

Saskatoon Context on “Cutting the Waste” Issues

Canada’s Ecofiscal Commission Six Key Issues for Solid Waste Management Systems:
City of Saskatoon Context

Issue #1 - Most Canadian households do not pay directly for waste management

The City of Saskatoon’s (City) waste management is funded through a mix of utility fees and property taxes. Saskatoon households pay directly for recycling services on their utility bill and do not pay directly for garbage services as they are funded through property tax. Residents can subscribe for a green cart for a fee.

Additionally, the current mixed sources of funding for waste management do not cover the full lifecycle cost of service.

Administration has recommended to City Council that residents pay directly for garbage through a waste utility as they do for recycling (detailed below). City Council ultimately resolved not to put in a utility for garbage at this time. Past reports and resolutions include:

City Council, at its meeting held on February 27, 2017, considered the Waste Management Master Plan – State of Waste report which stated:

- “The current model is not financially sustainable for reasons including:
1. Current budgets cover the costs for waste and organics collection, but not the full costs of managing waste at the Landfill nor the costs of the existing organics processing operation.
 2. Reduced volumes of garbage from the commercial and residential sectors have significantly reduced Landfill revenues. This further impacts the budget as these loads subsidise material brought in through residential waste collections.
 3. The Landfill Replacement Reserve has a current deficit of \$1.8M.
 4. In 2016, the internal audit concluded that the current unfunded Landfill Liability was \$8.4M. This is in addition to the Landfill Replacement Reserve deficit, resulting in a total liability of \$10.2M.
 5. The life cycle cost of garbage containers is not fully funded.
 6. The compost depot utility does not receive enough revenue to cover costs and the remainder is charged to the landfill, impacting the mill rate.”

City Council, at its meeting held on June 26, 2017, considered the Expanding the Waste Services Utility – Key Considerations report and resolved:

- “1. That the Administration investigate a new business model for waste services that includes a waste utility; and
2. That the Administration report in August 2017 on a potential design for expanding the Waste Services Utility in Saskatoon.”

City Council, at its meeting held on August 28, 2017, considered the Waste Utility Design Options report and resolved:

- “1. That the Administration continue to develop a program to expand the Waste Services Utility to include variable pricing options.
2. That the Administration engage citizens and stakeholders on variable pricing options based on the information presented in this report, and report back in the first quarter of 2018 with a proposed design and timeline for implementation for a utility model.”

City Council, at its meeting held on June 25, 2018, considered the Recommended Changes to Waste Management in Saskatoon report and resolved, in part:

- “1. That a Pay-as-You-Throw Utility be developed for curbside residential garbage collection, where households pay a variable utility fee that corresponds to the size of their garbage cart (lower prices for smaller carts);”

City Council, at its meeting held on November 19, 2018, considered the Waste Management Levels of Services – Curbside Organics and Pay-as-You-Throw Waste Utility and resolved, in part:

- “6. That the curbside waste program – variable bin-size model be funded as a utility;
7. That the curbside organics program be funded by property tax.”

City Council, at its meeting held on December 17, 2018, considered Councillor Hill – Curbside Waste Collection Funding and resolved:

- “That the resolution from the November 19, 2018, City Council meeting which stated: “That the curbside waste program – variable bin-size model be funded as a utility” be rescinded.”

Issue #2 - Landfills do not charge large waste generators the full cost of disposal

Users of the Saskatoon Landfill are charged a fee to enter the landfill and a tipping fee based on the weight of material disposed. At \$105 per tonne landfill tipping fees are designed to cover the estimated \$59-\$75 per tonne landfill airspace value. However, because City collections, who delivered 64% of garbage to the landfill in 2018, are not subject to tipping fees, the revenue per tonne of buried waste in 2018 was \$44.20.

City Council, at its meeting held on May 28, 2018, considered the Landfill Airspace Value report and resolved:

- “1. That the landfill airspace valuation be used in the development of future waste rates and funding plans; and
2. That additional funding requirements be included in the calculation of a user fee associated with a potential Unified Waste Utility.”

Issue #3 - The porous boundaries of solid waste management systems make it difficult for municipalities to price waste disposal at its full cost

Two private landfills operate in the Rural Municipality of Corman Park and receive most of the industrial, commercial and institutional waste generated in Saskatoon, however, this has not resulted in the City pricing waste disposal at a reduced cost. It has impacted tipping fee revenue at the Saskatoon Landfill as commercial use has decreased more than 47% since 2014.

The porous boundaries of solid waste management also present an issue for waste data management.

At its meeting held on October 9, 2018, Standing Policy Committee on Environment, Utilities and Corporate Services, considered the Industrial, Commercial, and Institutional Waste Diversion Strategy – Update and Engagement Strategy report which outlined the steps the City is taking to improve the tracking and diversion of Industrial, Commercial, and Institutional waste generated in Saskatoon. This work continues on this topic with a report to Council expected in November, 2019.

Issue #4 - Markets alone may provide inadequate waste diversion opportunities for some materials

Markets for recyclable materials change based on demand and have recently been impacted by international policies. Markets for plastic materials have reduced demand while others, such as paper and cardboard, now require a cleaner feedstock which has impacted how plastic, glass and paper are sorted and processed in Saskatoon's waste management system.

City Council, at its meeting held February 26, 2018, considered the Update on Recycling Markets: Plastic Film report and resolved:

- “7. That plastic film be removed as an acceptable item in City of Saskatoon recycling programs starting in April 2018”.

Issue #5 - Municipal pricing policies have limited effect on upstream goods manufacturers

Municipal pricing policies have no known direct effect on upstream goods manufacturers. Federal and provincial governments have the ability to impact upstream goods manufacturers and the City participates by supporting initiatives through advocacy groups such as Saskatchewan Urban Municipalities Association, Federation of Canadian Municipalities and the Saskatchewan Waste Reduction Council.

Issue #6 - Extracting and processing natural resources generate negative environmental externalities further upstream

The Administration is required to assess environmental implications of recommendations made to City Council through reports. To assist with this requirement, the Administration created guidance material for reporting on environmental implications.

City Council, at its meeting held December 17, 2018, considered the Development of a Triple Bottom Line Policy Framework to Address Corporate Sustainability report and resolved:

- “1. That the Administration develop a Triple Bottom Line Policy Framework”

Within this framework:

“The environmental pillar focuses on the components that stress the physical environment and addresses how society protects ecosystems, air quality, and the sustainability of natural resources such as land and water.”