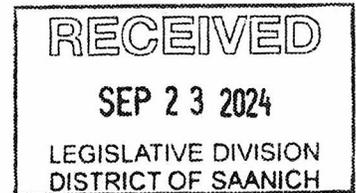




The Corporation of the District of Saanich

C-October-7-2024



Report

To: Mayor and Council
From: Harley Machielse, Director of Engineering
Date: September 20, 2024
Subject: Solid Waste Services Garbage and Organics Cart Fees

RECOMMENDATION

That Council approve a phased strategy to freeze Organics cart fees at 2024 rates and apply future applicable cart fee increases to Garbage cart fees in subsequent years until Organics cart fees are 50% the cost of Garbage Cart fees.

PURPOSE

This report is in response to Council's March 11, 2024 motion directing "staff to bring forward a phased strategy, as part of the annual Garbage Utility rate increases, to subsidize the organics cart fees over the garbage cart fees".

DISCUSSION

The District of Saanich Solid Waste Program provides curbside residential garbage and organics collection to approximately 32,000 households within its borders. As of July 15, 2024, there are 69,980 Saanich-owned carts assigned to Saanich residents, 37,018 garbage carts and 32,962 organics carts. As part of the Yard and Garden Waste Drop Off (YGWDO) Service Review report presented to Saanich Council on March 11, 2024, staff recommended a redistribution strategy to provide residents with alternative methods to recycle their garden waste. In addition to implementing a flat fee pay-for-service model for the YGWDO; introduction of a new curbside 360 litre organics recycling container; staff recommend setting cart fees at rates that incentivize residents to divert more organic waste, use the Yard and Garden Waste Drop-off less, and reduce the amount of garbage they set out for collection.

As shown in Table 1, each Saanich residence is charged an annual Solid Waste Services (SWS) Fee as a component of their utility charges, billed tri-annually. Staff are not recommending any changes to how the SWS Fee is calculated each year. The SWS fee serves to recover the costs incurred by The District to deliver and support a range of services including:

- Residential Garbage and Organics collection - Labour and Equipment.
- Annual Leaf Program;
- Yard and Garden Waste Drop-off;

In addition to this base fee, residents are charged for the garbage and organics carts they utilize, with cart-based fees varying based on size and waste type. The primary operating cost that is recovered by the cart-based utility fee is the tipping fees charged to dispose of garbage at CRD Hartland Landfill, and organics beneficially-recycled by the District’s contractor.

Because organic waste weighs more than the equivalent volume of garbage, organics cost more to dispose of, which explains currently why the same size 120 Litre organics cart costs \$49.35, compared to \$31.50 for a 120 Litre garbage cart (approximately 36% difference).

Annual Charges

Solid Waste Services Fee:

Cart Fees:

| | 2024 | |
|------|-----------|----------|
| | \$165.60 | |
| | Organics | Garbage |
| 80L | \$ 35.25 | N/A |
| 120L | \$ 49.35 | \$ 31.50 |
| 180L | N/A | \$ 47.25 |
| 240L | \$ 98.70 | N/A |
| 360L | \$ 129.75 | N/A |

Table 1: 2024 Solid Waste Services Fee, and Cart Fees.

In support of the CRD’s Solid Waste Management Plan and regional waste diversion goals, Saanich aims to encourage residents to recycle 100% of the organic waste they produce and comply with the CRD Hartland Landfill Organics ban that came into effect in 2015. Charging lower fees for garbage carts is counter intuitive to this goal and provides a financial incentive for residents to discard their organic waste as garbage.

ALTERNATIVES

1. That Council approve a phased strategy to freeze Organics cart fees at 2024 rates, and apply future applicable cart fee increases to Garbage cart fees in subsequent years until Organic cart fees are 50% the cost of Garbage cart fees.
2. That Council postpone a strategy on adjusting the Garbage Utility rates until the conclusion of the Zero Waste Strategy.
3. That Council provide alternate direction to Staff.

FINANCIAL IMPLICATIONS

Annually SWS Fees are increased to reflect increased operating costs. If staff were directed to implement a strategy that subsidized organics carts, effectively charging less than the service costs to provide, the shortfall is being recommended to be made up by the refuse cart fee.

In recent years the Garbage cart and Organics cart fees have increased between 2-10%. By implementing a phased strategy to freeze Organics cart fees at 2024 levels, and apply all future applicable cart fee increases to Garbage cart fees, it is forecasted to take 10 years (2025-2034) for Organic cart fees to reach a level that is 50% the cost of Garbage cart fees. The only financial changes are to those users of this program, and this has no implication to taxes.

STRATEGIC PLAN IMPLICATIONS

A consultant is being hired to develop Saanich's Zero Waste Strategy, with their report expected late 2025. One component of the project's terms of reference will be to recommend additional strategies to incentivize residents to recycle more organics and minimize the amount of garbage they set out for collection. This may have an additional impact to the fee strategy upon completion of the Zero Waste Strategy and may require an adjustment accordingly.

CONCLUSION

It is proven that price-based incentives are effective in encouraging desired behaviours. While long term strategies are planned that promote the Zero Waste Strategy, staff recommend an interim phased cart fee pricing strategy that makes it attractive for residents to divert more organic waste and reduce the amount of garbage they set out for collection.

Prepared by

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Approved by

Harley Machielse
Harley Machielse
Director of Engineering

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation from the Director of Engineering.



Brent Reems
Chief Administrative Officer