

## **Financial Status of Curbside Residential Waste Management**

### Current Costs for Residential Waste Management:

The 2019 projected cost for current curbside residential garbage and recycling collection is \$14.4M. Stated as an average annual cost per household, this is equivalent to \$205. The green cart subscription program cost is projected at \$1.2M, or \$123 per subscriber. An additional \$1.6M is spent on other waste minimization efforts that benefit both curbside residents and the broader community.

#### **Curbside Residential Garbage Collection – property taxes**

The cost of collecting and landfilling curbside residential waste in 2019 is projected to cost \$9.9M. This includes \$6.5M for collections and \$3.4M for landfilling. The landfilling costs are based on updated landfill airspace valuation calculations. The cost for collections assumes no change to service levels; a reduction from weekly to biweekly in the summer would result in cost savings.

#### **Curbside Recycling - utility**

The Curbside Residential Recycling Utility has projected revenue of \$4.5M in 2019. It is expected to recover all costs associated with the delivery of the program (including transfers to the recycling stabilization reserve) with this revenue.

#### **Curbside Organics Collection (green cart service for subscribers) – utility and property taxes**

The 2019 subscription green cart program is projected to receive revenues of approximately \$544,500, covering approximately 45% of the costs of the program. As part of the current Waste Services utility, approximately \$673,000 will be required as a transfer from property taxes in the 2019 budget to balance this program. The total program cost for 2019 is projected at \$1.2M.

#### **Household Hazardous Waste Drop-off Days – property taxes**

The 2019 HHW program is projected to cost \$250,000 in 2019 which is funded through property taxes.

#### **Waste Minimization – property taxes**

The Waste Minimization program includes the costs of the recycling depots, Christmas tree drop-offs, and Environmental Protection Officers which are services provided to the broader community. The costs for these services in 2019 is estimated at \$671,000.

#### **Compost Depots – utility and property taxes**

The compost depots are part of the current Waste Services Utility and receive revenues from Commercial hauler Permits and the sale of finished compost. This revenue only recovers 7% of the costs for operating the depots and therefore a transfer from the Landfill Operating Budget (property taxes) of approximately \$800,000 is required.

### Projected Costs for New Services:

Modelling of the property tax and utility fee revenues required to cover all costs for curbside residential waste management services will be completed through the summer and reported in September. In addition to the costs for existing services (noted above), the following additional costs for new services will be taken into consideration.

#### City-Wide Organics Collection and Processing Operations

The operating costs of a city-wide organics program have not been identified but will include the cost of collections (similar to garbage collections, dependant on frequency); and processing (which depends on the technology and service provider). The current green cart program (both costs and revenues) will be eliminated once a city-wide program is implemented. Operating costs will be estimated in a future report, with final costs only determined once procurement processes are complete (likely early in 2019).

#### Capital Cost of Organics and Pay As You Throw

The capital costs of the organics and PAYT programs may be borrowed from the utility and paid back over the next 10 years. These capital costs are expected to be between \$13 and \$22M, not including the cost for constructing an organics processing facility.

#### Capital Cost of Recovery Park

The capital cost of Recovery Park was outlined in a Report to Council on February 26, 2018. The report stated that borrowing is estimated at \$9.08M with repayments being made over 10 years using funds from either a phased-in increase to the mill rate or the proposed Unified Waste Utility. This report assumed funding of \$2.95M from the Investing in Canada – Green Infrastructure Program will be granted.