



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.: 1705-20 / 1830 - 05

From: Chief Administrative Officer

Date: February 18, 2020

Subject: 2020 - 2024 MUNICIPAL SOLID WASTE, RECYCLABLES, AND YARD WASTE BUDGETS

PURPOSE:

The purpose of this report is to consider the 2020 - 2024 operating budget for Municipal Solid Waste (MSW) and to establish the applicable solid waste, recyclables, and yard waste 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 yard waste 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. For 2020, a general user fee increase of 5.5% is required to ensure that the 2020 costs to deliver the service are fully covered.

CAO RECOMMENDATIONS:

That based on the February 18, 2020 staff report "2020 - 2024 Municipal Solid Waste, Recyclables, and Yard Waste Budgets" Council approve OPTION 1 and increase 2020 user fees by 5.5%, and;

That Bylaw Number 2982,2020 a bylaw to amend the "City of Courtenay Fees and Charges Bylaw No. 1673, 1992", proceed to first, second and third reading in order to revise the proposed 2020 Municipal Solid Waste, Recyclables and Yard Waste user fees.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

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 weekly curb side pickup of Municipal Solid Waste (MSW) / yard waste and bi-weekly pickup of recyclables for residential properties, and scheduled MSW/cardboard pickup for commercial properties. The user fee charged for this service must cover:

1. The costs of the contractor engaged to provide MSW/recyclables collection and transport services.

The cost of the solid waste and recyclables collection contract has increased by 7.5% in 2020. This is largely due to increased labour, fuel, and insurance costs faced by the contractor.

Approximately 51% of the user fee covers the collection contract costs and 3.5% of the 5.5% recommended increase to the user fee is attributable to these increases.

2. The costs of regional landfill fees for disposal of mixed waste.

Effective September 1, 2020, the regional landfill tipping fee will be \$140 per tonne. (2019 \$130 per tonne).

Approximately 43% of the user fee covers tipping fees and 2% of the 5.5% recommended increase to the user fee is related to these increases.

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, and represents approximately 2% of the overall user fee.

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 curb side pickup of recyclables to single and multi-family residences.

2021 – 2024 Financial Plan:

At the current service level, operating budget expenditures for 2021 – 2022 are projected to increase by about 5% annually based on growth, and increased contractual and tipping fee costs. 2023-2024 are projected to increase by about 3%. In order to ensure these cost increases are not a direct burden to the general tax base, it is projected that revenue generated from community growth of 1% and a user fee rate increase of 5%-2021, 4.5%-2022, 3.25%-2023, 3%-2024, will provide revenues sufficient to offset the operating costs. However, these are estimations based on existing operational circumstances. Future rate adjustments may be needed based on updated information and changing requirements.

Attachment #1 provides the proposed financial plan for 2021-2024.

FINANCIAL IMPLICATIONS:

In order to provide the same level of service to customers in 2020, a 5.5% user fee rate increase is required. The general impact to customers will be:

1. Annual flat levy fee for residential and commercial will increase from \$164.67 to \$173.73, a difference of \$9.06 per year;
2. Multi-family apartments and stratas (excluding yard waste) will increase from \$144.67 to \$152.63 a difference of \$7.96 per year;
3. Additional service fee charges for extra yard waste pickup will change from \$19.47 to \$20.54, a difference of \$1.07 per year.

Attachment #2 identifies all applicable rate changes in comparison to 2019.

ADMINISTRATIVE IMPLICATIONS:

Staff will update the utility billing system and Financial Plan documentation to reflect the approved rates for 2020 once the amended bylaw is adopted. This will take approximately 3 hours.

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

Operational Strategies – Public Works Services

1. Waste Collection Contract

OFFICIAL COMMUNITY PLAN REFERENCE:

Section 6.5 Solid Waste

Policy: 1

1. The City will pursue steps to reduce solid waste through a variety of approaches including:
 - education, promotion, advertising
 - encouraging recycling
 - encouraging home composting

- review user fees
- supporting recycling facilities within major commercial and industrial developments
- encouraging mandatory garbage collection for the Comox Valley

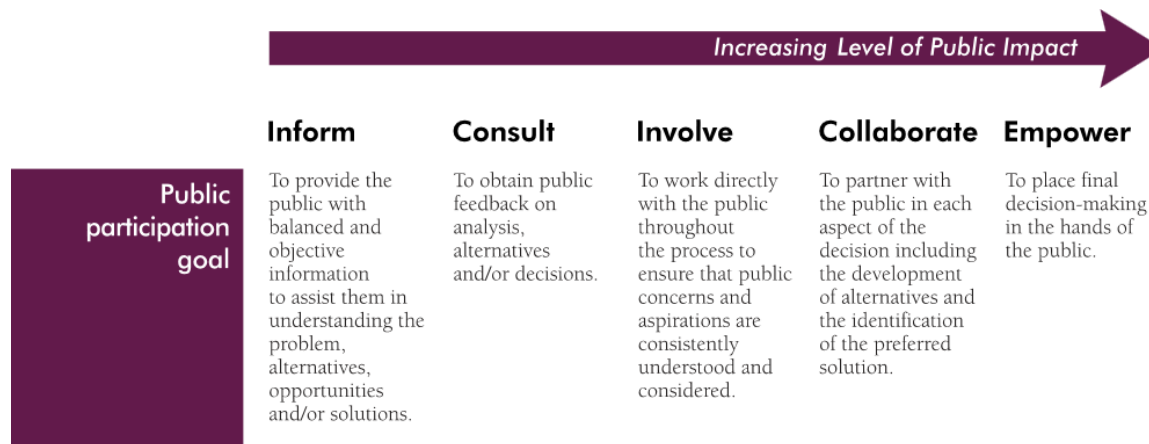
REGIONAL GROWTH STRATEGY REFERENCE:

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 2020-2024 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 2020-2024 Financial Plan Bylaw.

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



OPTIONS:

OPTION 1: That Council endorse the proposed increases to the Solid Waste, Recyclables, and Yard Waste user fees as outlined in the attached table of this report; and,

That Bylaw Number 2982,2020 a bylaw to amend the “City of Courtenay Fees and Charges Bylaw No. 1673, 1992”, proceed to first, second and third reading to reflect the proposed 2020 Solid Waste, Recyclables and Yard Waste user fees.

OPTION 2: That Council defer endorsing the proposed increase to the 2020 Solid Waste, Recyclables and Yard Waste user fees for further discussion at a later Council meeting.

While Option 2 provides time for further discussion, it also impacts the schedule required for the 2020 Budget process.

OPTION 3: That Council leave all Solid Waste, Recycling and Yard Waste user rates unchanged for 2020.

While Option 3 provides reduced user fees to the public, the City is still committed to making payments to our contractor and the Comox Valley Regional District, therefore a deficit would occur that may negatively impact future years' user fees and services provided.

Prepared by:

A handwritten signature in black ink, appearing to read "J. Nelson", with a stylized flourish at the end.

Jennifer Nelson, CPA, CGA
Director of Financial Services

Attachments:

- 1: 2020 – 2024 Solid Waste, Recycling and Yard Waste Financial Plan Summary
- 2: 2020 Solid Waste and Recycling User Fee Collection Rates

City of Courtenay
2020 - 2024 Five Year Financial Plan

Attachment #1

Solid Waste Summary	Final Budget	Proposed Budgets for Discussion			
	2020	2021	2022	2023	2024
REVENUES					
Garbage Collection	3,188,600	3,364,500	3,533,200	3,665,100	3,797,700
RecycleBC Revenue	338,100	338,100	338,100	338,100	338,100
RecycleBC Eductaion Grant	28,500	28,500	28,500	28,500	28,500
Total Revenues	3,555,200	3,731,100	3,899,800	4,031,700	4,164,300
EXPENDITURES					
OPERATING					
Collection Services					
General Services - Emterra	1,782,000	1,889,000	1,983,500	2,043,100	2,104,400
CVRD Services	1,490,300	1,576,400	1,665,400	1,732,700	1,802,700
Advertising	30,500	30,500	30,500	30,500	30,500
Sub-Total	3,302,800	3,495,900	3,679,400	3,806,300	3,937,600
Dog Stations	28,500	28,700	29,100	29,300	29,300
Miscellaneous	6,500	6,600	6,600	6,600	6,600
Litter Baskets - City Crew	95,100	95,900	96,900	97,900	97,900
Sub-Total	130,100	131,200	132,600	133,800	133,800
Total Operating Expenses	3,432,900	3,627,100	3,812,000	3,940,100	4,071,400
ADMINISTRATIVE / Staff Recovery					
Finance Clerk Wage Recovery	73,200	74,700	76,200	77,700	79,300
Postage, Billing Cycles	500	500	500	500	500
Total Administrative Expenses	73,700	75,200	76,700	78,200	79,800
Total Expenditures	3,506,600	3,702,300	3,888,700	4,018,300	4,151,200
Net Suplus (Deficit)	48,600	28,800	11,100	13,400	13,100

SOLID WASTE + RECYCLING COLLECTION FEES					2019	2020	
					Approved	Proposed	
					Rates	Rates	Change
a) Dwelling Basis Fee (included recycling & yard waste)					\$ 164.67	\$ 173.73	\$ 9.06
Extra Bag Ticket (50 litre) As of March 7					\$ 2.50	\$ 2.75	\$ 0.25
b) Multifamily, Apt, Strata per unit (no blue box, no recycling)					\$ 144.67	\$ 152.63	\$ 7.96
	a) Recycling Pick Up per unit				\$ -	\$ -	\$ -
	b) Yard Waste Pick Up per unit				\$ 19.47	\$ 20.54	\$ 1.07
c) Trade Premises - per Pick Up					\$ -	\$ -	\$ -
Cans	1 Can or Equivalent				\$ 2.86	\$ 3.02	\$ 0.16
	Each Extra Can				\$ 2.86	\$ 3.02	\$ 0.16
DCBIA - Per Unit Per Year					\$ 315.15	\$ 332.48	\$ 17.33
Containers - Mixed Per Pick Up					Calculated Rates		
Bins	2 Yd ³	Base Rate			\$ 17.15	\$ 18.09	\$ 0.94
	3 Yd ³	2 yd3 mixed container base rate X	1.5		\$ 25.73	\$ 27.14	\$ 1.41
	6 Yd ³	2 yd3 mixed container base rate X	3		\$ 51.45	\$ 54.27	\$ 2.82
	12 Yd ³	2 yd3 mixed container base rate X	6		\$ 102.90	\$ 108.54	\$ 5.64
	20 Yd ³	2 yd3 mixed container base rate X	10		\$ 171.50	\$ 180.90	\$ 9.40
	***Sizes other than listed above charged at a rate per cubic yard				\$ 8.58	\$ 9.05	\$ 0.47
Compactors - Mixed Per Pick Up							
Bins	27 Yd ³	Base Rate			\$ 463.39	\$ 488.88	\$ 25.49
	28 Yd ³	27 yd3 compactor Base Rate +	1	2 yd3 mixed bins container rate	\$ 480.54	\$ 506.97	\$ 26.43
	30 Yd ³	27 yd3 compactor Base Rate +	3	2 yd3 mixed bins container rate	\$ 514.84	\$ 543.15	\$ 28.31
	35 Yd ³	27 yd3 compactor Base Rate +	8	2 yd3 mixed bins container rate	\$ 600.59	\$ 633.60	\$ 33.01
	40 Yd ³	27 yd3 compactor Base Rate +	13	2 yd3 mixed bins container rate	\$ 686.34	\$ 724.05	\$ 37.71
	***Sizes other than listed above charged the Applicable Year's 27 cubic yard base rate plus multiple of 2 cubic yard base rate				\$ 17.15	\$ 18.09	\$ 0.94
Containers - Cardboard Per Pick Up							
Bins	2 Yd ³	Base Rate			\$ 9.38	\$ 9.90	\$ 0.52
	3 Yd ³	2 yd3 containers-cardboard Base rate x	1.5		\$ 14.07	\$ 14.85	\$ 0.78
	6 Yd ³	2 yd3 containers-cardboard Base rate x	3		\$ 28.14	\$ 29.70	\$ 1.56
	***Sizes other than listed above charged at a rate per cubic yard				\$ 4.69	\$ 4.95	\$ 0.26
Compactors - Cardboard Per Pick Up							
Bins	27 Yd ³	Base Rate			\$ 154.51	\$ 163.01	\$ 8.50
	30 Yd ³	2 yd3 mixed container base rate X	1	plus Compactors Cardboard base rate	\$ 171.66	\$ 181.10	\$ 9.44
	35 Yd ³	2 yd3 mixed container base rate X	2.67	plus Compactors Cardboard base rate	\$ 200.30	\$ 211.31	\$ 11.01
	40 Yd ³	2 yd3 mixed container base rate X	4.34	plus Compactors Cardboard base rate	\$ 228.94	\$ 241.52	\$ 12.58
	***Sizes other than listed above charged the Applicable Year's 27 cubic yard base rate plus multiple of 2 cubic yard base rate				\$ 5.72	\$ 6.04	\$ 0.31