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Date November 14, 2023 **Report No.** 2023-515
To Mayor and Members of City Council
From Michael Bradley
Commissioner, Community Development

1.0 Type of Report

Consent Item []
Item For Consideration [X]

2.0 Topic **Bylaw Restrictions for Copper and Metal Theft Occurrences**

3.0 Recommendation

- A. THAT Report 2023-515 entitled “Bylaw Restrictions for Copper and Metal Theft Occurrences” BE RECEIVED; and
- B. THAT a Bylaw to amend Chapter 326 of the City of Brantford Municipal Code as it relates to the licensing and fees of Salvage Yards as outline in Report 2023 – 515 BE PRESENTED to Council for adoption.
- C. That the City of Brantford send a letter and a copy of this report to the MPP Brantford-Brant, Willem Bouma, and the Minister of Public and Business Service Delivery, with a request to regulate Salvage Yards throughout the Province of Ontario similar to the Province of Alberta’s Scrap Metal Dealers and Recyclers Identification Act.

4.0 Executive Summary

This report is prepared to update Council on the compliance of Schedule A-11 Salvage Yards, and to propose additional amendments which support the

established licensing program for Salvage Yards and investigation techniques for the Brantford Police Service, Bylaw Enforcement, and Business Licensing.

In September 2019 amendments were made to the bylaw by expanding its scope to allow inspectors to review catalytic converters at Salvage Yards. The result of that amendment saw that the theft of catalytic converters dropped to 31 in 2022 from an estimated 150 previously. Since that time, reports of copper/scrap metal thefts, including copper wiring and plumbing from businesses and homes under renovation, and also commercial HVAC units, has increased. Since 2019 there have been over 443 reports of copper and metal thefts in the City. Some of these thefts have cost victims upwards of \$100,000 to repair.

In response to concerns to Council from the general public and business owners, staff consulted with businesses affected by the thefts and with representatives of the Brantford Police Service to review how the licensing program could further expand the scope of 'Schedule A-11 Salvage Yards' to include restricted items, and to attempt to stop the selling of unreported stolen property.

An examination of the items taken and believed sold took place. This report will examine current practices and review enforcement options to effectively regulate the timeframe of those selling stolen property, and allowing time for investigators to link sold property with reported thefts with more emphasis on identifying those selling the material.

Staff recommends amending the Salvage Yard Licensing requirements to place a prohibition on certain items that have been stolen that are of great community importance. As well, staff recommends placing a restriction on certain metals that would make it necessary for Salvage Yards to report to police if these items are brought to a Salvage Yard to sell.

Further, staff recommends amending the Salvage Yard Licensing requirement so that cash transactions would not be allowed to take place and would make it mandatory to issue traceable transactions (cheques or e-transfer), thus not allowing a seller to use fake identification or receive "quick cash" for the items. The current licensing restrictions only require Salvage Yards to record the information from identification provided, not to ensure that it is correct. For a person to receive compensation they would need to produce proper identification (as required by a financial institution).

Although this would affect persons who sell scrap metals to supplement their incomes in a small way, it would prevent those selling stolen property to continue under a disguise of false identification.

5.0 Purpose and Overview

The purpose of this report is to update Council on the compliance initiatives to Schedule A-11 Salvage Yards, and to propose additional amendments which support the purpose of the established licensing program.

This report will define what a prohibited and restricted metal for investigation purposes is, and recommend a best practice approach from a law enforcement perspective on effectively controlling the purchase of stolen copper and metals in an attempt to lessen the amount of thefts by making it difficult to simply steal metal and receive cash.

6.0 Background

Schedule A-11 Salvage Yards applies to the licensing of all Salvage Yards within the City of Brantford for the purpose of ensuring the health, safety, and consumer protection of the users of these facilities. Section 10(1) of the Municipal Act provides that a municipality may provide any service or thing that the municipality considers necessary or desirable to the public. An increasing number of metal and copper thefts occurring in Brantford has resulted in a review of the licensing of Salvage Yards.

After a rash of stolen catalytic converters, new restrictions placed on Salvage Yards lessened the amount of thefts that were occurring. Since that time, the Brantford Police have responded to an increase in calls for services in relation to copper and metal thefts within the City. Commercial compounds and yards are often targeted due to easy access of metal and copper. Fences are regularly cut or scaled to gain entry to these yards where scrap metal bins are rummaged through or larger pieces of equipment are stolen or dismantled to gain access to copper piping and wiring within. Persons are seen walking the stolen material to Salvage Yards for easy cash on a daily basis. However, with no reasonable grounds that the metal is stolen (unreported incident), police do not have the authority to stop and identify the person.

The majority of thefts of copper and metal are from homes currently under renovation, new builds or vacant properties. Significant damage is caused by the perpetrator to gain

access to copper piping within the walls. There has also been reported significant flooding damage to the affected locations due to the piping being cut.

Air conditioning units are also a prime target for thieves. A number of locations reported significant damage done to their HVAC systems, with a number of these incidents having an estimated replacement or repair value anywhere from \$30,000 to \$100,000.

Historical plaques were another target, with these occurring at the Brant County Museum, Bell Memorial Park, and the Mohawk Chapel, to name a few.

It is estimated that the monetary value of damages and losses was nearly \$1 million over the last two years.

Beyond the monetary losses, Brantford Police estimate that officers spent over two hours of investigation on average for these types of break and enter calls, which equates to over \$40,000 each year in police time. Though a significant number of arrests have been made in these occurrences, the arrested parties continue to re-offend once released.

Copper and metal thefts are an ongoing issue within the City of Brantford and will continue until proper protocol is set in place to eliminate the ease in which criminals can sell scrap copper and metal to recyclers. If criminals have no place to sell these materials, there is no incentive to steal the material. It was for this reason that examination of the practices of other municipalities was undertaken. The province of Ontario does have a provincial statute named "The Pawnbrokers Act", but Salvage Yards are not included in the rules for these types of businesses pertaining to stolen property. The Municipal Act delegates authority to municipalities to provide licensing bylaws for "Salvage businesses" which include both Salvage Yards and automobile wrecking yards. No other municipality has placed these restrictions on items that are sold to Salvage Yards. The province of Alberta has a provincial statute that regulates what items need to be communicated with local police if sold. However, the most valuable piece of the Alberta statute is that no cash sales are allowed and all transactions for scrap metal sales need to be via cheque or e-transfer. The reason for this change is to confirm the accurate identification of the person receiving money for the scrap metal and to stop any nefarious persons from selling scrap metal for cash to support other illegal habits.

7.0 Corporate Policy Context

1. Develop strategies to build trust amongst Council, while evolving the corporate culture

8. Create a vision statement for the long term future of the City.

8.0 Input From Other Sources

Case law was researched and it was learned that there is no requirement for Salvage Yards to ensure that the identification of a person selling scrap is correct. The only requirement is that Salvage Yards receive identification from a person selling scrap materials. A court case from London, Ontario in January 2020 found a business owner not guilty of violating the bylaw as he did receive identification, although it was not the person selling scrap material's actual identification.

The proposed amendments have been communicated with the six licensed Salvage Yards within the City as to the prohibition and restriction of certain material, and the requirement of having traceable currency for all transactions. Responses and comments were received from three (3) of these licensed Salvage Yards, as follows:

- One Salvage Yard operator contacted staff and noted that large commercial shipments of scrap metal arriving at a Salvage Yard would be difficult to sort and to look for prohibited materials. As large commercial shipments have not been associated with stolen metals, these types of shipments will be exempted from the amendments to the bylaw that is outlined later in this report.
- One Salvage Yard operator contacted staff and outlined concerns that automobile radiators contain copper, and as such would fall into the list of restricted items. As automobile radiators are not an item that is subject to reported theft, these have been excluded from the list of prohibited items.
- One Salvage Yard operator sent staff correspondence outlining a variety of concerns with the changes to the bylaw, including specific comments about creating cumbersome obligations for businesses and outlining concerns that the problems related to theft were being passed on to the Salvage Yard operators instead of those who are committing these acts of theft. Staff had discussions with this operator including meeting with the individual at their place of business, but were unable to address all

the concerns brought forward. A copy of correspondence sent to staff by this Salvage Yard operator is attached as Appendix D.

- In addition to this, correspondence has been received from business owner, Modern Heating Brantford Limited indicating support for the bylaw which is attached as Appendix E.

A review of other municipality's restrictions on items sold at Salvage Yards was conducted, including provincial statutes. Currently, only Alberta has a statute that restricts items that can be sold at a Salvage Yard.

The Brantford Police Service and the City of Brantford Legal Department and Clerks Department were consulted on this report. The Brantford Police Service has agreed to supply a general email inbox just for copper and metal restricted items to be reported and cross referenced to theft investigations.

9.0 Analysis

Based on the concerns from the general public, business owners, and representatives of the Brantford Police Service in relation to the theft and sale of scrap metals, staff are proposing to expand the scope of the Schedule A-11 Salvage Yards licensing program. Firstly, it is proposed to include a list of prohibited items in the Licensing Bylaw that should not be allowed to be sold for scrap metal unless approved by law enforcement representatives. The list of prohibited items that will be included in the amended licensing is included in Appendix A. Furthermore, a list of restricted items which are regularly reported as being stolen to police will be included in the bylaw. In instances where these items are brought into a Salvage Yard, the operator would be required to report this to the police so that they can investigate. The restricted items and applicable language that will be included in the amended licensing is included in Appendix B.

Finally, it is recommended that Salvage Yards only be allowed to compensate individuals who sell restricted scrap metal with traceable currency such as cheques or e-transfers. Staff are confident that this will reduce the frequency of metal thefts, and will increase the likelihood that police can identify people who steal metal and attempt to sell it at Salvage Yards. The language for mandatory use of traceable currency for the licensing is included as Appendix C.

Previous inspections have observed that some Salvage Yards are operating their business using various software platforms that allows for storage of information related to purchasing goods from sellers. These companies already

comply with the requirement within Schedule A-11 that allows authorities faster access to records to electronically search and sort through them. Most businesses currently maintain these electronic registries in accordance with Schedule A-11, which are securely disposed of at the end of the required retention period (current year, plus two years). Therefore, they already have the ability to transmit the records to police via email in a timely manner.

10.0 Financial Implications

There are no financial implications related to this report; however, the changes to this Schedule will provide tools to enhance police investigations, and may lessen the amount of time that police spend on the break and enter investigations for metal and copper.

11.0 Climate and Environmental Implications

There is no climate or environmental implications.

12.0 Conclusion

The proposed amendments seek to enhance an already established framework that aims to promote public safety and control nuisance, and to safeguard Salvage Yard operators from being in possession of property obtained by crime.

Past amendments to this bylaw saw the drop in thefts of catalytic converters. The addition of prohibited and restricted items as well as a mandatory use of traceable currency appears to be something that has been tried elsewhere (Alberta) and may assist reducing the number of metal and copper thefts.

Routine compliance inspections will continue as part of the licensing program mandate, to monitor performance of the program and Schedule A-11 Salvage Yards. Upon approval, licensing staff will commence notification to Businesses of the changes and begin compliance activities accordingly.



Commissioner, Community Development

Prepared By:

Dave Wiedrick , Director: Bylaw & Security

Attachments (if applicable)

Appendix A – Prohibited items

Appendix B – Restricted items

Appendix C – Mandatory use of traceable currency

Appendix D – Brant Scrap Metal Correspondence

Appendix E – Modern Heating Brantford Limited Correspondence

Copy to:

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required [X] yes [] no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk [] yes [X] no

Is the necessary by-law or agreement being sent concurrently to Council? [X] yes [] no

Appendix A

1. A manhole cover.

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2. An electric light pole or other utility structure and its fixtures, wires, and hardware that are readily identifiable as connected to the utility structure.
 3. A guard rail.
 4. A street sign, traffic sign, or traffic signal and its fixtures and hardware.
 5. Communication, transmission, distribution, and service wire from a utility, including copper or aluminum bus bars, connectors, grounding plates, or grounding wire.
 6. Any metal item that is observably marked upon reasonable inspection with any form of the name, initials, or logo of a governmental entity, utility company, cemetery, or railroad.
 7. An aluminum or stainless steel container or bottle designed to hold propane for fueling forklifts.
 8. A stainless steel beer keg.
 9. A brass or bronze commercial valve or fitting, referred to as a “fire department connection and control valve” or an “FDC valve,” that is commonly used on structures for access to water for the purpose of extinguishing fires.
 10. A brass or bronze commercial potable water backflow preventer valve that is commonly used to prevent backflow of potable water from commercial structures into municipal domestic water service systems.
 11. A shopping cart.
 12. A brass water meter.
 13. A storm grate.
 14. A brass sprinkler head used in commercial agriculture.

Appendix B

If a Salvage Yard or Recycler is purchasing or receiving restricted metal, the Salvage Yard or Recycler must provide the information recorded electronically to the Brantford Police Service via email within one business day.

“Restricted metal” means

- (i) Materials containing copper, in any form, including tubing or rods, from an air-conditioning or heating unit (but does not include automobile radiators),
- (ii) Materials containing bronze, in any form, including a funeral marker or funeral vase or a historical marker.

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- (iii) Metal that bears distinguishing or identifying marks indicating ownership,
 - (iv) Metallic wire that appears to have had insulation or casing removed from it, including Metallic wire that has been burned in whole or in part to remove insulation.

Appendix C

Information respecting currency transactions, cash transactions over a set limit will no longer be allowed for Restricted Items. Therefore each transaction with a Salvage Yard or Recycler and customer for Restricted Items must use traceable currency (cheques/e-transfer) if the total value of a transaction is \$1.00 or more. Thereby ensuring that the customer provide proper identification.