

Fees for Waste-Related Services – 2020/2021

Recommendation

The purpose of this appendix is to recommend fees for the City of Saskatoon's (City) waste-related services for 2020 and 2021. A summary of the recommendations are as follows:

1. That the Landfill entry fee, tipping fees (pro-rata weight charges), specific disposal fees, and discount for small loads remain unchanged for 2020 and 2021.
2. That the City Solicitor be instructed to amend Schedule "A" of Bylaw No. 8310, The Waste Bylaw, 2004, specifically to revise the commercial garbage collection rates listed within this report.
3. That the 2020 and 2021 Landfill Replacement Reserve Provision remain unchanged at \$29.50 per tonne for all waste landfilled, per the previous airspace valuation calculation.
4. That the 2020 and 2021 Green Cart Program seasonal subscription fees increase to \$60 (from \$55) until April 30, each year. Any renewals or new subscriptions paid after April 30 will cost \$75, which remains unchanged from 2019.
5. That the Compost Depot Commercial Hauler Seasonal Permit fee of \$150 per vehicle remain unchanged for 2020 and 2021.

Issue

Approval is being sought for the above recommendations pertaining to 2020 and 2021.

Background

In November 2018, City Council approved fees for 2019 waste-related services. Specifically, unchanged Landfill fees, revisions to commercial garbage collection fees for larger container sizes, an increase to the Landfill Replacement Reserve provision, along with status quo fees for the Green Cart Program and the Compost Depot Commercial Hauler Seasonal Permit.

Commercial garbage collection fees, Landfill fees, and Green Cart Program seasonal subscription fees are due for assessment for 2020 and 2021.

Discussion/Analysis

This report proposes waste-related fees for both 2020 and 2021, to align with the corporate multi-year budget.

Landfill Fees

Administration recommends the Landfill fees remain unchanged for 2020 and 2021. This recommendation is based on the fact that the rate structure implemented for 2017 (and carried through 2018 and 2019) has resulted in improved revenue certainty, while structural Waste Handling budget deficiencies are being rectified. Increasing fees will increase the risk of becoming non-competitive in the region and would likely reduce overall revenue. The fees are as follows:

- Entry fee, \$15 per trip.
- Pro-rata weight charges:
 - Solid waste of a general or commercial type and not requiring special handling, \$105 per tonne.
 - Special waste rate, \$130 per tonne.
 - Special waste minimum charge, \$275 per load.
 - Loads less than 150 kilograms in total weight qualify for a 100% discount of the pro-rata weight charge.
- Specific Disposal Fees are not listed here, in the interest of brevity, but are not proposed to change.

According to 2019 benchmarking data, the range of fees for tipping waste among 29 municipal landfills across Canada ranged from \$65 to \$150 per tonne, with an average of \$103 per tonne.

Landfill Replacement Reserve Provision

The function of the Landfill Replacement Reserve (LRR) is to finance the cost of future closure and post-closure costs as well as the eventual replacement costs for a new landfill. Bylaw No. 6774, The Capital Reserve Bylaw, 2017, states that the “reserve shall be funded annually from an authorized provision in the City’s Operating Budget consisting of a base provision of \$410,000 and a further provision at a rate per tonne charge fixed by City Council on the disposal of waste at the City’s Landfill site.” In 2018, the Landfill Replacement Reserve provision was set at \$23 per tonne of all waste landfilled. In 2019, the provision was increased to \$29.50 per tonne for all waste landfilled, as a result of findings reported in the May 2018 Report entitled “Landfill Airspace Value”.

The analysis in the aforementioned report remains valid, and therefore there is no recommended change for the LRR provision in 2020 and 2021.

Green Cart Program Subscription Deadline & Fees

The \$55 registration fee (per subscription) for the seasonal Green Cart program has remained unchanged since 2014, where it was increased from a \$50 fee in 2013. In 2018, a new fee structure was introduced to provide an incentive for early registration in the program, while helping to offset a portion of the administrative cost which resulted by removal of the subscription deadline after 2016. Currently, the fee is \$55 per subscription until April 30, after which it increases to \$75 per subscription for the balance of the season.

Administration recommends an increase of \$5 to the early registration fee, raising it to \$60 per seasonal green cart subscription on or before April 30 (collections start the first week in May). Administration also recommends that the subscription fee after April 30 remain at \$75. In each of 2018 and 2019, over 800 subscribers registered after April 30. Subscriptions cannot be accepted after September 30, as Administration cannot guarantee a green cart can be delivered to the resident in time for the final collection of the season.

The proposed increase in the early registration fee (from \$55 to \$60) is to account for the fact that this base fee has not increased in six years, while the administrative requirements continue to increase along with the growth of the program. The program continues to grow year-over-year with this fee structure, further improving waste diversion from the Landfill.

Assuming the program continues to grow at the same rate as the past three seasons, the number of subscriptions in 2020 is projected to be around 11,000, further increasing in 2021. In prior years, the cost per subscriber has averaged \$110. In 2020, more accurate accounting for processing of Green Cart material at the Compost Depots will be introduced which has not historically been accounted for. Therefore, Administration estimates that the actual cost to deliver this service in 2020 and 2021 will be \$130 per subscriber, which will continue to be subsidized by the Landfill Operating budget.

Commercial Garbage Collection Fees

Prior to 2017, commercial garbage collection fees had not been raised since 2011. Although the 2017 and 2018 fees saw an average increase of 5% per year, additional increases were implemented in 2019 to ensure this program remained cost recovery. This resulted in slightly above a 2% average increase over 2018 rates; however, the increases were more heavily weighted to the higher volume bins. Marginal increases are required in 2020 and 2021 for the higher volume bins (4 to 8 cubic yards), to ensure the program remains cost recovery, and to appropriately account for the cost of collection and landfill airspace.

Therefore, the following fees are proposed for 2020 and 2021:

Cart/Bin Volume	Current (2019) Regular Scheduled / Unscheduled*	2020 Proposed, Regular Scheduled / Unscheduled*	2021 Proposed, Regular Scheduled / Unscheduled*
100 US Gallon Polyethylene Containers	\$14.00 / \$25.00	\$14.00 / \$25.00	\$14.00 / \$25.00
300 US Gallon Polyethylene Containers	\$23.00 / \$34.00	\$23.00 / \$34.00	\$23.00 / \$34.00
2 cubic yards	\$24.00 / \$35.00	\$24.00 / \$35.00	\$24.00 / \$35.00
3 cubic yards	\$31.00 / \$42.00	\$31.00 / \$42.00	\$31.00 / \$42.00
4 cubic yards	\$38.00 / \$49.00	\$38.25 / \$49.25	\$38.50 / \$49.50
5 cubic yards	\$45.50 / \$56.50	\$45.75 / \$56.75	\$46.00 / \$57.00
6 cubic yards	\$53.50 / \$64.50	\$53.75 / \$64.75	\$54.00 / \$65.00
8 cubic yards	\$67.00 / \$78.00	\$67.50 / \$78.50	\$68.00 / \$79.00

*Per pickup (unscheduled requires 24-hour minimum notice)

No changes are proposed for the 2020 or 2021 rental fees for 100 gallon and 300 gallon garbage carts/containers.

Compost Depot Commercial Hauler Seasonal Permit Fees

Administration recommends that the Compost Depot Commercial Hauler Seasonal Permit fees for 2020 and 2021 remain unchanged at \$150 per vehicle. Although this fee does not fully cover the costs of managing organic materials from commercial haulers, there are environmental and social benefits with keeping these materials out of the landfill. A low permit fee helps to incentivize waste diversion by using the compost depots instead of the landfill.

Implications

Landfill Revenue

With the proposed Landfill rates, it is anticipated that revenues will remain stable (i.e. comparable to 2019). With the proposed budget increases for 2020, it is estimated that in 2020 the Landfill Operating Budget will have nearly a \$1.7 million impact to the mill rate; reducing the variance to \$728.1 compared to the \$971.9 budgeted mill rate impact. In 2021, the Landfill Operating Budget is expected to come in on budget at a budgeted mill rate impact of \$1.2 million.

Green Cart Fees

The Green Cart Program is estimated to cost approximately \$1.4 million to deliver in 2020 and approximately \$1.5 million in 2021. As submitted in the multi-year budget, revenues from subscriptions are expected to generate a program shortfall of over \$800,000 in 2020 and over \$850,000 in 2021. This shortfall will be covered by MMSW funding and the mill-rate through the Landfill Operating Budget. This shortfall has historically adversely affected transfers to the Landfill Replacement Reserve.

Commercial Garbage Collection Fees

Program revenues are proportional to the number of customers (i.e. contracts) and the type and size of cart or bin at each collection location. The proposed fees will help ensure that the cost to deliver this service is recovered.