
Additional Information on Curbside Organics

Recommendation

That the report of the Acting General Manager, Utilities & Environment Department dated May 6, 2019, be received as information.

Topic and Purpose

The purpose of this report is to provide additional information on reduced organics collection frequency in winter, opt out options for current composters, and a breakdown of costs associated with the waste funding shortfall and estimated costs of a new organics program.

Report Highlights

1. Reduced organics collection frequency in the winter months could save \$230,000 annually but could also have implications on customer satisfaction.
2. Opt out options for current composters are not recommended; however, organics carts could be removed upon request with no adjustment to property taxes.
3. The funding gap for current waste services is approximately \$3.366 M. A new curbside organics program is anticipated to cost \$9.240 M but is anticipated to be offset by \$3.960 M in savings from service level changes.

Strategic Goal

This report supports the strategic goal of environmental leadership by maximizing solid waste diversion and supporting the optimization of landfill management and financial sustainability.

Background

At its meeting held on October 22, 2018, City Council considered the Waste Management Levels of Service – Curbside Organics and Pay-As-You-Throw Waste Utility [report](#) and resolved in part that:

“Option 1: year round, bi-weekly organics and waste collection be implemented as the new waste management service level for all curbside residential households.”

At its meeting held on March 25, 2019, City Council considered the Curbside Organics and Waste Funding Options [report](#) and resolved:

- “1. That the Administration be directed to pursue Option 2 as outlined in the report of the Acting Chief Strategy & Transformation Officer dated March 25, 2019;

2. That the Administration report on using the Federal Gas Tax for funding the entire cost of the capital project for the purchase of carts;
3. That the report be referred to the Saskatoon Environmental Advisory Committee for feedback including the resolution from City Council;
4. That the Administration report back on additional Service Level Option of reducing pick up in the winter;
5. That the Administration report back on options for current composters to opt out of the program; and
6. That the Administration provide an additional report at the appropriate time to the Standing Policy Committee on Environment, Utilities and Corporate Services breaking down the costs of the waste funding shortfall and the costs of the organics program within option 2.”

Report

Additional Service Level Option for Reduced Organics Collection Frequency in Winter

The approved level of service for the future curbside organics program is bi-weekly collection year round. A reduced level of service could be provided with organics collection occurring every four weeks in the winter from November through March. This option is estimated to save \$230,000 annually.

With this option, savings would be achieved from reduced fuel consumption and a reduced number of staff. The total number of trucks required in the fleet would remain the same in order to provide bi-weekly collections in the summer months. Additional considerations including nuisances, missed collections and cart capacity are identified in Attachment 1.

As the bi-weekly collection service level was approved by City Council in the past twelve months, any changes to this service level would require the motion to be rescinded as per section 64 of Bylaw No. 9170, The Procedures and Committees Bylaw, 2014.

Options for Current Composters to Opt Out of the Program

Citywide organics programs are generally designed to include all households in order to optimize efficiencies and maximize waste diversion. The Administration conducted a scan of ten municipalities with organics programs and only one property tax funded program was found to offer residents an opt out option. While this municipality in California allowed residents to return their organics carts if they did not wish to participate, residents did not receive a rebate or rate adjustment to their property taxes for opting out.

Citywide organics programs provide large scale processing at controlled facilities and are therefore able to accept a wider range of materials, such as meat and dairy products, that are not usually recommended for backyard composting. With the added convenience of large volume, bi-weekly collection year round, current backyard

Additional Information on Curbside Organics

composters or users of the City of Saskatoon's compost depots may divert more waste with a curbside organics program than can currently be diverted by backyard composting alone.

Opt out options with a corresponding rebate or property tax adjustment are not recommended by the Administration; however, City Council could approve the option to remove an organics cart from any resident's property upon request. Similarly, the ability to opt out for approved properties, such as those with legal suites and a second cart, could be approved without any adjustment to property taxes.

Adjusting the property taxes for current composters who opt out of the program may be possible, but would be onerous and not well-suited to the purposes of the program or of property taxes. Partial tax exemptions are contemplated under section 262 of *The Cities Act*; however, partial tax exemptions for opting out of a citywide program is not what section 262 appears to be intended for and would be cumbersome as City Council would have to approve the exemption for each property each year or approve a five-year maximum agreement for each property once.

Apart from the issue of an exemption or rebate, the above opt out options would require resources to develop the parameters and to review and administer applications for cart removal. This could range from approving phone call or email requests, to conducting inspections, or requiring signed declarations at individual households. This would also likely require additional resources to physically collect organics carts from the resident's property unless residents were required to return the carts themselves.

Waste Funding Shortfall and Estimated Costs of Organics Program

The additional funding required for the curbside waste and organics program is estimated at \$8,646,000. Approximately \$3,366,000 of this is resulting from the current funding gap in waste collections, landfill, green cart and compost depot programs. A new citywide curbside organics program is anticipated to cost \$9,240,000 while savings from service level changes are anticipated at \$3,960,000. Table 1 below and Attachment 2 include more detail on the waste funding shortfall and organics program costs.

Table 1: Waste and Organics Funding Breakdown

Waste Collections Funding Gap	\$924,000	
Landfill Funding Gap	\$1,430,000	
Green Cart Program Funding Gap	\$682,000	
Compost Depots Funding Gap	\$330,000	
Current Waste Funding Gap Total	\$3,366,000	1.53%
New Curbside Organics Program	\$9,240,000	
Savings from Service Level Changes*	-\$3,960,000	
New Funding Required for Future Curbside Organics & Waste Services	\$5,280,000	2.40%
Total Funding Required	\$8,646,000	3.93%

*Year round, bi-weekly waste collection and phasing out of Green Cart Program once citywide curbside organics program is in place

Options to the Recommendation

A future option could be to provide a grant to residents who maintain a certain level of home composting, diverting waste from the landfill, outside of or in addition to the program. The grant would not be related to opting-out or the removal of organics carts, but would encourage home-composters to continue to divert waste in the manner to which they are accustomed. A policy or guideline for a residential waste diversion grant would be developed similar to what is used for existing City grants.

Financial Implications

The waste services funding gap and estimated future organics program costs and service level savings are identified in Table 1 and Attachment 2. Estimates will be further refined when the organics processing RFP has closed.

Environmental Implications

A reduced number of organics collections in the winter is estimated to reduce greenhouse gas emissions by approximately 160 tonnes CO₂ equivalents. These greenhouse gas savings however, could be negated by an increase in the amount of organic material sent to the landfill as a result of residents choosing to put their organics in the black carts that would be collected more frequently.

Other Considerations/Implications

There are no public and/or stakeholder involvement, communications, policy, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The Administration will report on a curbside organics program implementation plan and more detailed financial figures after the close of the organics RFP.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Reduced Organics Collection Frequency in Winter
2. Infographic on Waste Funding Shortfall and Organics Program Costs
3. Legal Opinion – In Camera – Solicitor/Client Privilege

Report Approval

Written by: Michelle Jelinski, Senior Project Management Engineer
Reviewed by: Russ Munro, Director of Water & Waste Operations
Approved by: Trevor Bell, A/General Manager, Utilities & Environment Department

Reduced Organics Collection Frequency in the Winter

A reduced level of service could be provided with organics collection occurring every four weeks in the winter from November through March. This option is estimated to save \$230,000 annually.

Savings would be achieved from reduced fuel consumption, reduced truck maintenance, and a reduced number of collections staff or contracted costs as a result of five fewer organics collections per year. It is important to note that the total number of trucks required in a city or contracted fleet would remain the same in order to provide bi-weekly collections in the summer months. There would be an anticipated reduction of 2.4 FTEs, or the equivalent of six seasonal operator positions in the winter months; however, there would also be higher administrative resources required to hire, train, and layoff seasonal staff as compared to maintaining a consistent complement of permanent staff.

Other considerations for reduced organics collection frequency in winter are as follows:

- Odours and nuisance concerns with monthly storage of organic material is anticipated to be minimal in the winter months. Unexpected warm temperatures in the winter months could cause materials to thaw and could result in odour issues as well as increased likelihood of material freezing to the bin.
- While some current green cart subscribers indicate that they utilize their green carts to store food waste throughout the winter, some residents may be less likely to participate in the organics program if collections are provided on a monthly basis as opposed to a bi-weekly basis.
- With a monthly collection frequency, a missed collection could result in a two-month interval between collections if residents are unable to place their green cart out for collection on their scheduled day.
- As the generation of yard waste is minimal in the winter months, the organics cart is anticipated to provide enough capacity for food and yard waste for a month at a time.
- Changing the collection frequency could have implications on the organics processing contract, as delivery of organic materials to a processing facility would vary from the previously communicated bi-weekly collection frequency.

Waste Operations Funding

↓ CURRENT

→ FUTURE (2023)

Collections

Program Cost\$7,289,500
 Allocated Budget\$6,365,500
Funding Gap\$924,000

0.42%
of mill rate



Program Cost\$7,191,750

3.27%
of mill rate

Landfill

Program Cost\$3,183,100
 Budgeted Revenue +\$4,580,000
 Budgeted Expenses -\$4,042,100
 Budgeted Landfill Replacement Reserve - ..\$2,291,000
Funding Gap\$1,430,000

0.65%
of mill rate



Revenue\$5,917,700
 Expenses\$4,771,600
 Landfill Replacement Reserve Transfer\$1,146,100

Collections paying for waste.

Inclusion of organics extends landfill life.

Mill Rate Impact\$0

0%
of mill rate

Green Carts

Revenue\$546,100
 Expenses\$1,228,100
Funding Gap\$682,000

0.31%
of mill rate
Funded by Landfill Replacement Reserve



Program Cost\$9,240,000
Fiscally conservative estimate

4.20%
of mill rate

Compost Depots

Program Cost\$803,800
 Revenue -\$45,500
 MMSW Funding -\$428,300
Funding Gap\$330,000

0.15%
of mill rate
Funded by Landfill Replacement Reserve



Program Cost\$800,000
 Revenues -\$45,500
 MMSW Funding -\$428,300

0.15%
of mill rate

Mill Rate Impact\$326,200

Total Budget

Total Budget\$8,118,600
 Total Actual Impact ...\$11,484,600
Total Funding Gap\$3,366,000

1.53%
of mill rate



New Curbside Organics Program\$9,240,000

4.2%
of mill rate

Savings From Service Level Changes -\$3,960,000

1.8%
of mill rate savings

New Funding Required for Future Curbside Organics & Waste Services\$5,280,000

2.4%
of mill rate

Mill Rate Impact

1.53%
Funding Gap



2.4%
Curbside Organics Program



3.93%
Total Impact 2020-2023

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SOLICITOR/CLIENT PRIVILEGE**

Re: Additional Information on Curbside Organics

The Office of the City Solicitor provided confidential, Solicitor/Client Privilege information to Members of City Council regarding this matter. The information will remain *In Camera* pursuant to section 21 of *LAFOIPP*.