



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1705-20 / 1830-05

From: City Manager

Date: February 8, 2023

Subject: 2023 - 2027 Municipal Solid Waste, Recyclables, and Organics Budget

PURPOSE:

The purpose of this report is to consider the 2023 - 2027 operating budget for municipal solid waste and proposed increase to solid waste, recyclables and organics user fees.

POLICY ANALYSIS:

Section 194 of the *Community Charter* allows Council to charge a user fee to cover the cost of delivery of a service.

EXECUTIVE SUMMARY:

The costs associated with providing solid waste, recyclables, and organics collection are reviewed annually and user fees are established to cover the projected cost to deliver the services in the upcoming year. These services are not funded from general property taxation.

Since October 2022, the service is no longer provided to industries, commercial, institutional (ICI) and multi-family. The service offered to residential owners in 2023 now includes organic collection and a new 360-litre weekly limit to the combined total volume of yard waste and food waste. A conservative budget has been prepared for 2023 and includes a 13.9 % cost increase for the collection contract, a tipping fee increase from 140 to 145 \$/mt for solid waste and a new tipping fee of 110 \$/mt to dispose of the organic waste at the new regional facility.

The projections for 2024 to 2027 were developed to reflect the anticipated cost of the new automated cart service to be implemented in January 2024.

For 2023, an increase of 24% (to \$237.50 from \$191.54 in 2022) for residential user fees is recommended to ensure the 2023 costs to deliver the service are fully recovered.

CAO RECOMMENDATIONS:

THAT Council give first, second and third readings to the City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023 (Solid Waste fees), and;

THAT Council approve the 2023-2027 Municipal Solid Waste, Recyclables and Organics Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

Respectfully submitted,



Geoff Garbutt, M.Pl., MCIP, RPP
City Manager (CAO)

BACKGROUND:

Council sets the solid waste user fee rate schedule by bylaw each year to ensure costs for the provision of solid waste, recyclables and yard waste collection services are fully recovered. These services are not funded from the general property taxation levy.

DISCUSSION:

The City provides for residential properties weekly curbside pickup of municipal solid waste and organics and bi-weekly pickup of recyclables. The user fee charged for this service must cover:

1. The costs of the contractor hired to provide municipal solid waste, recyclables, organics collection and transport services.

The cost of the collection contract increased by 8.0% on May 1, 2022 and 9.5% on January 1, 2023, resulting in a compounded 13.9% increase from 2022 budget to 2023 budget.

2. The costs of regional landfill fees for disposal of mixed waste and the regional organics processing facility fees for the disposal of yard waste and organics.

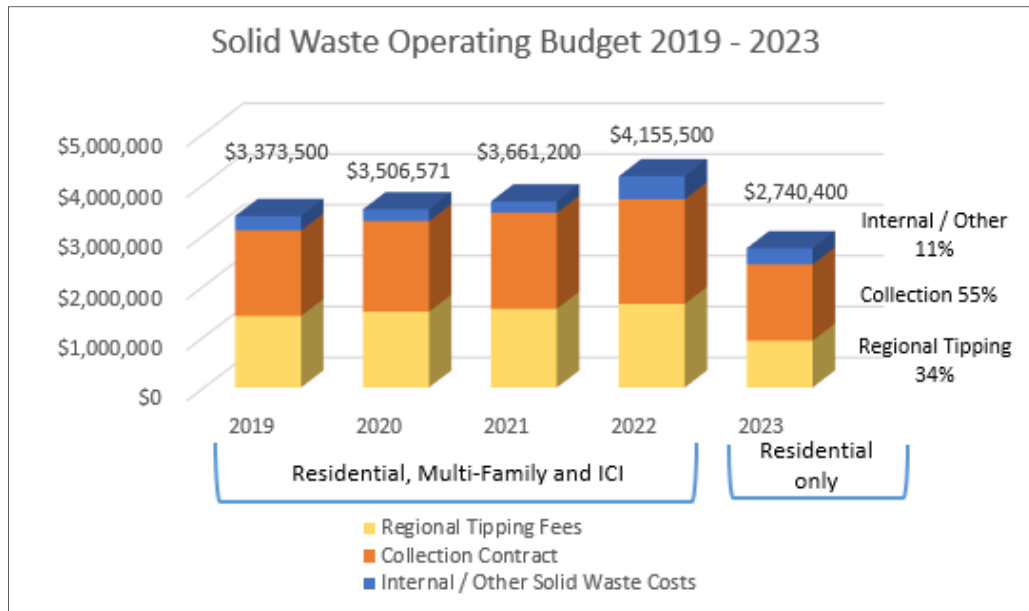
For 2023, the CVRD confirmed an increase to the regional landfill tipping fee from 140 to \$145 per tonne. The 2023 budget also accounts for the yard waste and organics now being sent for processing at the new regional organics processing facility at a cost of \$110 per tonne. This represents an increase as yard waste was previously disposed at no cost. The 2024-2027 solid waste projected budget includes the assumption that 33% of the solid waste tonnage will be diverted to the organics processing facility. This represents a reduction in cost, due to the lower tipping fees at the organic's facility vs landfill, however is subject to change depending on the actual volumes received at the facility once it is up and running.

3. The internal costs to deliver the service.

Internal costs recovered include costs related to utility billing and collection, as well as of the administration of the service.

The different components of the Solid Waste Operating Budget since 2019 are illustrated in Graph 1 below. The significant decrease in the budget is explained with the discontinuation of the service previously provided to ICI and multi-family.

Graph 1: Solid Waste Operating Budget 2019-2023



RecycleBC - Revenues

In October 2018, the City signed a second five year contract with RecycleBC to provide recycling services to residential units in Courtenay. The City will continue to receive financial incentives through the program which covers the cost of providing the bi-weekly curbside pickup of recyclables to residences. It is expected the contract will be renewed with similar terms for 2024 onwards.

2023 – 2027 Financial Plan:

Since October 2022, the service is no longer provided to industries, commercial, institutional (ICI) and multi-family. The service offered to residential owners in 2023 now includes organic collection and a new 360-litre weekly limit to the combined total volume of yard waste and food waste.

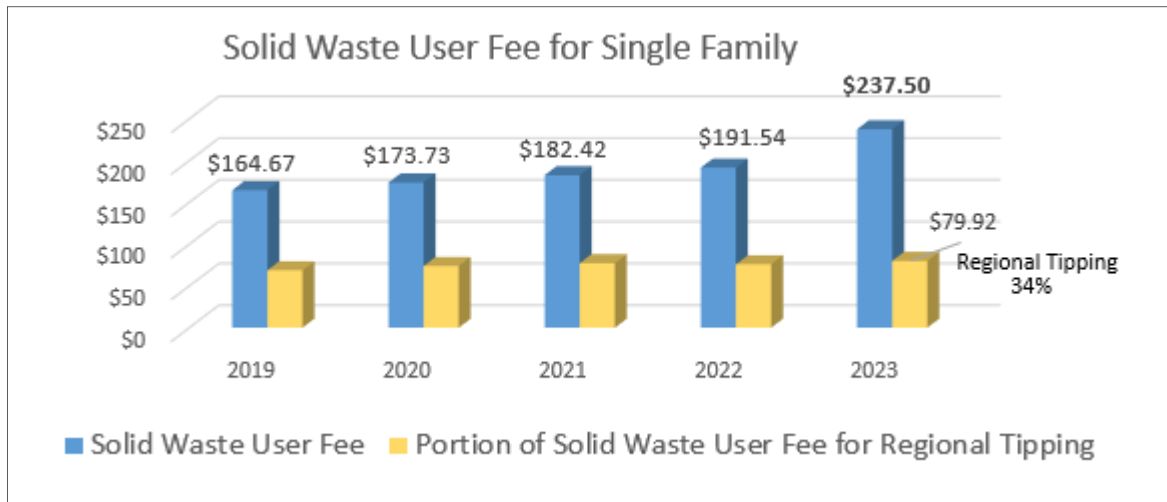
The projections for 2024 to 2027 were developed to reflect the anticipated cost of the new automated cart service to be implemented in January 2024.

In order to cover for the increased costs for collection, tipping fee for solid waste disposal and new tipping fee for organics, an increase of 24% to the residential user fee is required in 2023, raising the annual fee from \$191.54 in 2022 to \$237.50.

Another significant increase of 17.1% is anticipated for 2024 to fund the increased cost of the new automated cart service.

The change in solid waste user fee since 2019 for a single family dwelling is presented in Graph 2.

Graph 2: Solid Waste User Fee for Single Family



Attachment #1 provides the proposed financial plan for 2023-2027.

FINANCIAL IMPLICATIONS:

In order to cover the cost of the service in 2023, a 24.0% user fee rate increase is required for residential service. The annual flat levy fee for residential will increase from \$191.54 to 237.50, a difference of \$45.96 per year.

ADMINISTRATIVE IMPLICATIONS:

After the user fee amendment bylaw is adopted, Staff will update the utility billing system and Financial Plan documentation to reflect the approved rates for 2023.

ASSET MANAGEMENT IMPLICATIONS:

Not applicable.

STRATEGIC PRIORITIES REFERENCE:

We focus on organizational and governance excellence

- Communicate appropriately with our community in all decisions we make
- Responsibly provide services at levels which the people we serve are willing to pay

- **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act
- ▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party
- **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

OFFICIAL COMMUNITY PLAN REFERENCE:

Municipal Infrastructure

OBJECTIVES:

1. Infrastructure and services are resilient to risks and impacts of climate change
2. Infrastructure investments are guided by a multiple bottom line decision-making approach: this means energy efficient, fiscally responsible, equitably distributed, sustainable levels of service that protect public health, safety, and the environment
3. Natural and engineered forms of green infrastructure are integrated to manage rainwater resources, protect water and air quality, maintain ecosystem function, provide flood control, and address and adapt to climate impacts
4. Solid waste, potable water, sanitary sewer and rain and stormwater infrastructure life-cycle costs are minimized by increasing conservation actions and reducing the need to develop new infrastructure capacity
5. Third party utility providers such as energy and communications utilities are low carbon and reliable

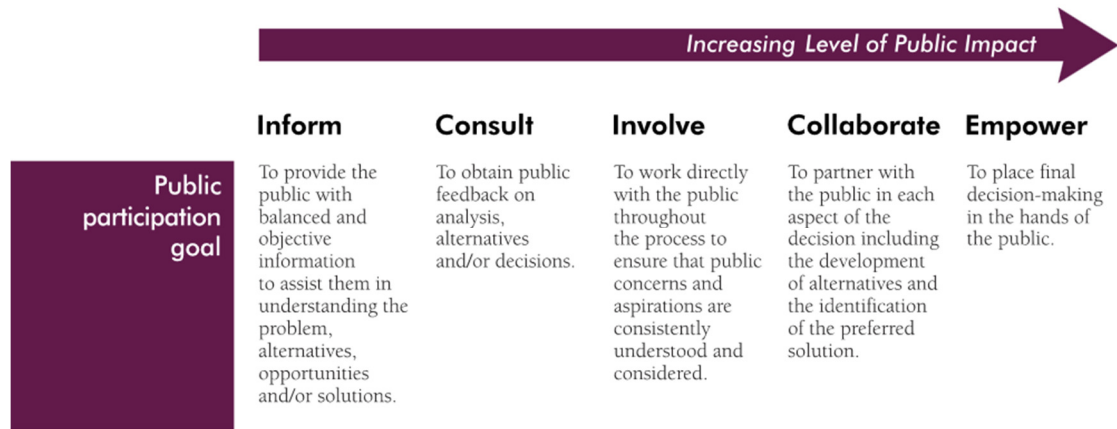
REGIONAL GROWTH STRATEGY REFERENCE:

Goal 8: Climate Change:
 Objective 8-C: Reduce GHG emissions in the solid waste sector

CITIZEN/PUBLIC ENGAGEMENT:

The *Community Charter* (sec. 166) requires that a council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. The City will “**inform**” the public about the 2023-2027 Financial Plan through special council meetings, media webcasts, and information posted on the City’s website. In addition, the City will “**consult**” the public prior to final adoption of the 2023-2027 Financial Plan Bylaw.

http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf



OPTIONS:

OPTION 1: THAT Council give first, second and third readings to the City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023 (Solid Waste Fees), and;

THAT Council approve the 2023-2027 Municipal Solid Waste, Recyclables and Organics Financial Plan as presented for inclusion in the 2023-2027 Five-year plan.

OPTION 2: Provide alternative direction to staff.

Prepared by:



Annie Bérard, CPA, CMA, MBA
Manager of Financial Planning,
Payroll and Business Performance

Reviewed by:



Adam Langenmaier BBA, CPA, CA
Director of Financial Services

Reviewed by:



Kyle Shaw, ASCT, CPWI, CWP, CWWP
Director of Public Works Services

Concurrence by:



Geoff Garbutt, M.PI., MCIP, RPP
City Manager (CAO)

Attachments:

1. Solid Waste, Recycling and Organics 2023 – 2027 Financial Plan
2. City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023 (Solid Waste fees)

Appendix 8 - 2023-2027 Solid Waste, Recycling and Organics Financial Plan Report

Attachment 1 - Solid Waste, Recycling and Organics 2023-2027 Financial Plan

	2022	2023	2023	2023	2023	2023	2022	2023	BUDGET	
ACCT	BUDGET	INFLATION	GROWTH	SERVICE LEVEL	ONE-TIME	CAPITAL OPERATING	CARRY	BUDGET	INCREASE	VARIANCE
				IMPACTS	ITEMS	IMPACTS	FORWARD		(DECREASE)	%
Solid Waste Services										
SOLID WASTE REVENUE										
Garbage										
040-11-1-355-0000-15901-0020 GARBAGE- RESIDENTIAL CANS	(1,744,500)	(567,600)						(2,312,100)	(567,600)	33%
040-11-1-355-0000-15902-0020 GARBAGE-STICKER SALES	(10,000)							(10,000)		
040-11-1-355-0000-15903-0020 GARBAGE-COMM/STRATA MIXED BINS	(1,443,300)	1,443,300							1,443,300	(100%)
040-11-1-355-0000-15905-0020 GARBAGE - CARDBOARD BINS	(333,500)	333,500							333,500	(100%)
040-11-1-355-0000-15906-0020 GARBAGE-RES APARTMENT CANS	(115,900)	115,900							115,900	(100%)
040-11-1-355-0000-15907-0020 GARBAGE-COMMERCIAL CANS	(80,700)	80,700							80,700	(100%)
040-11-1-355-0000-15909-0020 YARD WASTE - STRATA	(6,400)	6,400							6,400	(100%)
040-11-1-355-0000-15910-0020 DCBIA TOTERS	(1,500)	1,500							1,500	(100%)
040-11-1-355-0000-18625-0050 MULTI MATERIAL BC RECYCLING REVENUE	(390,200)	12,500						(377,700)	12,500	(3%)
040-11-1-355-0000-18626-0050 MMBC RESIDENTIAL EDUCATION GRANT	(31,500)	(8,300)						(39,800)	(8,300)	26%
Total Garbage	(4,157,500)	1,417,900						(2,739,600)	1,417,900	(34%)
Total SOLID WASTE REVENUE	(4,157,500)	1,417,900						(2,739,600)	1,417,900	(34%)
SOLID WASTE EXPENSES										
Solid Waste Admin										
040-11-2-330-0000-34703-1100 SOLID WASTE - Salaries		26,100						26,100	26,100	
040-11-2-330-0000-34703-1130 SOLID WASTE - Wages Regular	80,000	48,500						128,500	48,500	61%
040-11-2-330-0000-34703-1131 SOLID WASTE - Wages Overtime										
040-11-2-330-0000-34703-1160 SOLID WASTE - Wages Student	10,000	(500)						9,500	(500)	(5%)
040-11-2-330-0000-34703-1170 SOLID WASTE - Wages Casual										
040-11-2-330-0000-34703-1200 SOLID WASTE - Benefits	20,000	27,900						47,900	27,900	140%
040-11-2-330-0000-34703-1310 GENERAL- - Clothing Allowance										
040-11-2-330-0000-34703-2040 SOLID WASTE Legal Services	60,000				(45,000)			15,000	(45,000)	(75%)
040-11-2-330-0000-34703-2210 SOLID WASTE Advertising	41,500	(17,500)						24,000	(17,500)	(42%)
040-11-2-330-0000-34703-2340 SOLID WASTE Training & Education										
040-11-2-330-0000-34703-2395 SOLID WASTE Printing	3,500				11,500			15,000	11,500	329%
040-11-2-330-0000-34703-5030 PUB AWARE CAMPAIGN				8,000				8,000	8,000	
040-11-2-330-0000-34703-5040 PUB AWARE CAMPAIGN	13,000	17,500			14,500			45,000	32,000	246%
040-11-2-330-0000-34703-5070 Public Education -MEALS										
Total Solid Waste Admin	228,000	102,000		8,000	(19,000)			319,000	91,000	40%
Solid Waste Contracted Services										
040-11-2-330-0000-34702-2020 SOLID WASTE Contracted Services	2,059,100	183,000		(742,900)				1,499,200	(559,900)	(27%)
040-11-2-330-0000-34702-5040 Solid Waste- MF & DCBIA toters & bins										
Total Solid Waste Contracted Services	2,059,100	183,000		(742,900)				1,499,200	(559,900)	(27%)
Solid Waste Tipping Fees										
040-11-2-330-0000-34704-3010 SOLID WASTE - CVRD Tipping Fees	1,645,300			(723,100)				922,200	(723,100)	(44%)
Total Solid Waste Tipping Fees	1,645,300			(723,100)				922,200	(723,100)	(44%)
Total SOLID WASTE EXPENSES	3,932,400	285,000		(1,458,000)	(19,000)			2,740,400	(1,192,000)	(30%)
Total Solid Waste Services	(225,100)	1,702,900		(1,458,000)	(19,000)			800	225,900	(100%)

THE CORPORATION OF THE CITY OF COURTENAY

BYLAW NO. 3087

A bylaw to amend City of Courtenay Fees and Charges Bylaw No. 1673, 1992

The Council of the Corporation of the City of Courtenay in open meeting assembled enacts as follows:

1. This bylaw may be cited for all purposes as **“City of Courtenay Fees and Charges Amendment Bylaw No. 3087, 2023.”**
2. That “City of Courtenay Fees and Charges Bylaw No. 1673, 1992” be amended as follows:
 - (a) That Schedule of Fees and Charges, Section III, Appendix IV “Garbage Collection Fees” be hereby repealed and substituted therefore by the following attached hereto and forming part of this bylaw:

“Schedule of Fees and Charges Section III, Appendix IV – Solid Waste Collection Fees”
3. This bylaw shall come into effect upon final adoption hereof.

Read a first time this day of , 2023

Read a second time this day of , 2023

Read a third time this day of , 2023

Finally passed and adopted this day of , 2023

Mayor

Deputy Corporate Officer

SCHEDULE OF FEES AND CHARGES
CITY OF COURTENAY FEES AND CHARGES AMENDMENT BYLAW NO. 3087
SECTION III, APPENDIX IV
SOLID WASTE COLLECTION FEES

A.	Dwelling Basis Fee per unit per year	
	- includes solid waste, recyclables & organics pickup	\$237.50
	Extra Bag Ticket (50 litre) - each	\$5.00