



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Operations Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	August 31, 2015
SUBJECT/REPORT NO:	Municipal Hazardous and Special Waste – Product Care Association Paints and Coatings Service Agreement (PW15060) - (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Emil Prpic (905) 546-2424, Extension 4203
SUBMITTED BY:	Gerry Davis, CPA, CMA General Manager Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton enter into the Municipal Industry Stewardship Plan (ISP) Materials Service Agreement (Agreement) with Product Care Association for waste handling of paints and coatings;
- (b) That the General Manager of Public Works be authorized and directed to execute the Agreement referred to in recommendation (a), in a form satisfactory to the City Solicitor;
- (c) That the General Manager of Public Works, in consultation with the Waste Management Advisory Committee, be authorized to approve future amendments to the Agreement referred to in recommendation (a);
- (d) That the General Manager of Public Works, in consultation with the Waste Management Advisory Committee and in forms satisfactory to the City Solicitor, be authorized to enter into future Industry Stewardship Plan Agreements that would continue to provide funds for the City's Municipal Hazardous or Special Waste Program.

EXECUTIVE SUMMARY

On December 10, 2014, Waste Diversion Ontario (WDO) approved an Industry Stewardship Plan (ISP) for paints and coatings, which are designated as a Phase 1 Municipal Hazardous or Special Waste (MHSW). With this ISP the responsibility for the management of paints and coatings will transfer from Stewardship Ontario (SO) to Product Care Association (PCA). SO will continue to provide funding for the City's

depot operations, transportation and processing of all other Phase 1 MHSW as outlined in existing agreements and programs.

The new Agreement, dealing specifically with paints and coatings, will commence retroactively on June 30, 2015 and shall expire on December 31, 2016. At the expiry of the initial term, unless changes are required, the Agreement will automatically renew for successive twelve month terms. The City will receive funding starting from the commencement date.

The Agreement adopts the SO funding obligations and structure as outlined in the existing New Municipal Hazardous or Special Waste Services Agreement and the Municipal Depot Transportation and Processing Program (MDT&PIP). These obligations include utilizing the same service providers and standards for collection, transportation and processing. In addition, the Agreement also adopts the current SO methods of reporting and the same funding structure for the management of paints and coatings.

With the implementation of the Agreement for paints and coatings, additional MHSW materials that were not previously funded will now be funded. The newly funded materials include non-pesticide marine coatings and all paints and coatings in aerosol containers. PCA is also launching a paint reuse program whereby municipalities will be financially compensated for providing residents free, high quality paint at municipal depots.

Staff does not anticipate any significant service level changes, alterations or financial impacts to the City's MHSW program as a result of signing the Agreement with PCA.

ISP's for other HMSW products are anticipated as part of WDO's update and strategy. It is anticipated that the Agreement model implemented for paints and coatings will be used as the foundation for future agreements.

It is recommended that the General Manager of Public Works, in consultation with the Waste Management Advisory Committee and the City Solicitor, be delegated the authority to enter into said agreements.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Prior to the commencement of the Agreement with PCA, the City received funding for paints and coatings from an initial agreement with SO. With the implementation of the PCA Agreement the City will see additional funding from materials that were not previously funded. At this time, City staff is unable to determine the additional funding as these new materials were not individually tracked under the previous funding structure. It is expected that the additional funding will be minimal. With the implementation of this Agreement, there will be no negative impact to the 2015 and 2016 Public Works levy operations budget.

**SUBJECT: Municipal Hazardous and Special Waste – Product Care Association
Paints and Coatings Service Agreement (PW15060) - (City Wide)
- Page 3 of 5**

Staffing: Staffing will not be affected with the implementation of the recommendations outlined in this report.

Legal: The Agreement has been reviewed by Legal Services and determined that initiating the Agreement will not have legal ramifications.

HISTORICAL BACKGROUND

The City's MHSW program was established in an effort to reduce the amount of hazardous material going to landfill or into the City's sewer system. The program began in the late 1980's and consisted of mobile event days at set times of the year. Today, the program consists of convenient drop off depots located at each of the City's three (3) Community Recycling Centres (CRC). This provides residents with the opportunity to safely dispose of MHSW ten (10) hours a day, six (6) days a week at each CRC.

Following the designation of MHSW under the Waste Diversion Act in 2006, the Ontario Minister of the Environment implemented a number of changes to MHSW management in Ontario.

In 2011, the City of Hamilton (City) entered into the New Municipal Hazardous or Special Waste Services Agreement with SO which provides funding for the depot operations, transportation and processing of Phase 1 MHSW. Materials included paints and coatings, solvents, oil filters, oil containers, dry cell batteries (single use, non-rechargeable), antifreeze, pressurized containers (e.g. propane tanks), fertilizers and pesticides. SO also implemented the MDT&PIP on January 1, 2012. The MDT&PIP is a program whereby SO directly pays service providers for the transportation and processing of Phase 1 MHSW. Under this agreement and program, the City does not bear the costs associated with the transportation and processing of Phase 1 MHSW.

On December 10, 2014, Waste Diversion Ontario announced the approval of an ISP for paints and coatings. With the approval of the ISP, the responsibility for the management and funding of paints and coatings will transfer from SO to PCA. PCA is a not-for-profit association that manages product stewardship programs for MHSW on behalf of its members which includes manufacturers, distributors and retailers of those products. PCA currently manages paint stewardship programs in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland & Labrador, and PEI.

The Agreement for the management of paints and coatings will adopt the current SO funding obligations outlined in both the New Municipal Hazardous or Special Waste Services Agreement and the MDT&PIP. These obligations include utilizing the same service providers and standards for collection, transportation and processing. In addition, PCA's Agreement will adopt the current SO methods of reporting and the same funding structure for the management of paints and coatings.

The Agreement provided to Ontario municipalities has been reviewed by a Paint ISP Transition Team created by the WDO. This team consisted of representation from PCA, SO, municipalities and municipal and service provider associations such as the

Municipal Waste Association. Entering into the agreement will also ensure that the City will continue to receive funding for paints and coatings. The initial term of the Agreement is for eighteen (18) months commencing retroactively June 30, 2015 and ending December 31, 2016. The Agreement will automatically renew for successive renewal terms of twelve (12) months each. Either PCA or the City may terminate the agreement with ninety (90) days' notice in advance of any renewal term commencement date. Both PCA and the City may terminate the agreement without cause with at least six (6) months advance notification.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

No corporate policies will be affected if recommendations are approved.

RELEVANT CONSULTATION

The following City Departments and Divisions were invited to provide comment on the proposed Agreement and no negative comments were received:

- City Manager's Office: Legal Services
- Corporate Services: Financial Services, Risk Management
- Waste Management Advisory Committee

ANALYSIS AND RATIONALE FOR RECOMMENDATION

In order to continue receiving funding for paints and coatings that is used to offset the Public Works levy operations budget, the City must enter into the Agreement with PCA. The Agreement provided to Ontario municipalities has been reviewed by the Paint ISP Transition Team consisting of members such as the Municipal Waste Association and other municipal representatives. After a detailed review of the Agreement and negotiation between the working group and PCA, it was recommended that interested municipalities enter into the Agreement to receive the outlined funding. As indicated in this report, City staff have reviewed the agreement and determined that entering into the Agreement will not change onsite operations or service levels to the residents of the City. Entering into the agreement will also ensure that the City will continue to receive funding for paints and coating which is used to offset the Public Works levy operations budget for the duration of the Agreement.

ALTERNATIVES FOR CONSIDERATION

An alternative includes not entering into the Agreement. The City will not receive funding for the depot operations, transport and processing of paints and coatings collected at the MHSW depots located at the CRCs. If the funding is not received, then there will be an impact to the 2015 and future operating budgets of approximately \$330,000 for 2015 (part year expenses) and \$615,000 for 2016 (dependant on quantities).

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.