

Solid Waste Reduction and Diversion Plan Funding Options

The Plan introduces funding opportunities and provides an overview of the funding options available and how waste reduction and diversion projects and programs have been funded in the past.

Operating

City-funded Operations

The City currently funds its waste operations through a combination of:

- Property taxes: garbage and HHW collection;
- Utility fees: recycling fee on utility bills; and
- User fees: landfill tipping/entry fees, commercial garbage collections, green cart subscriptions, and compost depot permits.

An operating request has been prepared for Solid Waste Reduction and Diversion Plan Sustainment and Accessible Curbside Collections Program – Operations.¹ New operating funding is typically requested through property taxes/mill rate and is decided at budget deliberations in November/December 2021.

Provincial Funding

The implementation of a provincial stewardship program for household hazardous waste and a review of other stewardship programs, beginning with household paper and packaging will have implications for the City of Saskatoon (City). These regulations and programs are being actively monitored and impacts to operating budgets for diversion programs will be included in the budgeting process once they are known.

Capital

Capital Funding

Waste reduction and diversion initiatives have historically been funded through a variety of mechanisms, including:

- Waste Minimization Reserve;
- Landfill Replacement Reserve;
- Reserve for Capital Expenditures;
- Multi-Material Stewardship Western (MMSW) funds; and
- External grants.

Waste reduction capital projects are funded on a project-by-project basis during municipal budgeting. Capital funding requests that will be brought forward through the 2022–2023 multi-year budget have been identified in the previous section. This section discusses the opportunities immediately available that could provide capital funding for 2022–2023, followed by options available for sustained funding of the capital requirements for implementing the Plan over the next decade.

¹ Assumes that operating requests and approvals for Residential curbside organics, Requirements for businesses and organizations (ICI) to divert recycling and organics, and Recovery Park are including in other reporting.

Waste Minimization Reserve

The purpose of the Waste Minimization Reserve is to accumulate funds for pilot projects or to supplement existing programs related to waste minimization actions.² At the end of 2020, the balance of the Waste Minimization Reserve was \$1,152,167.

In 2019 and 2020, Waste Minimization Reserve was allocated to the following capital projects:

- Curbside Organics Program;
- Waste Characterization Study including:
 - Solid Waste Reduction and Diversion Plan;
 - ICI recycling and organics regulation; and
 - Multi-unit organics engagement;
- Waste Reduction Initiatives including implementation of the ICI recycling and organics regulation;
- Property Assessed Clean Energy;
- Integrated Solid/Renewable Energy Strategy; and
- High Performance Building Policy.

While the Waste Minimization Reserve has historically funded waste reduction initiatives, there is not a consistent source of funding for this reserve. In the past few years, sources of funding include excess MMSW, multi-unit residential recycling surplus, and leaves and grass program surplus.

The Waste Minimization Reserve has been used for multi-unit recycling stabilization and the reserve is under review to determine the appropriate limit to hold in the reserve for this use. An adjudication process is under development which would serve to recommend how excess funds are allocated.

In formalizing the allocation process for the Waste Minimization reserve, steps can be taken to ensure that delivery of the Plan is considered and prioritized, but a long-term waste-reduction funding plan is difficult to sustain with intermittent funding.

Sustainability Reserve

In 2020, City Council approved the establishment of a Sustainability Reserve. This reserve has \$250,000 of seed funding approved annually for 2020 and 2021. The reserve is expected to be used for environmental sustainability actions, including emissions reduction (mitigation), improved resiliency (adaptation), and other environmental sustainability initiatives. In 2021, \$196,500 in excess funds from the Multi-Material Stewardship Western (MMSW), the body responsible for the provincial Multi-Material Recycling Program (MMRP), were allocated to the Sustainability Reserve.

While waste reduction initiatives are eligible for the Sustainability Reserve, the reserve is not sufficient to implement the near-term initiatives of the Plan as well as other initiatives to address climate mitigation and adaptation and green infrastructure.

² City of Saskatoon Council Policy C03-003 Reserves for Future Expenditures:
<https://www.saskatoon.ca/sites/default/files/documents/city-clerk/civic-policies/c03-003.pdf>

Landfill Replacement Reserve

The purpose of the Landfill Replacement Reserve (LRR) is to finance the cost of replacing the City's Landfill. At this time, there is not a plan to use funding from the Landfill Replacement Reserve for initiatives in 2022-2023. Consideration of future use of LRR for funding waste reduction and diversion projects will be part of the scope of the waste management service and sustainability plan action, which is a Medium-Term action (2024-2025) in the Plan. The waste management service and sustainability plan will guide the City on how to sustainably fund the landfill and that waste reduction and diversion goals are being realized.

Multi-Material Stewardship Western

MMSW provides funds to municipalities in Saskatchewan for the collection of recyclables through the Multi-Material Recycling Program. This program responds to province's *Household Packaging and Paper Stewardship Program Regulations*. Funds are typically allocated to offset the Multi-Unit Residential Recycling (MURR) Program; they have also been used for:

- Compost depots;
- Green cart program; and
- Household Hazardous Waste Event Funding.

A portion of the 2021 allocation went to the Sustainability Reserve, while typically the surplus goes to the Waste Minimization Reserve. While the MMSW Services Agreement between the City and MMSW clearly articulates the auditable reporting requirements for proving that appropriate recycling services are being provided to the households, it does not specify how MMSW funds need to be spent.

Allocations for MMSW are brought forward annually through the budget process. No direction has been given by City Council on which initiatives MMSW should consistently go to or how these funds should be spent.

Federal Funding

The Federation of Canadian Municipalities (FCM) Green Municipal Fund provides matching funding for waste diversion and waste stream management plans, studies, pilot projects, and capital projects. There is also a funding stream for signature projects that address a specific waste stream. Recent changes in the allowable level of in-kind funding from municipalities will allow more staff costs to be eligible for FCM funding. Applications require matching municipal funds be available at the time of the application.

The following capital projects have been discussed with FCM representatives as candidates for funding:

- Feasibility Studies to Increase Diversion by 3.5 - 7%; and
- Multi-Unit Organics Pilot and Program Development.

The food reclamation component of the Sustainable Food Pilots project has already completed a federal funding application through the Canada Food Waste Challenge for \$100,000. If successful, funding would flow to project partners to initiate a social enterprise to divert surplus food from local businesses to be processed and sold.

Options for Ongoing Capital Requirements of Solid Waste Reduction and Diversion Plan

The City could develop ongoing and consistent funding for the Waste Minimization Reserve. Options that were presented in the Solid Waste Reduction and Diversion Plan (the Plan) are provided below. There is no direction from Council to further explore or develop any of these options.

- Implement a dedicated waste minimization fee for all households
This approach could be explored within the current recycling utility model, even with garbage and organics still funded through property taxes. This approach is used in Calgary and Winnipeg. This could be done at any time or coordinated
- Allocate an annual contribution from property taxes
The City commonly uses this approach; it is the funding mechanism for the Landfill Replacement Reserve, where a contribution from the Landfill operating budget is set out in the Bylaw. Similar contributions occur to fund other reserves.
- Excess Multi-Material Stewardship Western³ funding
Excess MMSW funds have historically been transferred from the Waste Minimization Reserve and reallocated to other projects without needing to be waste reduction related. While the amount varies from year-to-year, sustained and prioritized funding for the waste reduction capital program could be identified from MMSW.

³ There is a risk that MMSW may change. Province of Saskatchewan is currently reviewing the *Household Packaging and Paper Stewardship Program Regulations*. This could result in changes in the funding available or transfer the responsibility of residential recycling programs to the producers/distributors of regulated package materials.