

Waste Utility Low-Income Subsidy Program Update

ISSUE

The City of Saskatoon (City) is changing how residential curbside waste services are funded. To help the transition from a property tax-based model to a user fee-based utility, City Council directed the Administration to implement a \$100 per year bridging subsidy program for eligible low-income households beginning in 2024. The Waste Utility Low-Income Subsidy will be available annually until the end of 2026 when a more comprehensive program is anticipated to be developed and brought forward in future reporting. The Waste Utility Low-Income Subsidy applies to eligible households receiving cart-based waste services (garbage, recycling, and organics) that have a City utility account in their name.

BACKGROUND

At its meeting on November 21, 2022, City Council considered the report of the General Manager, Utilities and Environment dated November 7, 2022, and resolved:

1. That the Administration implement Option 4 as a fixed bridging subsidy (\$100.00) starting in fiscal year 2024, and simultaneously work toward implementing Option 5, the Universal Low-Income Subsidy program for fiscal year 2027;
2. That Administration report back no later than Quarter 3 of 2023 with further information on scope and timelines for the implementation of Option 4, including detailed administration and implementation costs; and
3. That the Administration be directed to develop a Council Policy on user fees and subsidies to clearly identify principles and objectives on where to charge fees and offer subsidies, and report back to the appropriate committee no later than Quarter 4 of 2023.

The corresponding information can be found with the item [here](#).

Details and analysis on the subsidy amount and duration of the Waste Utility Low-Income Subsidy Program (Waste Utility Subsidy) were presented in the November 2022 report – Considerations and Options for Supporting Low-Income Households. Council decided that the City will provide Low Income Cut Off – After Tax (LICO-AT) or Low-Income Measure – After Tax (LIM-AT) eligible households with a waste utility credit of \$100 per year beginning in 2024. It would phase out completely by 2027. This option applies to eligible low-income households in owner-occupied housing and those who rent an eligible property and have a City utility account in their name.

CURRENT STATUS

An operating service level for the Waste Utility Subsidy has been developed. Technical requirements to deliver it are incorporated into the Waste Utility Project and will be completed in 2023. The requirements needed for the Customer Information System

(CIS) application to implement the subsidy are under development, and training of internal staff will be completed in the coming months. The program is on track to proceed with staffing in January 2024, pending funding approval during the 2024/2025 Multi-Year Business Plan and Budget deliberations.

DISCUSSION/ANALYSIS

Income eligibility and the application process for the Waste Utility Subsidy are consistent with the City's Leisure Access and Discounted Bus Pass Programs. Given this design consistency, Community Services will manage the application intake and review for eligibility, given their long-standing experience in delivering other low-income programs.

Five components are required to operationalize the Waste Utility Subsidy, with more detailed service levels described in Appendix 1:

- 1) Application submission - Options to submit an application, including required information and documentation.
- 2) Application review - Application review process and next steps for incomplete or ineligible applicants.
- 3) Apply subsidy on the Utility Bill - Details how the subsidy will be administered through CIS.
- 4) Customer Service - Details staff supporting the program and customer routing based on the nature of an inquiry.
- 5) Data and continuous improvement - review program data for accuracy and prepare program use data for annual reporting.

FINANCIAL IMPLICATIONS

Based on the available data, Administration estimates that this program would require \$182,500 of annual mill rate funding for the service level outlined in this report. This funding includes subsidy payments of \$150,000 annually, as well as \$32,500 for a partial FTE to administer the program. When the current program is concluded at the end of 2026, the proposed operating budget could then be transferred to a future Universal Low-Income Subsidy Program.

Administration has requested funding for this program as part of the indicative budget which will be reviewed in November 2023 during the 2024/25 Multi-Year Budget and Business Plan deliberations.

NEXT STEPS

Following this report, Administration will finalize the applications (web and paper), communications material and technical requirements. Staff will be trained in late 2023 and the program will begin in January 2024, if funding is approved during the 2024/2025 Multi-Year Business Plan and Budget deliberations.

COMMUNICATION ACTIVITIES

Communications for the program will be integrated into the education and communications plans prior to the launch of the variable rate garbage utility in 2024.

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Community partners, who offered to assist in outreach during engagement, will be notified of the program launch and materials provided for information to their clients and stakeholders.

APPENDICES

1. Waste Utility Low-Income Subsidy Program – Service Level

Report Approval

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