



The Corporation of the District of Saanich

Report

To: Mayor and Council

From: Paul Arslan, Director of Finance

Date: November 20, 2024

Subject: 2025 Garbage Utility Rates - For Approval Garbage Collection and Disposal Amendment Bylaw No. 10099

File:

RECOMMENDATIONS

That Council give three readings to Garbage Collection and Disposal Amendment Bylaw No. 10099 to establish rates for 2025 as follows:

- The base fee for solid waste services - \$181.56
- The collection of garbage (120 litre) - \$36.21
- The collection of garbage (180 litre) - \$54.33

PURPOSE

The purpose of this report is to obtain approval for the proposed 2025 garbage utility rates.

BACKGROUND

Solid Waste Services, operated by the Public Works Division, collects and disposes of garbage, garden and kitchen waste for the majority of Saanich residents. Garbage waste is disposed of at the CRD Hartland landfill while garden and kitchen waste (organics) is currently contracted out to a third party. Around 32,000 households are serviced using nearly 71,800 garbage and organic carts.

The system is financed from two fees that cover the cost of operations, CRD landfill disposal, leaf pickup and garden and kitchen waste processing. The base Solid Waste Services fee funds the basic infrastructure for the system. Cart fees, based on type and size, fund the collection and disposal of garbage and organic waste.

As bills are sent out daily throughout the year to manage the volume, the annual rates are established at the same time as water and sewer charges, prior to the commencement of January billing.

The 2025 rates are brought to Council for approval at this time on a preliminary budget basis. The budget will be finalized in May with the Financial Plan Bylaw. If any significant changes have occurred requiring an adjustment to the preliminary budget, these would be communicated to Council and any recommended adjustments to the utility rates would be considered. It is rare that a mid-year rate adjustment is required.

DISCUSSION

2025 Budget Summary:

The overall revenue requirement is projected to increase by \$755,300 in 2025. The increase in revenue is required to offset the non-discretionary costs due to increases in CRD Hartland dumping fees, compost hauling and processing fees, wage increments, vehicle operation and maintenance, Solid Waste Services share of Engineering and corporate support, and the addition of \$50,000 a year for each of the next five years to set aside Solid Waste's share of the debt servicing funding related to the new Saanich Operations Centre facility.

Net Budget By Function	\$ Projected Actual	\$ Budget	\$ Budget	\$ Change
	2024	2024	2025	2025/2024
Solid Waste Revenue	(8,925,900)	(8,882,600)	(9,637,900)	(755,300)
Collection and Disposal	8,283,100	8,022,200	8,740,300	718,100
Yard Drop-Off & Disposal	420,600	484,600	499,400	14,800
Leaf Program	389,600	375,800	398,200	22,400
Total	167,400	-	-	-

Changes to Cart Fees

Historically Saanich's organic and refuse cart fees have been increased annually to cover their respective operating costs. 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 transportation and processing by the District's contractor. For the 2025 fiscal year, however, Council approved the following in their October 7th, 2024 meeting due to the various reasons outlined in the (attached) Engineering's report:

"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 fees are 50% of the cost of garbage cart fees."

There is no change to the methodology used or coming up with the base fee.

Impact to Homeowners for 2025:

Below are the 2025 increases to the base fee and garbage carts:

Rate Type	2024 Triannual Fee (\$)	2025 Triannual Fee (\$)	Triannual Increase (\$)	Annual Increase (\$)
Base Bin Fee	55.20	60.52	5.32	15.96
Garbage – 120 L	10.50	12.07	1.57	4.71
Garbage – 180 L	15.75	18.11	2.36	7.08
Organic – 80 L	11.75	11.75	0.00	0.00
Organic – 120 L	16.45	16.45	0.00	0.00
Organic – 240 L	32.90	32.90	0.00	0.00
Organic – 360 L	43.25	43.25	0.00	0.00

The annual increase to the Solid Waste Services base fee is \$15.96 or 9.64%. Most of this change is due to an increase in vehicle operation and maintenance, labour wage increments, Solid Waste's share of Engineering and corporate support and the additional funding needed for debt servicing for a new SOC building. By far the biggest expenditure increase is regarding vehicle maintenance which continues to increase due to the age of the fleet and are due to be replaced in the next couple of years.

The increase to cart revenue is needed to offset the increase in the CRD Hartland disposal fee from \$125 to \$135 per tonne. This increase alone accounts for 86% of the overall increase to the tote fee. The remainder of the fee is due to Increase in compost hauling and processing fee of \$4.18 per tonne and a portion of the overall overhead costs.

Given Council's approval of freezing the organic cart fees, the garbage cart fees will increase by 14.95%.

The 2025 proposed fees would result in a range of fees for homeowners using one of each cart from \$253.02 for the smallest sized carts to \$334.59 for the larger sized carts (2024 = \$232.35 to \$311.55). The increase on each trimester bill would range from \$6.89 to \$7.68 respectively.

FINANCIAL IMPLICATIONS

Approving the 2025 rates recommended by staff will provide the District of Saanich with the additional revenue required to support the solid waste services operating expenditures for the 2025 budget.

STRATEGIC PLAN IMPLICATIONS

The information presented in this report directly relates to objectives and initiatives in Council's 2023 – 2027 Strategic Plan, as follows:

Objective 1.3.5 – Develop and implement a community wide Zero Waste Strategy that supports the achievement of the regional waste stretch targets.

Initiative 6.2.4 – Modernize the utility rates to promote water conservation, sustain service delivery and provide equity amongst users.

CONCLUSION

As approved by Council staff have prepared 2025 Solid Waste rates by freezing organic cart fees at 2024 rates and applying the 2025 revenue requirement to garbage cart fees. This practice will continue until organic fees are 50% of the cost of garbage cart fees.

Prepared by: Jennifer Lockhart, Senior Manager, Financial Services

Approved by: Paul Arslan, Director of Finance

Attachments:

Bylaw 10099 - Garbage Collection and Disposal Amendment Bylaw
Engineering Report – October 7, 2024 – Solid Waste Services Garbage and Organic Fees

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Finance .

Brent Reems, Chief Administrative Officer