



# STAFF REPORT TO COMMITTEE

**DATE OF REPORT** May 13, 2019

**MEETING TYPE & DATE** Regional Services Committee Meeting of May 22, 2019

**FROM:** Recycling & Waste Management Division  
Engineering Services Department

**SUBJECT:** Amendments to Bylaw No. 1958 Garbage and/or Recyclable Materials Collection

**FILE:** 0540-20-RS

## PURPOSE/INTRODUCTION

The purpose of this report is to obtain approval for an amendment of CVRD Bylaw No. 1958 Garbage and/or Recyclable Materials Collection Bylaw, 1999. The purpose of the amendment is to adjust annual utility fees for curbside collection service and align the bylaw with current best management practices for reducing wildlife conflicts.

## RECOMMENDED RESOLUTION

That "CVRD Bylaw No. 4277 - Garbage and/or Recyclable Materials Collection Amendment Bylaw, 2019", be forwarded to the Board for consideration of three readings and adoption.

## BACKGROUND

The CVRD has provided curbside recycling collection service to all electoral areas since approximately 2003. Garbage collection is also provided in Electoral Areas D, E, F, G and I. Areas F and I receive weekly garbage collection during the summer months to reduce human-wildlife conflicts. Participation in curbside collection is mandatory for all single family households in electoral areas. The CVRD also participates in the provincial WildsafeBC program to reduce human-wildlife conflicts related to garbage (Attachment B).

Between 1998 and 2013, curbside collection was contracted to private waste management companies, however, in response to acute rising costs, the CVRD introduced an in-house, automated service in late 2013 and was able to reduce the annual curbside collection fee (utility fee) by between \$1 and \$11 per household. Curbside collection is funded by utility fees and does not use taxation (requisition).

In 2014, Recycle BC (the stewardship agency responsible for managing printed paper and packaging in BC), assumed responsibility for funding curbside recycling collection in the CVRD. Revenue from Recycle BC does not fully cover the cost of the service, but does substantially offset the amount paid by residents. From 2014 to 2015, the annual revenue received from Recycle BC was held in reserve, in a contingency fund. In 2016, the Board authorized the application of the incoming Recycle BC revenue to annual utility bills, in order to reduce fees, for the duration of the Recycle BC contract. The value of the fee reduction is approximately \$32 per household, per year. Using Recycle BC revenue to reduce annual utility fees means that there is much less funding available to contribute to the contingency reserve.

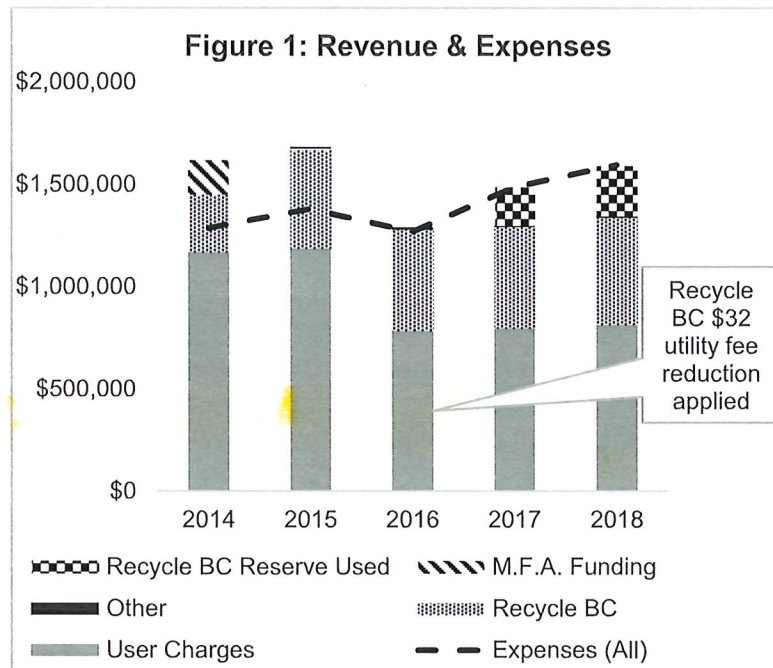
## ANALYSIS

The introduction of Recycle BC funding has allowed curbside utility fees to remain low for several years. Fees have not been increased since 2012, and have in fact been decreased twice during this period. Nonetheless, operating costs continue to rise year-over-year. Factors including rising fuel costs, repair and maintenance costs, an aging fleet, labour, an increasing amount of garbage



collected, internal allocation cost increases and Recycle BC audit costs, continue to put pressure on the budget.

Since 2017, the Recycle BC contingency reserve has been used to balance the curbside collection budget. The contingency reserve has provided a buffer against rising operating costs, while



allowing utility fees to remain low. However, the remaining contingency reserve will run out in 2019, meaning that an increase to utility fees is needed to avoid a year-end budget deficit. A second increase will be required in 2020, since the contingency reserve will have been exhausted entirely and can provide no further subsidy. In future, small, annual increases can be considered to cover inflationary pressures, and to avoid having to make large utility fee increases in any single year. Figure 1 shows the declining revenues in the curbside budget along with rising expenses. As shown, the gap between revenues and expenses has been funded by the Recycle BC contingency reserve, which will run

out in 2019.

Since 2016, the CVRD and the Town of Ladysmith have collaborated with WildSafeBC to reduce human-wildlife conflicts. Garbage is a known attractant for wildlife (in particular for bears) and best practices in place in a majority of BC jurisdictions include limiting curbside container set out times to the day of collection and requiring containers to be securely stored between collection days. The proposed amendments Bylaw No. 2108 adjust set out times and storage requirements to reflect this best practice.

## FINANCIAL CONSIDERATIONS

A proposed utility fee model is set out in Table 1 below. The model is based on the expenses outlined in the five year plan approved for the 2019 curbside collection budget (Function 515), which includes a 2% annual increase to cover inflation, labour and fuel increases. An anticipated increase to tipping fees has been added. The model assumes that the remaining Recycle BC contingency reserve will be fully used in 2019.

To calculate the utility fee increase, staff have determined the year-to-year operating shortfall based on projected expenses, and have calculated the fee increase required to make up for the shortfall. Fee increases are shared between all users, with households that also receive garbage service carrying slightly more of the cost to reflect their increased use of the service infrastructure. Pending approval of the recently amended Solid Waste Management Plan<sup>1</sup>, staff will carry out a full review of the curbside program including service models, costs and funding options, prior to implementation of universal three-stream collection, and will report back to the Committee in 2020. Table 1 shows the amount of the proposed fee increase, the total cost of service provision per household, and the total cost to residents after the Recycle BC annual rebate is applied.

<sup>1</sup> The Solid Waste Management Plan is currently with the BC Ministry of Environment and Climate Change Strategy for review and final approval.