1. Call to Order

2. Call of Roll

3. Announcements

4. Approval of Agenda, including additions or deletions

5. Business Arising from Minutes and any Related Correspondence
   a. Rescission of motion of September 12, 2017 Council Meeting “...that Council provide green bin service to the entire Municipality.” Notice Given at January 9, 2018 Council (Councillor Monroe)
   b. Supply of Organics Carts (January 9, 2018 Council)
   c. Provision of Organic Waste Collection Service (January 9, 2018 Council)

6. Reconsideration or Rescission of Resolutions of Which Notice has Been Given on a Previous Day
   a. Reconsideration of motion of January 9, 2018 Council Meeting “...that staff draft a Terms of Reference for a Hockey Heritage Sub-Committee with the intent of calling for Expressions of Interests for the Hockey Heritage Project.” Notice Given at January 9, 2018 Council (Councillor Monroe)

7. In-Camera MGA Section 22 (2)(c) Personnel Matters

8. Date of Next Meeting – February 13, 2018

9. Adjournment
THE MUNICIPALITY OF THE DISTRICT OF WEST HANTS

RECOMMENDATION REPORT

To: Members of West Hants Council

Submitted by: __________________________
Cathie Osborne, Chief Administrative Officer

Date: November 29, 2017

Subject: Supply of Organics Carts

Origin:
Department of Public Works has conducted the evaluation of Tender # WHPW17-08 issued for Supply of Organics Carts.

Legislative Authority:
Municipal Government Act, Section 65 (q) collecting, removing, managing and disposing of solid waste; authorizes Council to expend funds for municipal purposes.

Recommendation:

It is recommended that:

Council award a Contract for supply of organics carts to Speed Eco in the amount of $337,000 plus applicable taxes, to be expended through the Diversion Credit Reserve in the amount of $200,000 and the remaining cost from the Operating Reserve.
And:

Council award a Contract for assembly and distribution of organics carts to Speed Eco in the amount of $33,600 plus applicable taxes, to be expended through the Operating Reserve.

Background:

On December 1, 2016, the Public Works Department issued a Request for Proposal for the provision of services for the collection and transportation of waste for the period of April 1, 2018 to March 31, 2023, including pricing for 3 additional option years to March 31, 2026. The existing contract for waste collection services throughout the Municipality of West Hants with GFL Environmental Inc. is due to expire as of March 31, 2018.

On March 15, 2017 Council awarded a contract to Royal Environmental Inc. (REgroup) for provision of Services for Collection and Transportation of Waste for the period of April 1, 2018 to March 31, 2023. The new contract would include collection and transportation services of garbage, recycling and organics streams for the community of Hantsport, and would include collection and transportation services of garbage and recycling streams for the remainder of the Municipality. The organics stream would continue to be handled through residential backyard composting as it is currently managed throughout the remaining communities within West Hants.

On September 12, 2017 Council approved the motion to provide green cart service to the entire Municipality. Staff was directed to provide a detailed cost breakdown to Council for green cart service, which includes cost to procure the organics carts for the customers.

Discussion:

A public opening was held on November 16, 2017 at 2:01 pm, with four (4) tenders received. The 2-part tender defined the bid scoring process to be used; that combined both a weighted technical criteria component as well as weighted financial component. All four bids were received with unit pricing based on the quantities specified in the scope of work. Tenders were reviewed independently and scored by members of Public Works and Finance staff.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed Eco</td>
<td>92.4%</td>
</tr>
<tr>
<td>Rehrig Pacific Company</td>
<td>80.0%</td>
</tr>
<tr>
<td>Saunders Equipment Ltd.</td>
<td>70.9%</td>
</tr>
<tr>
<td>ReGroup</td>
<td>62.4%</td>
</tr>
</tbody>
</table>

Technical Criteria Evaluation included:
- Product & Resources
- Additional Product Benefits
Financial Criteria Evaluation:

- \((\text{Lowest Bid / Bidder’s Price}) \times \text{Price Weighting}\)

Although not the lowest cost bidder (Rehrig $306,100 for the supply of carts; and $32,200+ for delivery, quoted at a price of $5.75 per cart for the initial roll-out, plus $10 per cart for additional carts or for any carts missed); Speed Eco had the best overall combined technical and commercial score of 92.4% and has been recommended to supply the organics carts. Cost for the supply of the equipment exceeds the maximum expenditure limit of the CAO, as per the Municipal procurement policy; and, therefore requires approval by Council.

Financial Implications:

Cost to supply 5600 organics carts to the residents of the Municipality would be $337,000, plus applicable taxes. It is proposed to expend $200,000 of this amount through the existing Diversion Credit Reserve, with the remainder being covered by Operating Reserve.

Cost to assemble and distribute 5600 organics carts to the residents of the Municipality would be $33,600 (quoted at a fixed price of $6 per cart), plus applicable taxes. It is proposed to expend this amount through the Operating Reserve.

Alternatives:
Council may choose to award this contract to another tenderer. This is not the recommendation course of action.

Attachments:
Tender Evaluation Summary

______________________________________________

Report Prepared by: Brad Carrigan, P.Eng., Director of Public Works

Report Reviewed by: Martin Laycock, Director of Finance
WHPW17-08: Supply of Organic Carts

Tender Evaluation Summary

<table>
<thead>
<tr>
<th>Technical Components</th>
<th>Speed Eco</th>
<th>Rehrig Pacific</th>
<th>Saunders</th>
<th>REGroup</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product &amp; Resources</td>
<td>30</td>
<td>20</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>2. Additional Product Benefits</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>3. Warranty</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>4. Maintenance &amp; Service</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>5. Delivery</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Sub Technical Component out of 70</strong></td>
<td>65 / 70</td>
<td>50 / 70</td>
<td>45 / 70</td>
<td>45 / 70</td>
</tr>
<tr>
<td>Cost/Price Evaluation (Max 30 points)</td>
<td>27.2</td>
<td>30</td>
<td>25.9</td>
<td>17.4</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td><strong>92.4%</strong></td>
<td><strong>80.0%</strong></td>
<td><strong>70.9%</strong></td>
<td><strong>62.4%</strong></td>
</tr>
</tbody>
</table>

This was a highest rating evaluation (technical plus financial) tender award, not lowest cost tender, due to the variation in product and additional product benefits.

Listed below is a summary of the technical benefits of using organic carts supplied, distributed and serviced by Speed Eco:

- Zero corners in new design carts; other cart designs have many corners and grate structures that hold materials and require professional pressure washers or manual cleaning
- Round design performs better; empty completely when dumping in summer and winter
- Round design can be cleaned with a garden hose, soap and water; reducing odors and potential for rodents
- Round design eliminates edges that are primary chewing/access points for rats/rodents
- Zero holes for drainage; material/liquids stay inside cart; reducing yard mess, odors and potential for rodents
- Tipping weight evenly distributed; 20% easier to tip and balance weight of both empty and full carts; easier to move carts
- Lower breakage rate due to freezing, as materials do not stay in cart when tipped
- Carts would be supplied, distributed and serviced by a local NS company (Wolfville, NS)
- All positive reference checks have been received from other municipal units for round-bottom design carts, making active changes to round-bottom design as carts are being replaced (Valley Waste, Chester, Windsor, Lunenburg and Pictou County)
MUNICIPALITY OF THE DISTRICT OF WEST HANTS
RECOMMENDATION REPORT

To: Members West Hants Council

Submitted by: Cathie Osborne, Chief Administrative Officer

Date: December 6, 2017

Subject: Provision of Organic Waste Collection Service

Origin:

On September 12, 2017 Council approved the motion to provide organics collection (green cart) service to the entire Municipality. Staff were directed to provide a detailed cost breakdown to Council for this service and funding options.

Legislative Authority:

Municipal Government Act, Section 65 (q) collecting, removing, managing and disposing of solid waste; authorizes Council to expend funds for municipal purposes.

Recommendation:

It is recommended that:

Council approve the outright purchase of green carts used in the community of Hantsport from the current service provider, Valley Waste, in the amount of $2,391 with funds for the purchase to come from the Operating Reserve.
Council approve a $20,000 contingency fund for the purchase and distribution of green carts in West Hants with funds to come from the Operating Reserve.

Council treat the costs associated with the collection of organics throughout all West Hants as a general rated service and that these costs be included in the calculation of the general tax rate, beginning in fiscal year 2018/19.

Background:

On December 1, 2016, the Public Works Department issued a Request for Proposal (RFP) for the provision of services for the collection and transportation of waste for the period of April 1, 2018 to March 31, 2023, including pricing for 3 additional option years to March 31, 2026. The existing contract for waste collection services throughout the Municipality of West Hants with GFL Environmental Inc. is due to expire as of March 31, 2018.

On March 15, 2017 Council awarded a contract to Royal Environmental Inc. (REgroup) for provision of Services for Collection and Transportation of Waste for the period of April 1, 2018 to March 31, 2023. The new contract would include collection and transportation services of garbage, recycling and organics streams for the community of Hantsport, and would include collection and transportation services of garbage and recycling streams for the remainder of the Municipality. At the time of the award, no decision had been made by Council to extend organics collection beyond the community of Hantsport, therefore the organics stream would continue to be handled through residential backyard composting to the remaining communities within West Hants.

On September 12, 2017 Council approved the motion to provide green cart organics service to the entire Municipality. Staff was directed to provide a detailed cost breakdown to Council for green cart service and propose options for funding the new service.

Discussion:

There are two components which make up the cost of this new service. The first component is the inventory (supply) and distribution of the carts. The second is the on-going operational cost of providing the service. There are several options available to Council to pay for the inventory/distribution and the annual operational service costs.

INVENTORY COSTS

Supply & Distribution COSTS ($408,890)

The additional service of green carts will have an impact on annual Municipal expenses, moving forward. Initial setup costs include the supply, assembly and distribution costs for the green carts.
Staff released a Request for Tender to supply 5600 green carts which represents the estimated number required to provide the new service to the remainder of West Hants. After consulting other municipal units using carts, typically the total number needed is roughly 80% of the number of households once shared locations are considered (cottage country, private roads, apartment buildings, duplexes etc. where more than one household will share a cart). For example, in Hantsport there are roughly 485 carts distributed to 608 dwellings, which is roughly 80%. This distribution method was applied to order a total of 5600 (6892*80% = 5513; rounded up to 5600). Cost to supply the new organics carts is anticipated to be $351,457 (net HST incl.). A separate report before Council includes a recommendation to award the tender.

The assembly and distribution of the carts, along with recording the serial number and associated civic number throughout the municipality, was also solicited through the above noted Tender. Cost to the Municipality for assembly and distribution is anticipated to be $35,041 (net HST incl.).

Staff were able to negotiate a nominal cost from Valley Waste to purchase the carts currently in use in the community of Hantsport. The cost to purchase the existing Hantsport carts amounts to $4.93 per cart for the 485 carts presently deployed for a cost of $2,391 (net HST incl.). This is a savings of $28,009 ($55.07 per cart x 608 carts).

As this is a new service, staff believes a contingency is prudent and has proposed $20,000 for the launch. This money will allow for the purchase and distribution of additional carts that may be needed should the total exceed the anticipated 5600. It will also address any IT costs that may arise, such as inventory creation, assigning green carts to AAN’s, etc., resulting from the implementation.

**Figure 1: Total Cost of Supply and Distribution:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase</td>
<td>$351,457</td>
</tr>
<tr>
<td>Distribution</td>
<td>$35,041</td>
</tr>
<tr>
<td>Hantsport carts</td>
<td>$2,391</td>
</tr>
<tr>
<td>Contingency</td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$408,890</strong></td>
</tr>
</tbody>
</table>

A full financial analysis is provided later in the report which addresses funding options to pay for the inventory and distribution costs.

**OPERATIONAL COSTS**

Total yearly operational costs for green cart service for West Hants is estimated to be an average of $454,300. There are five components that comprise the anticipated operational costs for the West Hants wide organics collection service for year 1.
Figure 2: Estimated Annual Operating Costs Year 1

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection &amp; Transportation</td>
<td>$253,092</td>
</tr>
<tr>
<td>Special Collection</td>
<td>$5,417</td>
</tr>
<tr>
<td>Tipping fee (estimated)</td>
<td>$154,763</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$17,573</td>
</tr>
<tr>
<td>Hantsport Green Cart Operational costs</td>
<td>$23,454</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$454,300</strong></td>
</tr>
</tbody>
</table>

**Collection & Transportation Services ($253,092 inc. net HST)**
As part of the original request for proposals, the successful bidder supplied pricing for organics collection and transportation services throughout the entire Municipality of West Hants. The contract prices listed for Area 1, Area 2 and Area 3 (Hantsport) is an average annual cost over the 5-year contract.

**Special Collection Services ($5,417 inc. net HST)**
Special collection services for organics would normally be provided for seasonal pick up of leaf and yard waste, and/or Christmas trees. Staff have made the provision for one special collection per year. The contract price for all 3 areas, is a flat rate for the term of the contract.

**Tipping Fees ($154,763 – Estimated inc. net HST)**
Tipping fee costs involves estimating the annual weight of organics multiplied by the facility tipping rate. The projected total weight of organics to be sent for processing is estimated to average 1562 metric tonnes per year, at program maturity. This estimate is based on data from other municipal units (Hantsport, Region 6 and Provincial reports) that have organics collection. (See appendix)

The original RFP issued for Collection and Transportation required pricing to deliver organics to the East Hants Waste Management Centre (EHWMC) in Georgefield. Total tipping fees were estimated based on the facility tipping fee, transportation from EHWMC and an administration fee for a total cost of $110 per tonne plus net HST ($114.72). To date, EHWMC has still not confirmed their proposed contract cost for 2018.

Staff have since received an offer to receive our organic material by Northridge Farms in Aylesford. Northridge has offered West Hants a tipping fee of $95 per tonne plus net HST ($99.08) for anticipated savings of $15 per tonne. Our collection and transportation contractor, REgroup, has confirmed they will deliver to this location with no additional charge for transportation.

**Annual Depreciation Reserve Contribution ($17,573)**
To ensure funds are available to replace carts as needed, annual depreciation contributions of $17,573/year (5% of purchase price) is included. This will ensure the Municipality will be able to replace carts as needed without having to borrow or draw down funds from other reserves.
Hantsport Green Cart Costs ($23,454)
Green cart service for Hantsport is an Area Rated service because it is unique to the community. With the addition of green cart service to all West Hants, the cost no longer qualifies as an area rate. Hantsport green cart costs are the associated administrative and maintenance costs that will now need to be shared among all residents.

**FUNDING OPTIONS:**

The total anticipated costs to provide this new service in year one is $863,190 which is made up of inventory and distribution costs of $408,890 and collection and operating costs of $454,300. Average two to five-year costs need only include collection and operating costs of $454,300.

There are four possible ways in which to fund the costs of the green carts and new service. Pros and Cons for each approach have been provided as an appendix.

1. **General Tax Rate** – As is the current practice with garbage and recyclables pickup, the costs associated with waste related services are spread out among all West Hants property owners through the General tax rate.

2. **Distribute costs by Assessment Account Number (AAN)** – The total estimated cost for green cart service would be divided by all AANs.

3. **Distribute cost by Assessment Account Number (AAN) using only those which have Residential and Commercial Tax codes (TX01 & TX02)** – The total estimated cost for green cart service would be divided by the number of AAN's that fall under Residential and Commercial tax codes.

4. **Distribute cost by number of dwelling units** – The total estimated cost for green cart service would be divided by the number of dwelling units that are associated with an AAN.

The estimated cost for each of these options is provided in the following figure.
All Costs (Inventory and Operational Combined)

**Figure 3: Year 1**

<table>
<thead>
<tr>
<th>Method of payment</th>
<th>Total Net Cost</th>
<th># of users</th>
<th>Cost/user</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - General Rate</td>
<td>$ 863,190</td>
<td>N/A</td>
<td>$ 0.079</td>
</tr>
<tr>
<td>2 - AAN</td>
<td>$ 863,190</td>
<td>11651</td>
<td>$ 74.09</td>
</tr>
<tr>
<td>3 - AAN TX01 &amp; TX02</td>
<td>$ 863,190</td>
<td>8888</td>
<td>$ 97.12</td>
</tr>
<tr>
<td>4 - # of Dwellings</td>
<td>$ 863,190</td>
<td>6998</td>
<td>$ 123.35</td>
</tr>
</tbody>
</table>

Not included in the above analysis is the cost of buying out the former Town of Hantsport’s share of the capital investment in Valley Waste. This is estimated to be $18,895 and proposed to be covered as an area rate to the community of Hantsport.

**Inventory Costs Only**

An increase to the tax rate to provide the program can be avoided by using existing funds set aside in reserves. A report will be coming forward recommending Council consider using a combination of diversion credits and operating reserves to pay for the initial cost of inventory. There are sufficient funds in both reserves to support this method of funding.

Should Council not wish to use the reserves and choose to pay for the purchase and distribution in year one, the results under the various methods are shown above in Figure 3.

Alternatively, Council may choose to finance the purchase and distribution of the inventory through a loan. This would add an estimated $49,165 to the annual operating costs for a 10-year period and result in an additional 0.5 cents to the General Rated costs or $4-$7 per user to the total cost.

The use of existing reserves does not directly affect the tax rate. It is a cost absorbed by past operating results and diversion credits received by the general population and would benefit the general population.

**Operational Costs Only**

**Figure 4: Funding for Operational Costs – Average year 1 to 5**

<table>
<thead>
<tr>
<th>Method of payment</th>
<th>Total Net Cost</th>
<th># of users</th>
<th>Cost/user</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - General Rate</td>
<td>$ 454,300</td>
<td>N/A</td>
<td>$ 0.042</td>
</tr>
<tr>
<td>2 - AAN</td>
<td>$ 454,300</td>
<td>11651</td>
<td>$ 38.99</td>
</tr>
<tr>
<td>3 - AAN TX01 &amp; TX02</td>
<td>$ 454,300</td>
<td>8888</td>
<td>$ 51.11</td>
</tr>
<tr>
<td>4 - # of Dwellings</td>
<td>$ 454,300</td>
<td>6998</td>
<td>$ 64.92</td>
</tr>
</tbody>
</table>
Annual payments based on # of users ranges from $38.99 to $64.92 per affected property (Options 2 to 4). Option 1, calculated on the general rate provides a greater or lesser range of impact, depending on the assessed value of a property. Should Council choose to apply the cost of green carts to the General Tax Rate, a cost savings of an estimated $124,543 in Waste Collection and Disposal costs could be applied to green cart operational costs (see Finance Appendix). This would result in a smaller net increase to the overall Waste Collection budget for a total estimate of $329,756.

If Council chooses either options 2-4, the Waste Collection budget would still be reduced by an estimated $124,543, which amounts to a little over a 1 cent drop on the current tax rate. However, these savings would not impact the cost per user methods, but residents could, if nothing were to change financially for the Municipality, benefit from a 1 cent lower tax rate in 2018-19. The chances of nothing changing financially for the Municipality is highly unlikely, therefore a 1 cent reduction in the tax rate should not be anticipated.

The results of the above changes would be as follows:

**Figure 5:**

<table>
<thead>
<tr>
<th>Method of payment</th>
<th>Total Net Cost</th>
<th># of users</th>
<th>Cost/user</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - General Rate</td>
<td>$ 329,756</td>
<td>N/A</td>
<td>$ 0.030</td>
</tr>
<tr>
<td>2 - AAN</td>
<td>$ 454,300</td>
<td>11651</td>
<td>$ 38.99</td>
</tr>
<tr>
<td>3 - AAN TX01 &amp; TX02</td>
<td>$ 454,300</td>
<td>8888</td>
<td>$ 51.11</td>
</tr>
<tr>
<td>4 - # of Dwellings</td>
<td>$ 454,300</td>
<td>6998</td>
<td>$ 64.92</td>
</tr>
</tbody>
</table>

For option 1, the impact on a rate payer, based on the examples below, would be as follows:

**Figure 6:**

<table>
<thead>
<tr>
<th>Assessment*</th>
<th>Current General Rate taxes</th>
<th>$0.03 increase</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 100,000.00</td>
<td>$ 1,016.30</td>
<td>$ 30.25</td>
<td>$ 1,046.55</td>
</tr>
<tr>
<td>$ 140,000.00</td>
<td>$ 1,422.82</td>
<td>$ 42.36</td>
<td>$ 1,465.18</td>
</tr>
<tr>
<td>$ 200,000.00</td>
<td>$ 2,032.60</td>
<td>$ 60.51</td>
<td>$ 2,093.11</td>
</tr>
<tr>
<td>$ 300,000.00</td>
<td>$ 3,048.90</td>
<td>$ 90.76</td>
<td>$ 3,139.66</td>
</tr>
</tbody>
</table>

*140K as the average home value

Staff are recommending Council apply the general rate principle as the funding methodology to pay for the new annual green cart organic collections services as the service can be accessed by all ratepayers. Acquiring and distributing the green carts using existing funds, partially set aside from the diversion of organic and recyclable material, reflects the prior efforts of rate payers to be environmentally sustainable.
Alternatives:

- Council may choose to move forward with one of the alternative funding approaches listed in the report.

Attachments:

- Additional Information Appendix
- Additional Financial Data Appendix

Report Prepared by: Brad Carrigan, P.Eng., Director of Public Works

Report Reviewed by: (Martin Laycock, Director of Finance)
1. Organics Tipping Fee Estimates

The projected total weight of organics to be sent for processing, is estimated to average 1562 metric tonnes per year, at program maturity. We expect many residents will no longer compost at home once there is organics collection service. This amount also takes into consideration, non-backyard compostable items such as meat, bones fish etc.

Other municipal units that have organics collection currently report the following annual household amounts; Hantsport (213 kg), Region 6 (222 kg) and provincial average (186 kg). West Hants anticipates an average of 208.3 kg per household.

To determine household counts for the analysis, a combination of numbers from the West Hants Planning Department and household counts by Waste Management in 2010 were used. Total estimated households are 7500 (Hantsport 608 and the rest of West Hants as 6892).

\[
\text{7500 households} \times 208.3 \text{ kg per household} = 1562 \text{ tonnes} \\
1562 \text{ tonnes} \times $99.09 \text{ Northridge Farms tipping fee} = $154,763
\]
2. **Financial Appendix**

Pros and Cons of payment options

Option 1 – General Rated Services: Pros and Cons

- **Pros**
  - i. Consistent with the current practice for waste services of spreading costs out as a general rated service.
  - ii. As the cost estimates for green cart services must be estimated at the beginning of the year, the general rate can easily absorb surplus/deficits of the service leading to more consistency for tax payers.
  - iii. Allows cost sharing of the service based on property value.
  - iv. Would allow cost savings from new garbage contract to be directly applied against the cost of implementing green carts
  - v. No additional IT costs
  - vi. Could lower overall cost impact of green carts by finding savings in other areas to lower the general rate.
  - vii. Distributes the cost so that those who live in lower valued homes (such as low-income earners and seniors) will be impacted less than in the other options listed.

- **Cons**
  - i. Assuming all things remain the same, it will add an estimated 3.5 cents to the general tax rate. It would be difficult to find 3.5 cents in savings to reduce this impact without significant growth to the tax base or cuts to services.
  - ii. Tax payers with higher assessments will pay more of the service.

Option 2 – Assessment Account Number: Pros and Cons

- **Pros**
  - i. Distributes cost evenly among all property owners across the Municipality.
  - ii. Provides the largest denominator (11651 – 2017 roll), leading to a larger spread of the green cart cost, meaning it is a lower cost on a per person basis.
  - iii. Does not directly impact the tax rate.

- **Cons**
  - i. AAN’s include all properties in West Hants, including tree lots, vacant land, etc. Residents would be paying for a service on a property where they may not be able to use it.
  - ii. Includes ‘Non-taxable’ properties. This could lead to difficulty in collection of fees, but can be addressed through policy.
iii. Residents may pay more for green cart service than what they pay for in property taxes.
iv. Cost savings from redistribution of tipping fees is not included.
v. Sets a precedent on how a normally general rated service is paid for
vi. There may be up to $3,000 in IT costs to setup a method to include the new charge on the tax bills.

Option 3 – Assessment Account numbers, Residential/Commercial Tax Codes: Pros and Cons

- Pros
  i. This method would eliminate the Cons in Option 2 as only lots assessed as taxable Residential and taxable Commercial would be included.
  ii. Provides a larger denominator (8888 – 2017 roll) than just using number of dwellings units (6998 – 2017 DatazOne) meaning a reduced per unit cost
  iii. This option distributes cost among residents who are likely to use the service now and in the future.
  iv. Does not directly impact the tax rate.

- Cons
  i. Prone to error as the data on Residential and Commercial assessments are based on January data provided by PVSC and may change during the year.
  ii. Cost savings from redistribution of tipping fees is not included.
  iii. Sets a precedent on how a normally general rated service is paid for
  iv. There may be up to $3,000 in IT costs to setup a method to include the new charge on the tax bills.

Option 4 – Number of Dwelling Units: Pros and Cons

- Pros
  i. Best reflection of properties that have actual dwelling units on the AAN
  ii. Can easily identify and provide multiple green cart for AAN’s with multiple dwelling units.
  iii. Does not directly impact the tax rate.

- Cons
  i. Most prone to error. Data on number of dwelling units is gathered by PVSC and is taken from DatazOne. It is not clear how often the data is updated or how accurate it is. As shown above with the use of the total number of dwellings at 7500, there are clear differences between what the total numbers are depending on where you go and the criteria you use.
  ii. Leads to the highest per unit cost as there are only 6998 dwelling units.
  iii. Cost savings from redistribution of tipping fees is not included
  iv. Sets a precedent on how a normally general rated service is paid for.
v. There may be up to $3,000 in IT costs to setup a method to include the new charge on the tax bills.

Financing calculation:

$408,890 over 10 years @ 3.5% interest = $49,165/year.

Green Cart Operation & Inventory cost breakdown:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Green Cart costs Year 1</td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>$351,457</td>
</tr>
<tr>
<td>Distribution</td>
<td>$35,041</td>
</tr>
<tr>
<td>Hantsport carts</td>
<td>$2,391</td>
</tr>
<tr>
<td>Contingency</td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$408,890</strong></td>
</tr>
<tr>
<td>Ongoing operational costs</td>
<td></td>
</tr>
<tr>
<td>Collection &amp; Transportation</td>
<td>$253,092</td>
</tr>
<tr>
<td>Special Collection</td>
<td>$5,417</td>
</tr>
<tr>
<td>Tipping fee (estimated)</td>
<td>$154,763</td>
</tr>
<tr>
<td>Deprecation</td>
<td>$17,573</td>
</tr>
<tr>
<td>Hantsport Green Cart Operational costs</td>
<td>$23,454</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$454,300</strong></td>
</tr>
<tr>
<td>Total cost year 1</td>
<td>$863,190</td>
</tr>
<tr>
<td>Less savings year 1</td>
<td></td>
</tr>
<tr>
<td>Use of reserves</td>
<td>$(408,890)</td>
</tr>
<tr>
<td>Waste collection contract savings*</td>
<td>$(75,000)</td>
</tr>
<tr>
<td>Lower tipping fees*</td>
<td>$(49,543)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$(533,433)</strong></td>
</tr>
<tr>
<td>*Applies only to General Rate</td>
<td></td>
</tr>
<tr>
<td>Net total cost year 1 (General Rate)</td>
<td>$329,758</td>
</tr>
<tr>
<td>Net total cost year 1 (per user)</td>
<td>$454,300</td>
</tr>
</tbody>
</table>
3. **Lower tipping fees breakdown:**

The January to March 2017 waste audits have shown (37% of garbage disposed is organic). Once these amounts are removed from the garbage, there will be a savings in garbage collection fees (1,133 metric tonnes x $45.92 per tonne (includes net HST) = $52,026). This amount can be used to offset the estimated total for organic tipping fees.

There would be a slight loss in revenue collected (Host Community Fees) by sending organic waste to compost rather than bury it in our local landfill. However, once the “new” garbage amount coming to the West Hants Landfill from the community of Hantsport (152 tonnes) is added, the net loss is estimated to be $2,483.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Annual Organics Stream Tipping Fee</td>
<td>$154,763</td>
</tr>
<tr>
<td>Less: Organics diverted from Solid Waste Stream</td>
<td></td>
</tr>
<tr>
<td>(1133 tonnes x $44.03 plus net HST)</td>
<td>$(52,026)</td>
</tr>
<tr>
<td>Add: Host Community fees lost</td>
<td>$2,483</td>
</tr>
<tr>
<td><strong>Annual Tipping Fees (Estimated):</strong></td>
<td>$105,220</td>
</tr>
<tr>
<td>Net difference</td>
<td>$49,543</td>
</tr>
</tbody>
</table>