

Curbside Organics 2023 Rate

Recommendation

The purpose of this report is to recommend fees for the City of Saskatoon's (City) curbside organics program for 2023. The program is scheduled to commence in May 2023, and the rates proposed in this report will be charged to residents once service has begun. A summary of recommendations are as follows:

1. That the Curbside Organics Program fee per roll-out cart per month be set at \$6.73 in 2023; and
2. That the City Solicitor be instructed to amend Bylaw 9844, *The Waste Bylaw, 2022*, to include the organics rate listed within this report.

Issue

Approval is being sought for the above recommendations pertaining to the organics utility rate in 2023.

Background

At its October 31, 2022, meeting, City Council approved the establishment of a Waste Utilities Stabilization Reserve and a transition funding strategy for the Curbside Organics Program that utilized a one-time transfer from the Waste Utilities Stabilization Reserve in 2023.

During its 2022/23 Preliminary Business Plan and Budget Meeting, in November 2021, City Council approved \$5,886,700 in expenditures and \$5,886,700 in revenues for the Curbside Organics Program.

At its October 25, 2021, meeting, City Council resolved:

That the City of Saskatoon proceed with Option 2: A fixed monthly rate for the curbside organics utility with a January 2023 implementation, and a variable rate for black cart garbage utility with implementation in 2024.

Discussion/Analysis

The development of the Curbside Organics Program was funded through capital funds, with City Council direction to launch the organics utility fee in January 2023. Under a fixed rate utility model, a set price is charged to each user of the service to recover the costs associated with providing the service. The 2023 approved operating plan for the curbside organics program has budgeted expenditures of \$5,886,700 for an entire year. To generate revenues through the utility equal to budgeted expenditures, Administration developed a monthly user fee per roll-out cart of \$6.73. This rate assumed 72,900 households would be included in the program, and that billing would commence in January 2023.

With a May 2023 launch date for the curbside organics program, the estimated reduction in revenue for January to April 2023 is \$1.96M. The transition funding

strategy approved by City Council included a reduction in planned expenditures of \$1.32M as well as a one-time transfer from the Waste Utilities Stabilization Reserve to offset the revenue reduction.

Table 1 provides details on what is included in the revised rate with the transition funding strategy. As the curbside organics utility will only be charged from May onward, the rate structure presented in Table 1 is based on eight months of billing.

Table 1 - Revised Curbside Organics Utility Rate Structure (eight months billed)

Cost Category	Cost per Roll-Out-Cart per Month
Collection and Container Management Costs	\$4.64
Processing Costs	\$2.07
Program Management	\$0.91
Capital and Reserve Contributions	\$(1.09)
Bylaw Enforcement, Education and Communications	\$0.20
Total Cost per Roll-Out Cart per Month	\$6.73
Total Cost per Roll-Out Cart in 2023	\$53.84

Policy Implications

The establishment of rates requires an amendment to Bylaw 9844, The Waste Bylaw, 2022, to reflect the curbside organics rate.

Financial Implications

The proposed monthly utility fee of \$6.73 per roll-out-cart per month will be charged to eligible households starting in May 2023. The proposed rate is expected to generate utility revenues of \$3.92M in 2023. If the proposed utility rate is not approved, an alternative funding source would be required to fund the shortfall.