

## 2019 Fees for Waste-Related Services

The purpose of this report is to recommend fees for the City's waste-related services for 2019. 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 2019;
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 2019 Landfill Replacement Reserve Provision be set at \$29.50 per tonne for all waste landfilled (up from \$23 in 2018);
4. That the 2019 Green Cart program seasonal subscription fees remain unchanged from 2018, at \$55 until April 30, 2019. Any renewals or new subscriptions paid after April 30, 2019 will cost \$75; and
5. That the Compost Depot Commercial Hauler Seasonal Permit fee of \$150 per vehicle remain unchanged for 2019.

### Background

In November 2017, City Council approved fees for 2018 waste-related services. Specifically a revision to Landfill specific disposal fees, Landfill Replacement Reserve provisions, and Green Cart seasonal program subscription fee structure.

Commercial garbage collection, Landfill fees, and Green Cart seasonal subscription fees are due for assessment for 2019.

### Report

The Administration is actively developing a city-wide curbside organics program, and is preparing alternative funding options for waste services. Therefore, this report solely focuses on recommended fees for 2019.

### 2019 Landfill Fees

Administration recommends the Landfill fees remain unchanged for 2019. This recommendation is based on the fact that the rate structure implemented for 2017 (and carried through 2018) has resulted in improved budget certainty. Increasing fees will also increase the risk of becoming non-competitive in the region. Administration is also currently exploring options to reduce the Landfill revenue shortfall (i.e. mill rate impact) through the waste services funding work. The fees are as follows:

- Entry fee, \$15 per trip.
- Pro-rata weight charges:
  - Solid waste of the 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.
  - Liquid waste containing grit, \$95 per 1000 gallons.
  - 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.

#### Landfill Replacement Reserve Provision

The function of the Landfill Replacement Reserve (LRR) is to finance the cost of replacing the City's Landfill. Bylaw No. 6774, The Capital Reserves 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 for all waste landfilled.

The Administration recommends that the 2019 LRR Provision be set at \$29.50 per tonne for all waste landfilled. This increase is a result of findings reported in the May 2018 Report entitled "Landfill Airspace Value" and is intended to provide adequate funding for future closure and post-closure costs as well as the eventual replacement costs for a new landfill.

#### Green Cart Program Subscription Deadline & Fees

Administration recommends the early registration fee of \$55 per seasonal green cart subscription be maintained in 2019 for residents who renew on or before April 30 (collections start the first week in May). Administration also recommends that the subscription fee after April 30 increase to \$75. 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. This recommendation maintains the 2018 rates and is primarily based on feedback previously provided by City Council, along with the fact that the program continues to grow year-over-year with this fee structure, further improving waste diversion from the Landfill.

The May 15 deadline for subscriptions was removed beginning in 2017. Approximately 650 subscribers were added after May 15, 2017, which accounted for 9% of total paid subscribers. In 2018, the \$55 fee was maintained until April 30, and was increased to \$75 from May 1 through September 30. This provided an incentive for early registration in the program, while the fee increase helped to offset a portion of the administrative cost which resulted by removal of the subscription deadline, just over 800 of the roughly 8,500 subscribers registered after April 30, 2018.

Assuming the program continues to grow at the same rate as the past two seasons, the number of subscriptions in 2019 is projected to be between 9,300 and 9,900. Administration estimates that the actual cost to deliver this service in 2019 will be \$110 per subscriber.

#### 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 are required to ensure this program remains cost recovery. Therefore, the following fees are proposed for 2019.

Cart/Bin Volume	Current (2018) Regular Scheduled / Unscheduled	2019 Proposed, Regular Scheduled	2019 Proposed, Unscheduled Collection (24-Hour Minimum Notice)
2 cubic yards	\$24.00 / \$35.00	\$24.00 per pickup	\$35.00 per pickup
3 cubic yards	\$31.00 / \$42.00	\$31.00 per pickup	\$42.00 per pickup
4 cubic yards	\$37.00 / \$48.00	\$38.00 per pickup	\$49.00 per pickup
5 cubic yards	\$44.00 / \$55.00	\$45.50 per pickup	\$56.50 per pickup
6 cubic yards	\$51.00 / \$62.00	\$53.50 per pickup	\$64.50 per pickup
8 cubic yards	\$64.00 / \$75.00	\$67.00 per pickup	\$78.00 per pickup
100 US Gallon Polyethylene Containers	\$14.00 / \$25.00	\$14.00 per pickup	\$25.00 per pickup
300 US Gallon Polyethylene Containers	\$23.00 / \$34.00	\$23.00 per pickup	\$34.00 per pickup

This results in slightly more than a 2% average increase over 2018 rates; however, the increases are more heavily weighted to the higher volume bins.

No changes are proposed for the 2019 rental fees for 100 gallon and 300 gallon garbage carts/containers. Fees beyond 2019 have not been proposed in this work due to the ongoing work associated with alternative funding of waste.

#### Compost Depot Commercial Hauler Seasonal Permit Fees

Administration recommends that the Compost Depot Commercial Hauler Seasonal Permit fees for 2019 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.

### **Financial Implications**

#### Landfill Revenue

If Landfill fees do not change for 2019, it is anticipated that revenues will remain stable (i.e. comparable to 2017 and 2018). As of September 30, 2018, it is estimated that the Landfill Operating Budget will have a nearly \$3.7 million impact to the mill rate; an almost \$1.6 million variance over the \$2.1 million budgeted mill rate impact.

#### Green Cart Fees

The Green Cart program is estimated to cost approximately \$1.1 million to deliver in 2019. Revenues from subscriptions are expected to generate a program shortfall of approximately \$500,000 in 2019. This annual shortfall is currently covered by the mill-rate through the Landfill Operating Budget, adversely affecting 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.