
TO: CHIEF ADMINISTRATIVE OFFICER **DATE:** 2021 November 02
FROM: DIRECTOR ENGINEERING **FILE:** 36500-03
SUBJECT: **AMENDMENTS TO THE SOLID WASTE AND RECYCLING BYLAW 2010 FOR MULTI-FAMILY, INDUSTRIAL, COMMERCIAL, AND INSTITUTIONAL SERVICE FEES**

PURPOSE: To propose changes to the *Solid Waste and Recycling Bylaw 2010* Multi-family, Industrial, Commercial, and Institutional service fee structure that phases in cost increases by adjusting container rental fees and eliminating pick-up fee exemptions.

RECOMMENDATIONS:

1. **THAT** Council approve the proposed phased schedule for rate changes to the solid waste and recycling fee structure as set out in this report.
2. **THAT** Council authorize the City Solicitor to bring forward a bylaw to amend the fee schedules in the *Solid Waste and Recycling Bylaw 2010* as set out in this report.

REPORT

1.0 INTRODUCTION

The Multi-family, Institutional, Commercial, and Industrial (MFICI) solid waste service fees which the City of Burnaby charges customers have not increased since 2016. In the years that followed, costs associated with delivery of these services have risen due to increases in fuel, equipment, materials, labour, and disposal fees. Additionally, the proportion of multi-family households in the City's overall collection network has increased and there is a growing imbalance in the equity for cost recovery to residents. Changes to these rates are now required to help recover increased costs and ensure these costs are allocated fairly.

At the regular meeting of 2021 July 12, Council directed that staff develop options for changes to the solid waste and recycling fee structure for multi-family stratas and Co-ops that phases in the cost increases resulting from the proposed elimination of free pick ups.

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This report will provide Council with a comparison of the fee increases currently scheduled to take effect 2022 January 01, and the proposed alternative phased fee increase schedule as set out in this report.

2.0 POLICY SECTION

The following project is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

Goals

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets
- A Healthy Community
 - Healthy environment –
Enhance our environmental health, resilience and sustainability

3.0 BACKGROUND

Multi-family strata (385 complexes) and co-op (25 complexes) have been exempted from paying certain weekly container pick-up fees. Whilst commercial businesses, schools, civic facilities, and privately owned rental apartments (690 accounts) are charged the pick-up fee for every disposal. Exempting two classes of customers raises issues of equity. The pick-up fee exemption also does not support the equal distribution of costs associated with providing the service to those customers who benefit from receiving the service. Fee structure changes will also serve to encourage waste reduction and to promote diversion from the garbage stream to the recycling and green waste streams.

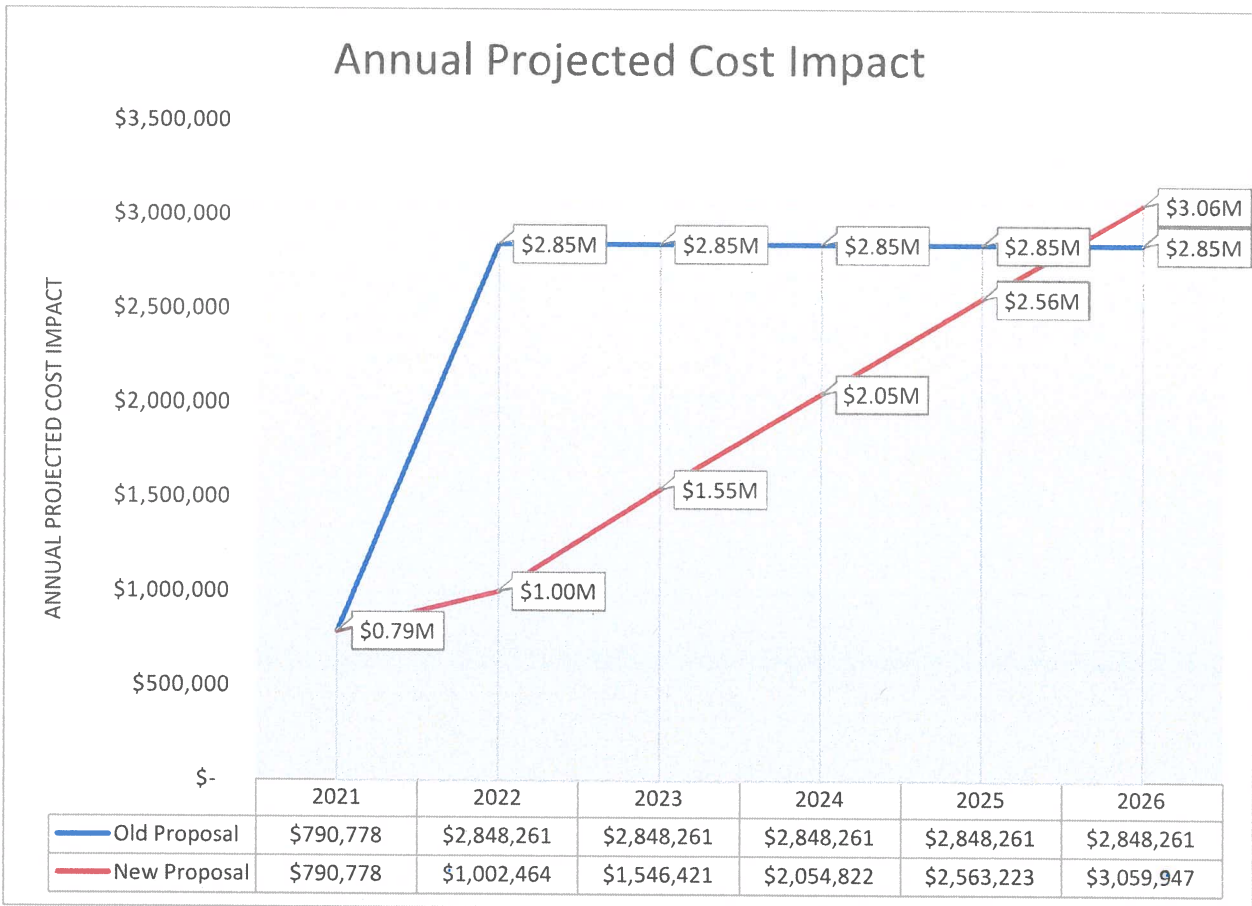
Council had previously approved changes to the *Solid Waste and Recycling Bylaw 2010* which eliminated the first pick-up fee exemption afforded to multi-family strata customers. This revision was to be made effective 2022 January 01.

In anticipation of this change, staff embarked on a customer notification program, which included letter correspondence and phone calls to property managers and strata councils. During this notification period, customers expressed concern that the cost increases were substantial and did not provide sufficient opportunity to plan for implementation. Customers also advised that these cost increases were on the heels of recent significant home insurance cost increases.

As a result, Council requested staff to develop a strategy that would phase in any cost increases and provide additional opportunity for customers to prepare for implementation by adjusting behaviours to promote diversion.

This report provides Council with a fee structure option that, if approved, phases in cost increases.

Graph 1 - Comparison of Cumulative Phased vs Un-phased Cost Increases



4.0 PROPOSED BYLAW CHANGES

Phase 1 – Increase Monthly Rental Fees

Commencing 2022 January 01, staff propose that the monthly rental fee for steel containers in the entire MFICI sector will increase approximately 50% per month. The purpose of this increase is twofold. Firstly, to help offset the rising cost of materials and labour used in container construction. Secondly, to encourage multi-family stratas and co-ops to reduce the number of additional containers rented to maximize the pick-up fee exemption.

Table 1 – Monthly Rental Fee Increases by Container Type

Container Size	Container Type	Monthly Rental Fee 2021	Monthly Rental Fee 2022	Monthly Fee Increase
6 cu.yd.	Skid	\$27.00	\$41.00	\$14.00
4 cu.yd.	Skid	\$26.00	\$40.00	\$14.00
4 cu.yd.	Castor	\$31.00	\$47.00	\$16.00
3 cu.yd. or less	Skid	\$25.00	\$38.00	\$13.00
3 cu.yd. or less	Castor	\$31.00	\$47.00	\$16.00
360 litre or less	Wheeled Cart	\$11.00	\$17.00	\$6.00

Upon implementation of the Phase 1 monthly rental fee adjustments on 2022 January 01, the rental fees are not proposed to require further adjustment until 2026.

Phase 2 – Removal of Pick-up Fee Exemptions

Staff propose that weekly pickup fee exemptions for multi-family strata and co-op complexes will be phased out over four years using a discounting process starting 2023 January 01 and completing 2026 January 01. Once phasing is complete, all pick-ups will be charged the prevailing pick-up fee based receptacle size and type without discount. This will ensure pick-up fees are equitably applied for all MFICI customers.

The phased removal of the pickup fee exemption will provide customers with additional time to implement behavioural changes to reduce the number of garbage containers rented, the number of pick-ups scheduled, and to improve recycling diversion.

Table 2 – Phasing Schedule for Removal of Pick-up Fee Exemptions

<u>Container Size</u>	<u>Container Type</u>	<u>2023 (75% Discounted)</u>	<u>2024 (50% Discounted)</u>	<u>2025 (25% Discounted)</u>	<u>2026 (No Discount)</u>
6 cu.yd.	Skid	\$15.00	\$30.00	\$45.00	\$59.00
4 cu.yd.	Skid	\$12.00	\$23.00	\$34.00	\$45.00
4 cu.yd.	Castor	\$12.00	\$23.00	\$34.00	\$45.00
3 cu.yd. or less	Skid	\$10.00	\$20.00	\$30.00	\$39.00
3 cu.yd. or less	Castor	\$10.00	\$20.00	\$30.00	\$39.00

Example Calculation 1 – Discounted Weekly Pick-up Fee Calculation

The phasing for removal of pick-up fee exemptions and for the charging of pick-up fees can be illustrated using the following example calculation for a 4 cu. yd. container.

Current weekly pick-up fee calculation

= (\$0.00 for exempted pick-up) + (\$45.00 for charged pick-up) = \$45.00 per week

Weekly pick-up fee calculation commencing 2023 January 01

= (\$12.00 for discounted pick-up) + (\$45.00 for charged pick-up) = \$57.00 per week

The customer in this example will be charged an additional \$12.00 per week, or the equivalent of \$624.00 per year, per container as compared to current. Assuming that no adjustments are made to the number of containers or the number of pick-ups, the customer in this example will observe another similar per year per container increase in each year until phasing is complete.

Phase 3 – Future Service Fee Increases

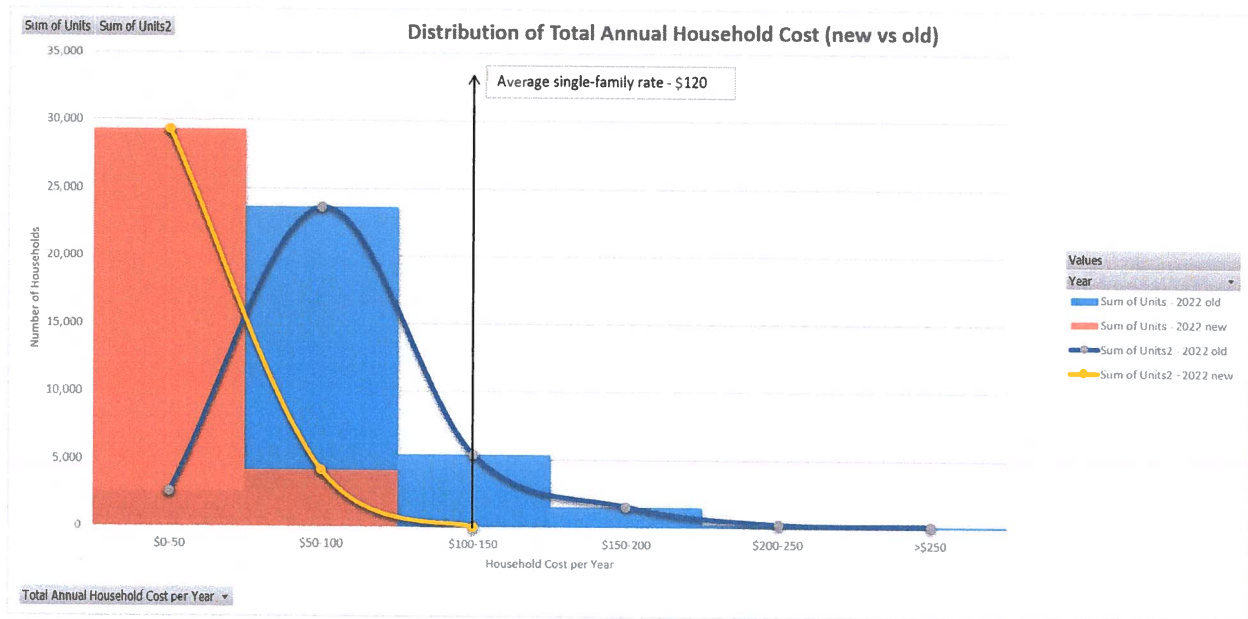
The phasing of pick-up fee exemptions is scheduled for completion on 2026 January 01. Following this date, future increases to the MFICI fee structure may be necessary to adequately recover the costs to provide service. Staff will then review cost increases to recommend any future fee increases.

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5.0 CUSTOMER IMPACTS

Customers will observe the costs of these monthly fee increases and removal of pick-up fee exemptions in varying degrees depending on the number of containers rented and the number of pick-ups performed. In all cases however, behavioral changes to reduce waste and promote diversion will help to mitigate cost increases.

Graph 2 – Comparison of Household Costs for 2022



Following implementation of the Phase 1 Monthly Rental Fee increases in 2022, the vast majority of multi-family strata and co-operative customers will continue to observe service fees below the average single-family household rate of \$120 per year.

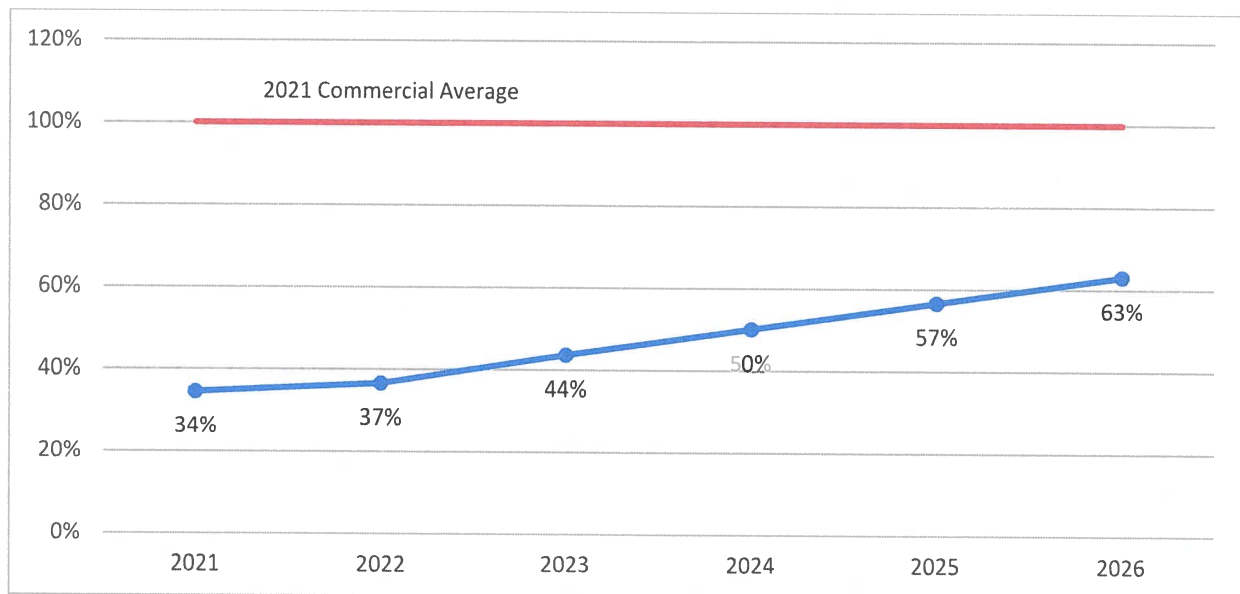
Table 3 – Multi-family Household Annual Fee Cost Distribution

Multi-family Household Fee Cost Range	Phase 1 Households (2022)	Phase 2 Complete Households (2026)
\$0 - \$50	87.40%	5.55%
\$50 - \$100	12.52%	67.51%
\$100 - \$150	0.08%	19.04%
\$150 - \$200	0.00%	5.50%
\$200 - \$250	0.00%	1.70%
> \$250	0.00%	0.71%

6.0 MARKET COMPARISONS

Staff have completed a review of comparable rate fee structures currently offered by private commercial service providers within the MFICI sector. It is anticipated that even with full implementation of all rate feed increases in 2026, City customers will continue to be charged rate fees that remain below the private commercial service providers.

Table 3 – Comparison of City of Burnaby Rates to Commercial Average



The City service model also provides customers with additional value added features such as Green Waste, Cardboard, Recycling, and Large Item collection at low rates which support waste diversion and enhance the overall service delivery.

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7.0 BYLAW ADOPTION SCHEDULE

At the regular meeting of 2021 November 22, staff plan to bring forward a bylaw for first reading to amend *Schedule A, Table A in the Solid Waste and Recycling Bylaw 2010* to increase the monthly rental fees for 2022 (Phase 1).

In subsequent years prior to year-end, staff will bring forward additional bylaw amendments to enact the phased removal of pick-up fee exemptions as per the schedule outlined in this report.

Completion of bylaw amendments to adopt the phased in approach will be completed prior to year-end 2025.

8.0 RECOMMENDATIONS

It is recommended that Council approve the proposed fee changes and authorize the City Solicitor to bring forward a bylaw to amend the fee schedules in the *Solid Waste and Recycling Bylaw 2010* as set out in this report.



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ES/JL/jv

Copied to: Chief Financial Officer
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Assistant Director Finance – Revenue Services