



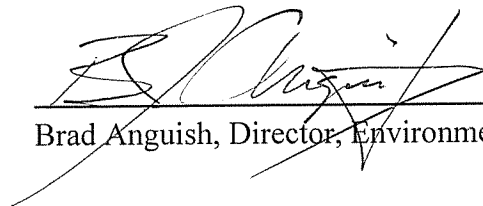
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Halifax Regional Council
November 25, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Brad Anguish, Director, Environmental Management Services

DATE: November 18, 2003

SUBJECT: **Enviro Depots - Resource Recovery Fund Board (RRFB)**
- Beverage Container Handling Fee

INFORMATION REPORT

ORIGIN

At the September 23, 2003 meeting of Regional Council, staff was requested to provide a summary of events respecting the current level of payment by the Resource Recovery Fund Board (RRFB) to Enviro Depot operators for the handling of deposit beverage containers, and for a representative from the RRFB to address Regional Council respecting this matter.

BACKGROUND

At the May 13, 2003 Regional Council meeting a staff report detailed the business relationship between the RRFB and the Enviro Depot operators located within the HRM.

The Discussion section of the May 9, 2003 report advised Regional Council of the following:

"The owners/operators of the Enviro Depots have been contracted by RRFB to take receipt and quantify the number of beverage containers, batteries and paint cans received, and to issue a refund to residents for beverage containers. The current issue between the owners/operators of the Enviro Depots in Nova Scotia is a contractual matter", and that

“an increase in the beverage container handling fee awarded to the Enviro Depots could have potential negative budget implications for HRM and the annual RRFB funding for the Region may be reduced”.

The staff report also recommended that:

“HRM not become involved in the current dispute between the RRFB and the Eastern Recyclers Association. HRM has no jurisdiction in this matter and it is not appropriate for the municipality to favour either side in the resolution of this issue.”

DISCUSSION

In addition to the information contained in the May 9, 2003 staff report, which is still applicable, the following is a summary of events over the past five-month period respecting this matter:

In June, the RRFB formed a Joint Committee to study Enviro Depot operating standards and procedures, and to develop a strategy for evaluating fair increases in beverage container handling fees. The Joint Committee includes representation from Enviro Depot operators, RRFB, and the Atlantic Brewers Association.

A Task Force sub-committee has also been established to look at a process for implementing fair handling fees in Nova Scotia. The Task Force includes representatives from the Eastern Recyclers Association, the breweries, the UNSM, the soft drink industry and RRFB. The Task Force held its first meeting in September. The Joint Committee expects to release an interim report in November with the final report and recommendation released by March 2004.

At the UNSM meeting on October 16, 2003, Mr. Derek Firth, Chief Operating Officer RRFB, made a presentation to the UNSM members which highlighted the mandate of the RRFB, a history of the beverage container handling fee (including increases in April 2002, April 2003 and a proposed increase in April 2004), and an outline of the process to be followed for striking handling fees in the future. At the November 25, 2003 meeting of Regional Council, Mr. Firth will be making a presentation with more specific details concerning the beverage container handling fee and the process for reviewing the establishment of fees in the future.

BUDGET IMPLICATIONS

Annually (based upon the total tonnes of materials diverted from the Otter Lake landfill by reuse, backyard composting/grasscycling/mulch/mowing, recycling and/or composting) HRM receives approximately \$3,300,000 from the RRFB. This money is directly applied to support and sustain the programs and services of the HRM Solid Waste/Resource Management System.

An increase to the beverage containers handling fee of \$.001, increases the RRFB operating costs by approximately \$225,000/year. As required by the provincial statute, a minimum of 50% of the RRFB net annual revenue is provided to the 55 municipalities in Nova Scotia to help support municipal recycling and composting programs. As HRM typically receives 40% of the RRFB net revenue transferred to municipalities annually, there is a potential revenue loss of \$45,000 for every \$.001 increase in the beverage containers handling fee.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A

ATTACHMENTS

N/A

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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