



**City of Kingston
Report to Council
Report Number 19-097**

To: Mayor and Members of Council
From: Jim Keech, President & CEO, Utilities Kingston
Resource Staff: Sheila Kidd, Deputy Commissioner Operations - Transportation and Infrastructure Services
Date of Meeting: April 2, 2019
Subject: Agreement to Supply Recycling Processing Services to the Township of Frontenac Islands

Executive Summary:

The City of Kingston owns a Material Recovery Facility where recyclables are sorted and marketed for sale. In addition to processing recyclables from Kingston properties, the City supplies recycling processing services to Loyalist and South Frontenac Townships for a fee, via service agreements. These agreements have been in place since about 2006.

The Corporation of the Township of Frontenac Islands has expressed an interest in executing a service agreement with the City to process their recyclables.

Recommendation:

That the City of Kingston enter into an agreement with the Corporation of the Township of Frontenac Islands to supply recycling processing services; and

That Council authorize the Mayor and Clerk to execute the agreement in a form satisfactory to the Director of Legal Services.

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Authorizing Signatures:

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON

**Jim Keech, President & CEO,
Utilities Kingston**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

**Lanie Hurdle, Acting Chief Administrative
Officer**

Consultation with the following Members of the Corporate Management Team:

Gary Dyke, Commissioner, Corporate & Emergency Services	Not required
Peter Huigenbos, Acting Commissioner, Community Services	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required

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Options/Discussion:

The City of Kingston owns a Material Recovery Facility (MRF) where recyclables from Kingston, Loyalist, and South Frontenac Townships are sorted and marketed for sale.

Kingston provides recycling processing to the townships via service agreements that identify the specific terms and conditions to supply this service. The service is supplied to these municipalities 'at cost' plus an administration fee, and is based on the percentage of tonnage processed through the MRF that belongs to them. Both operating and capital costs are factored into the fees.

The Township of Frontenac Islands has expressed interest in obtaining a service agreement with the City to process their recyclables. Frontenac Islands is planning to tender for the supply of transportation and transfer of their recyclables and would like to specify that the recyclables must be delivered to the City's MRF. They cannot issue the tender publically until an agreement for processing services is executed with the City.

The service agreement between the City and Frontenac Islands will specify that the City will provide the service 'at cost' plus a 10% administration fee. The tonnage supplied from Frontenac Islands will represent about 1% of the entire tonnage processed at the City's MRF, and equates to about \$16,000 in fees payable to the City annually.

For the purpose of supplying this service to other municipalities, 'at cost' means the actual net cost (expense-revenue) attributed to the actual percentage of tonnage that is processed on their behalf. This financial relationship reduces the risk of the City subsidizing or making a profit from other municipalities.

The existing service agreements with Loyalist and South Frontenac have been in place since about 2006; operating well with very few issues. Based on the positive experience with other municipalities, staff does not expect any contractual or operational issues with supplying this service to Frontenac Islands as well.

Staff recommends that the City enter into an agreement to supply Frontenac Islands with recycling processing services.

Existing Policy/By-law:

Not applicable

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

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Financial Considerations:

The costs incurred by the City to process recyclables at the MRF on behalf of Frontenac Islands will be recovered 'at cost' plus a 10% administration fee. The annualized fees, payable to the City, are expected to be approximately \$16,000.

Contacts:

Heather Roberts, Director, Solid Waste Services, 613-546-4291, Extension 2701

Other City of Kingston Staff Consulted:

Jason Hollett, Supervisor, Solid Waste Services

Alan McLeod, Acting Director and City Solicitor, Legal Services

Exhibits Attached:

Not applicable