



Sovereign Place Suite 603 • 5121 Sackville Street • Halifax, Nova Scotia B3J 1K1
Telephone (902) 425-3572 • Fax (902) 422-0700 • E-mail association@ipoans.ns.ca

November 21, 2013

Mr. Gordon Helm, Manager
HRM Transportation & Public Works
Solid Waste Resources
PO Box 1749
Halifax, Nova Scotia
B3J 3A5

Dear Mr. Helm:

On behalf of IPOANS I'd like to thank you for meeting with us recently and providing the sub-committee with further insights on solid waste management in HRM, beyond the public meetings and consultations.

We share a similar vision as your department to enhance environmental stewardship through increased diversion and reduced negative environmental impacts. Consequently, we undertook a considered review of the information made available to us through your department, in forms of workshops, consulting reports, websites, and various meetings. In addition, we visited apartment properties, the Otter Lake facility, participated in solid waste route collection and opened dialogue with a selection of our members and residents.

Outlined below are eight key points we'd like to make with respect to the HRM Waste Management Review.

1. Current classification is discriminatory against apartment owners and residents.

IPOANS represents the interests of apartment building owners and tens of thousands of apartment residents in HRM. With current housing starts clearly indicating that the majority of new housing starts in HRM are new apartment residences, the importance of the apartment sector in HRM's Solid Waste management plan increases daily.

While apartment structures greater than six units are categorized by HRM as being part of the ICI grouping, **IPOANS contention is that apartment structures greater than six units are members of the residential property assessment classification and should be treated the same as Condos or any other HRM resident that receives solid waste management services delivered by HRM.**

Apartment residents in buildings greater than six units are essentially the same and generate the same amounts and types of solid waste as all other residential forms and therefore the same rate structure should apply to landlords. Residents who live in apartments should not be discriminated against just because they chose to live in apartment structures greater than six units that are not registered as condominium structures.

HRM's policy to exclude "non-condominium" registered apartment structures greater than six units from the provision of solid waste management services is an arbitrary and illogical decision that does not stand up to the most cursory review.

HRM's current solid waste management review is timely as IPOANS has recently secured a legal opinion from one of Halifax's most established law practices which severely criticizes HRM's discriminatory practices with respect to solid waste management services for non-condominium registered apartment structures greater than six units.

As stated by our lawyer "But for condos and apartments the uses are essentially the same and will generate the same amounts and types of solid waste. Distinguishing the two is no less objectionable than choosing which residences obtain garbage pickup on the basis of the race, religion or eye colour of the occupants" Clearly, the city is opening itself up to liability if a court challenge was to be pursued.

Therefore, and to better align associated costs to be borne by our residents, **HRM must revisit the ICI categorization to separate apartment buildings from institutional and commercial establishments.**

2. Current HRM Waste Business Model is not sustainable.

The current business model, as contracted by HRM, is not seemingly sustainable. The data provided in Figure 2 of Richard Butts' (CAO, HRM) February 5, 2013 Staff Report to Council, supports this statement. In effect, we are experiencing a cost of \$170/tonne in comparison to a tipping fee of \$125/tonne. Furthermore, the original cost estimate was for \$67/tonne (FY96) or \$90/tonne (FY12). It is not reasonable to assume that HRM will continue to be able to provide the funding necessary to maintain this negative variance.

If the same model continues, including a continuation of the same contracted services in a separate site, it would be reasonable to expect the cost to the city remain the same. The only logical conclusion is that "our" costs, therefore, would have to increase, "or" material change in HRM's cost structure would need to be changed.

3. Solid Waste Management practices affects housing affordability.

Insofar as cost structures are concerned, we considered regulatory trends affecting other utilities. If we can expect Waste Management Resources cost recovery directives to trend other services (e.g., electricity and water), any increases in costs will be passed along to the end users; meaning that we can expect an increase in tipping fees to match landfill operating costs with a status quo agreement. These adjusted rates would not be in line with national standards (see Waste Management Industry Survey: Business and Government Sectors, Statistic Canada, 2008). Clearly, the contract that is in place today, with an expectation to enter into the same agreement when this contract expires, is not sustainable from a cost perspective for end users in HRM and will affect housing affordability.

In February of 2013, IPOANS commissioned a report from a nationally recognized housing economist, Will Dunning, to detail the effects of government policy on affordability of housing. One of facts coming out of the report clearly pointed to policies relating to such things as utilities, including energy, water, sewerage "and" garbage disposal have a direct effect on housing affordability. (See Will Dunning report attached)

4. Other waste management options should be explored:

Given that the current financial model is not sustainable without increased costs to users, a new model needs to be explored. According to what we have learned thus far, three options, alone or in combination, present themselves:

- a. Investigate a different technical solution to waste management, as a lower cost option to landfill; for example, incineration. Recognizing that technology has advanced since 1996, HRM may benefit from a better understanding of technical options to solid waste management, beyond landfill.
- b. Allow for increased cell height of the Otter Lake landfill site, which has the impact of deferring the capital costs for a new landfill site and extending the life of the Otter Lake facility thus allowing time for the development of new and acceptable technologies.
- c. Allow for transportation of waste accumulated in HRM to leave HRM, meaning that Council will need to revisit HRM by-law No. S-600.

We are not limiting HRM to these three options and encourage HRM staff, whether through contracted means or with their own experts, to further explore any options that will meet the two fold objective of being both 1) cost effective and 2) environmentally conscience.

5. Solid Waste Management regulations have created unregulated monopolies resulting in excessive costs.

HRM has created a solid waste management monopoly under the current program, with a sole source available for solid waste management disposal in HRM, and a prohibition on solid waste being trucked out of HRM. In some cases, monopolies make sense as the best way to provide an essential service that would not be otherwise possible due to some physical restriction – e.g. not feasible to run 3 sets of power lines on a street. A monopoly is not required to ensure that solid waste management services are available by achieving some sort of critical mass or scale of operations. Solid waste management disposal is available in neighbouring jurisdictions at prices far less than those imposed by the HRM monopoly situation.

Monopolies in Nova Scotia come with regulation – with a requirement to report to the Nova Scotia utility and Review Board. The NSUARB requires monopolies to operate as efficiently and effectively as possible to deliver the good or service to the vulnerable masses at the lowest cost. In the case of HRM Solid Waste Management, there is no independent body scrutinizing the costs and fee schedule – there is no pressure to be efficient or to meet normal market forces. There is something very fundamentally wrong with this situation and it must be dealt with – either by having a body that HRM Solid Waste Management must report to ensure that costs are being minimized, or preferably, by breaking the monopoly, to allow for the free movement of goods to suppliers of solid waste management services outside of HRM.

6. Joint Education and Marketing Programs for the Multi-Res sector needs to be enhanced and delivered by HRM Waste in partnership with IPOANS.

HRM's education and marketing programs are appreciated and, moving forward, we recommend additional programs targeting multi-unit residential buildings are undertaken. In fact, this initiative is underway currently with a joint workshop scheduled for Dec 17th.

7. Illegal Dumping must be proactively dealt with.

Likewise, illegal dumping should be incorporated in future discussions. Illegal dumping was clearly identified as a major issue for a large number of our members and in the October 16th ICI Engagement Session. We believe illegal dumping should be aggressively enforced and penalized by HRM. Apartment waste diversions are failing with illegal dumping being a large component of the fail rate. IPOANS is open to any meaningful dialogue with HRM and its partners aimed at providing a solution.

8. IPOANS will not support any by laws or policy changes that place penalties on landlords for lack of participation/support in waste diversion efforts by their residents.

We believe the solution to increasing waste diversion at apartments is through education, and changes to procedures and policies to encourage and facilitate diversion and must be a shared responsibility of both landlords and HRM.

IPOANS, through this letter, speaks for the member organizations in the association, representing approximately 40,000 apartments in HRM. Our member companies have invested considerable resources in understanding the issues discussed in this letter and are hopeful that you will take into consideration our observations and recommendations for each of the eight points presented.

Thank you for the opportunity to contribute to this important initiative.

Sincerely,



Original Signed

Jeremy Jackson
President, IPOANS

