice-but-Nice, Families First, Boys & Girls Club, Lions Club and Rotary Club.

All non-profit groups generate waste. The waste profile of the non-profit sector is equally as diverse as the spectrum of interests that the sector serves. Some organizations are quite small and their

waste may be as simple as coffee cups and expired meeting minutes. Their waste would typically be disposed of at member households or at whichever facility hosts their regular meetings.

Many groups will occasionally generate surplus bulky items, such as worn equipment (e.g., old nets, a broken game table, etc.), debris from renovations or miscellaneous things such as decorations from a parade float. Many groups may also end-up with surplus materials from fund-raising events. Where this waste cannot be discarded along with a member's household waste or at a host facility, these items will generally be brought to a Waste Transfer Station.

Some groups have more complicated needs, such as a non-profit, based out of a permanent facility with staff, volunteers, and clients. These groups have a steady stream of regular garbage. Disposal is typically done through a dumpster at the facility and could also be brought to a Waste Transfer Station. Costs for a dumpster may be included in the facility operations budget, in the same manner as the costs of power and water.

Non-profit groups that operate from a permanent location include schools (and some pre-schools), churches, the Legion, Families First, Boys & Girls Club, Pioneer House, Food Bank, Twice-but-Nice, Primary Care Network, Robin Hood Association, Rivercrest Care Centre and Dr. Turner Lodge.

Some groups are tasked with the disposal of unsolicited and unusable donations. Well-meaning residents donate games, toys, furniture, clothing and food for those in need. However, for a variety of reasons, not all donations can be used. Twice-but-Nice, Food Gatherers Society, Furniture Bank and groups supporting youth and families are impacted by unusable donations.

These impacted groups provide guidelines for desired items and screen donations as much as possible. When items cannot be used or sold, considerable efforts are made to divert items to other non-profits and recycle. The remaining material is brought to a Waste Transfer Station as a last resort.

## **4 Program Overview**

### **4.1 Eligibility**

Based on the June 27 Council motion, any Fort Saskatchewan group registered and in good-standing as a non-profit organization under Alberta legislation would be eligible to drop waste for free, at the Waste Transfer Station.

At a minimum, an eligible group would be required to have a valid:

- a) Alberta non-profit registration number;
- b) Fort Saskatchewan Business License and any necessary permits; and
- c) Fort Saskatchewan address.

The motion of Council does not specify limitations on the source, type or volume of waste that could be dropped off. Criteria for the source and volume of waste would need to be set to provide clarification and mitigate abuse of privilege. Suggested minimum criteria is waste that:

- a) results from the programs and activities of an eligible group;
- b) is brought to the Waste Transfer Station by volunteers, staff or contractors holding a valid pass; and
- c) excludes:
  - i. any personal waste from any of the group's members, staff, or volunteers; and

- ii. any waste not normally accepted at the Waste Transfer Station.

Controls by the City, such as requiring a waste profile from a participating group and providing activity reports back to the group, may assist in ensuring the privilege is used appropriately.

For clarity, free access would not include costs for collecting the waste or bringing it to the station, costs for any waste brought to any other disposal site and would not include rebates or refunds for any waste services already paid for to the City or any other agency.

Group eligibility would be captured in a policy.

## **4.2 Limitation**

If a Waste Transfer Station access program is implemented, all organizations meeting the basic criteria noted above would be eligible. Eligibility could be limited through the development of a policy.

For example, through a policy, access could be limited strictly to groups providing a humanitarian service and the amount and type of waste deemed acceptable could be controlled. Program exclusion could include other government institutions (e.g., hospital, court, jail, and schools). Based on waste volume and project intent, a construction project led by a non-profit group could be also be excluded from eligibility.

The following waste could be made ineligible:

- a) personal waste from any of the group's members, staff, volunteers or clients;
- b) domestic waste (e.g., kitchen and bathroom garbage) generated by members, staff, volunteers or clients as a result of meetings, meal, and regular group activity;
- c) waste generated as a result of fund raising efforts or ticketed events where revenue offset costs;
- d) waste not normally accepted at the Waste Transfer Station.

Development of a policy would require further discussion and stakeholder involvement to consider the intent of the program and the impact of potential policy options.

## **4.2 Financial Impacts**

As waste is a utility service, the cost to dispose of the waste brought to the station by non-profit groups would be at the expense of utility ratepayers and other Waste Transfer Station customers. This would be reflected in slight adjustment to the fees and charges.

Current use by the non-profit sector including the local Food Bank, and Twice but Nice, has been monitored over the last year. It is estimated that the City experiences a revenue loss of \$1,500 or less annually.

An increase in revenue loss could be anticipated, depending on the level of expanded access by other groups. If reasonable criteria are set to regulate the type and volume of waste dropped-off by the non-profit sector, lost revenue should remain less than \$5,000 annually. This estimate assumes an annual total of 200m<sup>3</sup> of general waste and 40 bulky items (1 or 2 heaping trucks weekly and 3 or 4 furniture items monthly).

Unrestricted waste drop-off could have unexpected impacts and increase costs and lost revenue more considerably. A scenario with 550m<sup>3</sup> of general waste and 150 bulky items annually (3 heaping trucks and 2 or 3 furniture items weekly plus a monthly event with 5 heaping trucks) would result in \$14,000 in lost revenue each year.

A basic printed card/pass system and tracking, through readily available software, would have low direct costs for program set-up.

Indirect costs include staff time spent setting-up accounts and providing administration. Administrative costs are estimated at \$1,000 to \$2,800 annually (5 staff hours monthly). There will be minimal control and no enforcement. Policy and procedures will be developed internally.

In summary, on an on-going basis, a moderate cost estimate of \$6,500 annually (including staff impacts) would be equivalent to a rate increase of \$0.05 per household per month. A high cost estimate of \$18,000 annually and equivalent to \$0.14 rate increase per household per month.

## **5 Benefits and Concerns of the Program**

### **5.1 Benefits**

Non-profit organizations typically rely heavily on donated funds, grants and volunteer efforts. Grants are often only be applied to specific purposes and donors often expect funds to be used toward program delivery. Operational budgets are therefore usually modest. Free access to the Waste Transfer Station would mitigate disposal costs by diverting funds that could be used toward beneficial activity to their membership and ultimately the community.

### **5.2 Concerns**

Complete waiver of fees for all non-profit groups would allow any volume of waste, from any source to be dropped off by any group at no charge. Without restriction or guidelines, non-profit groups could unintentionally become a vehicle to dispose of any unwanted items.

The City is working on reducing waste disposal through the new curb side residential waste program scheduled for spring 2018. After implementation of service level changes to accommodate the new organics program, City wide, residents will become responsible for managing surplus waste that does not fit into their cart. Providing non-profit groups unlimited access to the Waste Transfer Station without criteria of who and what is accepted would contrast with the citywide efforts to reduce waste.

Non-profit groups could get involved in a major construction projects, and bring associated waste to be disposed at no fees at the Waste Station. This may create pressure on Waste Station capacity to handle construction waste.

Objectives to manage the City's resources wisely, control cost and reduce waste are not compatible with allowing any sector completely unrestricted access to the Waste Transfer Station. Carefully considered criteria for volumes of eligible waste and alternative disposal options must be considered to balance the objective of the program.

Many questions arise, and a few of them include:

- Would the City consider reimbursing waste disposal fees when non-profit groups are operating from a building (e.g. churches, preschools) and have already a waste management contractor in place?
- Would a not-for-profit group created to specifically remove waste from properties and take advantage of the no waste disposal fee be eligible for free disposal?
- Would not for profit group that receive grants or lease rebates from the City be eligible for free disposal?

- Would a special event created under the umbrella of a not-for-profit group to fundraise for a specific cause be eligible for free disposal?
- Could the waste of a major construction projects led by a not-for-profit group be eligible for free disposal?

## **6 Implementation and Operation Overview**

### **6.1 Policy Development**

Policy development is recommended to provide clarity and consistency in applying the program rules. The policy would set definitions, provide criteria for eligibility and specify any exclusions. Policy would also be needed to set penalties for misusing any privilege granted (e.g., reimbursement of waived fees, pass revoked for a year, etc.).

### **6.2 Application and Set-up**

Interested groups would not automatically be granted free access. They would be required to apply to the City for an access card/pass. The application would be evaluated under the criteria set in a policy. As a result, the privilege of free access to the Waste Transfer Station could be granted or denied.

An application form would be used to gather pertinent information, to confirm group eligibility. Application forms would be designed to be simple to complete for non-profit group and easy to process by City administration.

As part of the application, the group would provide a “waste profile”. The profile would provide a general description of the type of waste that would be brought in as well as volume and frequency. The profile could be updated for special projects or changes in the group’s operations. The profile would help mitigate disposal of ineligible waste and help the City with operations planning.

For on-going operation, passes would renew annually. This would ensure information stays updated and prevent indefinite access, should program criteria or a group’s status changes. For one-time specific projects, passes would have an expiry date.

### **6.3 Issuing Cards & Usage Tracking**

The City of Edmonton issues pass cards to qualified charitable groups. When a card is presented, the Waste Transfer Station attendant calculates the fee. Charges are applied to an account and the charity is invoiced.

A similar system could be used in Fort Saskatchewan. Eligible groups would receive a numbered pass card (multiple cards could be issued if necessary). The card would include contact information for the group and the expiry date. A printed and laminated paper card would be sufficient.

To help reduce misuse, card numbers would be tracked in a spreadsheet and any card reported lost or stolen would be flagged. Each group would be responsible for advising who is authorized to use the pass for that group and to advise of any substitutions in users.

Experience and consultation with the non-profit sector would suggest that most drop-offs are not spontaneous. Rather, groups coordinate their drop-offs around other activities or form a routine. As such, groups would be encouraged to have a representative call the Waste Transfer Station



ahead of time to discuss their project or to discuss their general schedule. This extra step reduces the opportunity for misuse by a pass holder, suddenly dropping in with ineligible waste.

Best practice would be to account for the waived fees by entering the equivalent value of a transaction into the point-of-sale system as a charge to a clearing account. Some additional set-up or customization may be necessary in order to track the individual usage of each group. At a minimum, the transaction data would be recorded and tracked separately on a spreadsheet.

A usage report would be sent to each group, at least annually, for book-keeping purposes. The report would account for in-kind contributions and maintain the personal accountability of their pass holders.

#### **6.4 Program Change or Termination**

If the program was not working as desired for the City or stakeholders or if revenue shortfall began to exceed expectation, policy could be changed to increase or decrease access, add fees or cancel the program. If a group became ineligible due to a program change, their pass would be terminated and they would be ineligible for renewal the next year.

### **7 Other Approaches to Support Community Groups**

Other methods to provide support to the non-profit sector, while limiting revenue shortfall or costs to the City could include:

- provide a grant program to help community groups offset waste disposal cost at the Transfer Station;
- provide a discount, instead of free disposal, on waste streams such as furniture and equipment;
- network with the private sector to find sponsors or companies willing to offer cash donation or in-kind services directly to a non-profit group to help absorb costs of waste disposal; or
- provide a regular 'non-profit round-up event', coordinated by the City.

### **8 Philosophical Considerations**

Anytime a service is provided to a segment of the community for free or at a discount, resources are being directed from the broader community towards specific groups or individuals. Ultimately Council needs to consider this anytime a decision is made to provide a subsidy. Is this subsidy in the broader interests of the population? Does it reflect the priorities of the community? Will this have impacts on other city services with respect to requests for subsidization?

In a sense, providing a subsidy to not-for-profit groups is similar to donating property taxes (or utility fees) to that group. This is appropriate in circumstances where Council deems the group to provide an essential service to the community and the subsidy is required for the group to maintain their existence. Ideally all not-for-profit groups would ensure that annual budgets account for all associated operating costs rather than require subsidization through the City, although in some cases this simply is not feasible. Council must create limitations on the subsidies provided for City services in order to ensure that taxes and fees levied on the community are reasonable and reflect the right balance of a "user pay" environment.