



City of
Saskatoon
Office of the City Clerk

222 - 3rd Avenue North ph 306•975•3240
Saskatoon, SK S7K 0J5 fx 306•975•2784

February 21, 2014

His Worship Mayor D. Atchison
Councillor C. Clark
Councillor T. Davies
Councillor R. Donauer
Councillor D. Hill
Councillor A. Iwanchuk
Councillor Z. Jeffries
Councillor M. Loewen
Councillor P. Lorje
Councillor E. Olason
Councillor T. Paulsen

Dear Committee Members:

**ADDENDUM TO PUBLIC AGENDA
EXECUTIVE COMMITTEE
MONDAY, FEBRUARY 24, 2014**

Please find attached an email from Councillor Donauer dated February 21, 2014, regarding a request to fly the flag of Ukraine.

Yours truly,



Joanne Sproule
City Clerk

JS:jh

Attachment

cc: City Manager
City Solicitor (3)
Director of Government Relations
Fire Chief
Director of Media Relations

General Manager, Asset & Financial Management Department
General Manager, Community Services Department
General Manager, Corporate Performance Department
General Manager, Transportation & Utilities Department

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Exec. Pub.
addendum

Sproule, Joanne (Clerks)

From: Donauer, Randy (City Councillor)
Sent: Friday, February 21, 2014 2:54 PM
To: Sproule, Joanne (Clerks)
Subject: Exec - Ukrainian flag

Madame City Clerk:

I have received a request for Council to fly the flag of Ukraine in light of the events happening in Kiev, in support of the large Ukrainian community in Saskatoon.

I wish to pass this request on, and ask that this matter be placed on the Executive Committee agenda for Monday. My proposal is to fly the flag of Ukraine for one week, as a show of support for the people of the Ukraine.

Pending approval by Executive Committee agreeing to submit a recommendation to City Council for approval, and in anticipation of City Council's favourable approval, I request that consideration be given to flying the flag in advance of formal approval of City Council on March 3, due to the circumstances.

Thank you!

- Randy Donauer
Councillor
Ward 5



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February 20, 2014

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Councillor Z. Jeffries
Councillor M. Loewen
Councillor P. Lorje
Councillor E. Olason
Councillor T. Paulsen

Dear Committee Members:

**NOTICE OF MEETING
EXECUTIVE COMMITTEE**

Please take note of the following meeting of the above-noted Committee:

DATE: MONDAY, FEBRUARY 24, 2014

TIME: 1:00 P.M.

PLACE: ** COUNCIL CHAMBER **

A copy of the agenda is attached.

Please notify the City Clerk's Office in advance of the meeting if you are unable to attend.

Yours truly,

Joanne Sproule
City Clerk

JS:jh

Attachment

cc: City Manager
City Solicitor (3)
Director of Government Relations
Fire Chief
Director of Media Relations

General Manager, Asset & Financial Management Department
General Manager, Community Services Department
General Manager, Corporate Performance Department
General Manager, Transportation & Utilities Department

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AGENDA

(OPEN TO THE PUBLIC)

EXECUTIVE COMMITTEE

MONDAY, FEBRUARY 24, 2014, AT 1:00 P.M., COUNCIL CHAMBER

SECTION A – MINUTES

1. Minutes - of meeting held on January 27, 2014.

SECTION B – DECISION ITEMS

1. Multi-Unit Dwelling Recycling
- Results of the Public Consultation and Business Plan Review
(File No. CK. 7830-5)
-

RECOMMENDATION: that a report be submitted to City Council recommending:

- 1) that regarding the Business Plan Review, the information be received;
- 2) that in consideration of the results of the public consultation, the rate charged to Multi-Unit Dwellings be set at \$2.50 per dwelling per unit for 2014;
- 3) that upon commencement of the program, the Administration be directed to collect these fees from Multi-Unit Dwellings in a similar manner as fees collected from single family homes;
- 4) that for 2014, the difference between what is paid to Cosmopolitan Industries and what is collected through the Multi-Unit Dwelling utility rate, estimated at \$215,000, be funded from the Reserve for Capital Expenditures until such time as the provincial Multi-Material Recycling Program provides sufficient funding to the City to repay RCE;
- 5) that for future years, the difference between what is paid to Cosmopolitan Industries and what is collected through the Multi-Unit Dwelling utility rate be funded from the upcoming MMRP being finalized by the Provincial Government;

**AGENDA
(OPEN TO THE PUBLIC)
EXECUTIVE COMMITTEE
MONDAY, FEBRUARY 24, 2014
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- 6) that the Administration be directed to finalize the contract with Cosmopolitan Industries based on the terms and conditions considered by City Council at its meeting of August 14, 2013; and
- 7) that the Administration bring the final contract to City Council for review and consideration prior to execution.

Attached is a report of the General Manager, Transportation and Utilities Department dated February 18, 2014, providing a summary of the feedback collected during stakeholder consultations on the Multi-Unit Dwelling Recycling Program and the results of the Independent Review on the Cosmopolitan Industries contract price and business, and outlining the next steps with respect to recycling for Saskatoon's Multi-Unit Dwelling residential homes.

TO: Secretary, Executive Committee
FROM: General Manager, Transportation & Utilities Department
DATE: February 18, 2014
SUBJECT: Multi-Unit Dwelling Recycling
- Results of the Public Consultation and Business Plan Review
FILE NO: WT 7832-23

RECOMMENDATIONS: that a report be submitted to City Council recommending:

- 1) that regarding the Business Plan Review, the information be received;
- 2) that in consideration of the results of the public consultation, the rate charged to Multi-Unit Dwellings be set at \$2.50 per dwelling per unit for 2014;
- 3) that upon commencement of the program, the Administration be directed to collect these fees from Multi-Unit Dwellings in a similar manner as fees collected from single family homes;
- 4) that for 2014, the difference between what is paid to Cosmopolitan Industries and what is collected through the Multi-Unit Dwelling utility rate, estimated at \$215,000, be funded from the Reserve for Capital Expenditures until such time as the provincial Multi-Material Recycling Program provides sufficient funding to the City to repay RCE;
- 5) that for future years, the difference between what is paid to Cosmopolitan Industries and what is collected through the Multi-Unit Dwelling utility rate be funded from the upcoming MMRP being finalized by the Provincial Government;
- 6) that the Administration be directed to finalize the contract with Cosmopolitan Industries based on the terms and conditions considered by City Council at its meeting of August 14, 2013; and
- 7) that the Administration bring the final contract to City Council for review and consideration prior to execution.

TOPIC AND PURPOSE

To report a summary of the feedback collected during stakeholder consultations on the Multi-unit Dwelling Recycling Program and the results of the Independent Review on the

Cosmopolitan Industries (Cosmo) contract price and business plan. In consideration of this, to then proceed with the next steps with respect to recycling for Saskatoon's Multi-Unit Dwelling (MUD) residential homes.

REPORT HIGHLIGHTS

1. Stakeholder consultations were held between September 30th and October 18th. 192 stakeholders responded.
2. Price was a concern for many respondents. Many MUDs have recycling programs with Loraas Recycles at costs significantly lower per unit than the proposed Cosmo program.
3. Very few stakeholders were opposed to the overall concept of a recycling requirement for multi-unit residential buildings.
4. In consideration of this, a new rate structure is proposed, along with a funding strategy to fund the difference. The principle of the funding strategy is that the difference between the revenue collected from MUDs and what is paid to Cosmo is from city-wide sources (i.e. considered to be general revenue).

STRATEGIC GOAL

The implementation of a Multi-unit recycling program will support the long-term strategy to eliminate the need for a new landfill under the Strategic Goal of Environmental Leadership.

BACKGROUND

A Memorandum of Understanding bearing an effective date of June 18, 2012 was signed between the City and Cosmopolitan Industries (Cosmo) to confirm the commitment by the City and Cosmo to negotiate an agreement for the provision of curbside recycling for multiple-unit dwellings and to provide a framework for those negotiations.

At the August 14, 2013 meeting of Council, the Administration presented the terms of a possible long term agreement between the City and Cosmo for the provision of recycling services for multiple-unit dwellings. Council considered the following motions:

"THAT pending approval of the public consultation process, the City undertake an independent third-party review of the contract and report on the business plan in order to validate the terms of the contract and pricing proposed.

"THAT the Administration be directed to conduct public open houses based on the program and rate model as outlined in the report with the exception of the term of the contract, which is changed to 9 years with the option to renew for 6 years."

REPORT

Results of the Stakeholder consultations

Consultations on the proposed multi-unit residential recycling program were held between September 30 and October 18, 2013; 192 stakeholders provided feedback on the proposed program; 20% from building owners, managers, or condo associations and 80% from tenants or condo/townhouse owners.

The majority of respondents, especially those with existing recycling contracts, felt that the price was too high, and based this conclusion on their current contracts. Price was also stated as a barrier to particular demographics thought to be more prevalent in multi-unit residences including seniors, single-parent families, and newcomers.

Very few stakeholders were opposed to the overall concept of a recycling requirement for multi-unit residential buildings, and most were satisfied with the program parameters (co-mingling, inclusion of glass, on-site collection). However, in addition to the price of the program, concerns included wanting the program sooner, wanting flexibility on the choice of service provider, and ensuring the program met the specific needs of their building.

A summary of the results of the consultation is provided as Attachment 1.

Independent Review Results

Deloitte LLP was engaged to review the proposal by Cosmo to provide the City with a Multi-Unit Residential Recycling Program over a period of nine years, with a potential extension for a further six years. The focus of this review was to provide an opinion on whether the business plan provided returns that were too high, and also to confirm that the program is viable for Cosmo.

In the analysis by Deloitte, Cosmo's business plan was determined to be viable, meaning that Cosmo could be expected to make a positive return on its planned investment in the Program over the term of a contract. Deloitte further indicated that the fees were not considered excessive as the return on investment is not in excess of a fair economic return that any industry participant would require for such an investment. They concluded that "only in what we would consider a best case scenario did the projected rates of return achieve industry rates of return".

Deloitte also verified that the business plan prepared by Cosmo is mathematically correct and confirmed various assumptions used to determine reasonableness.

POLICY IMPLICATIONS

As an information report there are no policy implications at this time.

FINANCIAL IMPLICATIONS

The report considered by Council in August of 2013 contained a proposed fee structure that was based on the size of the development, as follows:

Developments with 100 or more units:	\$2.83
Developments with between 40 and 99 units:	\$3.33
Developments with 39 or fewer units:	\$3.83

Added to these figures would be the \$0.83 that the City collects to use for education, billing, administration, and contribution to a stabilization reserve.

These rates are lower than what would be paid to Cosmo, with the difference proposed to be funded from new City revenue from Cosmo's mortgage payment; insurance savings on the building occupied by Cosmo; savings from reduced depot collection costs; and new revenue from depot recyclables paid to the City by Cosmo. This new annual revenue is estimated to be \$234,500.

Even with this \$234,500 in funding used to reduce MUD rates, the rates are still higher than many MUDs are paying current service providers. The dilemma is that the tendered price will never be known unless the work is tendered, and the work cannot be tendered if the intent is to award the contract directly to Cosmo.

Considering these issues, the Administration is proposing a new rate structure of \$2.50 per unit per month for 2014 for homes served by the Cosmo program. This includes \$1.56 for recycling services, in addition to \$0.94 the City collects for education, billing, contract administration, and contribution to the stabilization reserve. This \$0.94 is exactly the same amount charged to single-family units for 2014 and is included in their monthly rate of \$4.89. The Administration believes that this rate structure is reasonable, and may even be lower than the city-wide MUD rate that could be paid were the work to be tendered.

This reduced rate will result in a bigger gap between what is paid to Cosmo and what is collected in revenue from MUDs. In 2014, the revenue shortfall is estimated to be \$215,000 based on a partial-year implementation, and in 2015 it is estimated to be \$635,000.

The Administration proposed in August, and maintains the perspective, that any difference between what is set as the MUD rate and what is paid to Cosmo should be funded from general revenues, meaning that the entire tax base is funding the incremental cost associated with sole-sourcing the contract to Cosmo.

The Multi-Material Recycling Program is in the final stages of development by the Provincial Government, and is expected to result in at least \$1,500,000 in new revenue annually for the City. The MMRP includes language protecting existing recyclers who provide social benefit, such as Cosmo. Although the exact application of this language, and its impact on payment calculations, has not been finalized, your Administration

believes that the proposed agreement with Cosmo will maximize the MMRP revenue opportunity for the City. Because the new MMRP funding is considered general revenue, the Administration recommends that this be the source of funding for the funding shortfall between what is collected from MUDs and what is paid to Cosmo.

For 2014, the Administration proposes to fund the 2014 shortfall of \$215,000 on a temporary basis from the Reserve for Capital Expenditures. This contribution would be repaid from MMRP contributions from the province as soon as they are available. The funding shortfall from 2015 onward, estimated at \$870,000, would be funded from the MMRP at \$635,000 per year combined with the \$235,000 funded from new revenue as outlined above. Council will have the opportunity to allocate the remaining \$865,000 of MMRP funds at their discretion.

If the MMRP program is not finalized by the time the 2015 City budget is developed, the Administration will bring forward alternate funding strategies along with the proposed budget.

For rates in 2015 and beyond, Administration will bring forward MUD and single-family rates in one rate report. The annual percentage increase for MUDs will be similar to the annual percentage increase for single-family recycling.

PUBLIC AND/OR STAKEHOLDER INVOLVEMENT

Stakeholder involvement was ensured in the consultation process by issuing letters to the building manager, owner, or condo association of the 900 multi-unit buildings; through two stakeholder information sessions; and an online survey. Renters and tenants were also encouraged to respond through the online survey, or at the information sessions.

COMMUNICATION PLAN

A communications plan for the Multi-unit Residential Recycling Program will be developed collaboratively between the City and Cosmo. Details will be included in the final contract.

DUE DATE FOR FOLLOW-UP AND/OR PROJECT COMPLETION

Contract negotiations are ongoing between City Administration and Cosmo. These will be complete early in 2014 and an implementation plan will be available at that time. Recycling services are estimated to begin mid-2014.

ENVIRONMENTAL IMPLICATIONS

The implementation of a multi-unit recycling program is expected to have positive environmental implications associated with the increase in diversion of materials from the landfill. This impact will be quantified once the program has been launched.

PRIVACY IMPACT

There are no privacy implications arising from this initiative.

SAFETY/CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED)

A CPTED review is not required at this time.

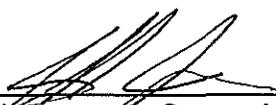
PUBLIC NOTICE

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

ATTACHMENT

- 1. Summary of the results of the consultations.

Written and
Approved by:



 Jeff Jørgenson, General Manager,
 Transportation & Utilities Department
 Dated: Feb 19/2014

Approved by:



 for Murray Totland, City Manager,
 Dated: Feb 19/2014

Exec - MUD Recycling Public Consultation and Independent Review Results
His Worship the Mayor

Multi- Unit Residential Recycling Program Community Engagement Project Summary

Project Description

The City of Saskatoon is implementing a recycling program for multi-unit residential buildings. A memorandum of understanding has been signed with Cosmopolitan Industries to be the proposed provider of this service, and consultation with the community was conducted to gather feedback on the details and pricing that Cosmo has outlined in its proposal to provide this service.

Community Engagement Strategy

The purpose of engagement for this project was to inform residents, tenants, owners of condominiums, and managers of multi-unit dwellings on the proposed program details and pricing, and to gather their feedback. This information will then be used to inform the decision City Council will need to make on moving forward with an official agreement for Cosmo to be the provider of the program.

Two open houses were conducted to present information and gather feedback.

- Thursday, October 3, 2013 from 6-8pm at Wildwood School and Tuesday, October 8, 2013 from 6-8pm at Pleasant Hill School.
- Residents could view story boards with information about the program, a looping powerpoint presentation with program information and details, were provided a handout of frequently asked questions about the proposed program, and were able to speak with representatives from Cosmopolitan Industries and City of Saskatoon Environmental Services Branch.

An online survey was available at saskatoon.ca between Sept 30 and Oct 17, 2013.

People also submitted comments directly to the Environmental Services Branch, through email and phone calls.

Notification of the open houses and online survey was provided in the following manner:

- An article was sent to the Community Development Branch for the Community Consultants to distribute to their respective community associations on September 23, 2013
- Information was provided to the U of S PAWS website on September 23, 2013
- 430 letters containing the open house notices were sent out with the Environmental Services Branch Metal Bin Grant information, dated September 25, 2013 (this reflects the removal of duplicates such as property management companies that manage multiple addresses)
- Advertisements were placed in the Star Phoenix's City page on September 28/29, 2013 and October 5/6, 2013

- An advertisement was placed in The Sheaf, October 3, 2013
- Public Service Announcements were issued on October 1 & 8, 2013
- Information was posted on the City's social media sites (facebook/twitter) on October 1, 8 & 16, 2013

Summary of Community Engagement Input

The October 3 session at Wildwood Public School was attended by 62 stakeholders and the October 8 session at Pleasant Hill Community School was attended by 11 stakeholders. Written comments (completed survey or letters) were submitted by 30 of the stakeholders. The surveys were completed by 16 building owners, managers and condo associations and by 9 renters and condo/townhouse owners. The additional written comments included a detailed breakdown of the financial impact of the proposed program compared to the current recycling program, two copies of a letter submitted in August to Mayor and Council, a letter from a three building condominiums, with a signature from a representative from each of the three buildings, and a letter from a condo owner.

The online survey was open between September 30 and October 18. 137 submissions were made, however 26 were blank submissions, meaning that 111 were completed submissions. The surveys were completed by 10 building owners/managers, 4 condo associations, 43 renters, and 54 condo/townhouse owners.

An additional 8 stakeholders contacted Environmental Services to provide comments. One faxed a completed survey, four sent e-mails with comments, 2 made phone calls (without providing written comments), and one condominium association submitted a completed survey with signatures from residents of 39 (of a total of 44) units.

In total, approximately 192 stakeholders provided feedback on the proposed program.

Review and analysis of the feedback received is summarized as followed:

- The majority of residents, tenants, owners of condominiums, and managers of multi-unit dwellings feel that the program is needed and that it meets their personal recycling needs.
- The proposed cost of the program is the major concern identified. The majority of respondents did not view the cost of the program to be reasonable, especially when compared to the existing recycling service provided by another company. The affordability of the program for low-income residents (seniors, single parent families, newcomers) was also expressed as a concern. There were also concerns expressed about the proposed charge for each unit of a multi-unit dwelling versus a flat rate for the building as a whole. There was also a lack of confidence expressed in Cosmo's ability to deliver a level of service that is above the level of service already being provided by another company, especially if the cost will increase significantly.
- There was also concern expressed over the lack of detail about the program in general:
 - the logistics around managing the recycling bins (storage of individual containers versus large metal carts on properties)

- cleanliness of properties, concern over scavenging of materials
- being able to have all materials collected in one container
- why the program is mandatory, is there a way to opt out?
- how the fees will be billed
- how to deal with mobility issues that some residents will have that will limit their ability to participate

Prepared by:
Lisa Thibodeau
Community Engagement Consultant