

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: FINANCIAL PLAN FOR AUTOMATED GARBAGE AND YARD WASTE
COLLECTION**

RECOMMENDATIONS:

1. THAT Council approve that the City's solid waste and recycling continue to be funded from the general property tax base and that differential pricing be introduced based on the size of the refuse toter selected.
2. THAT Staff be authorized to amend the existing Solid Waste Bylaw to reflect the upcoming automated collection program and the recommended fee schedule as outlined in this report.

REPORT

The Finance and Civic Development Committee, at its meeting held on 2009 February 26, received and adopted the *attached* report seeking Council's approval to retain the existing property tax based financing plan for solid waste and recycling services in connection with the upcoming automated collection program.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor N. Volkow
Vice Chair

Councillor C. Jordan
Member

Copied to:	City Manager Director Finance Director Engineering City Solicitor
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TO: CHAIR AND MEMBERS
FINANCE AND CIVIC DEVELOPMENT
COMMITTEE

DATE: 2009 February 18

FROM: DIRECTOR ENGINEERING
DIRECTOR FINANCE

SUBJECT: **FINANCIAL PLAN FOR AUTOMATED GARBAGE AND YARD WASTE COLLECTION**

PURPOSE: To seek the approval of the Committee and Council to retain the existing property tax based financing plan for solid waste and recycling services in connection with the upcoming automated collection program.

RECOMMENDATION:

1. **THAT** the Committee recommend to Council that the City's solid waste and recycling continue to be funded from the general property tax base and that differential pricing be introduced based on the size of the refuse toter selected.
2. **THAT** staff be authorized to amend the existing Solid Waste Bylaw to reflect the upcoming automated collection program and the recommended fee schedule as outlined in this report.

REPORT**1.0 BACKGROUND**

In 2008 March, Council approved a report from the Environment Committee on the implementation of an automated garbage and yard waste collection system. The purpose of the automated collection program is to provide Burnaby citizens with a more efficient collection service and to reduce waste disposal through better yard waste composting and recycling alternatives. The implementation of the new program also allows staff to examine the existing financial model for garbage collection with a view to create a more equitable method based on the user-pay concept while encouraging greater waste reduction and diversion effort.

The purpose of this report is to seek the approval of the Committee and Council to retain the funding of the garbage and recycling program within the existing property tax system and to introduce a differential pricing schedule to encourage greater waste reduction.

2.0 THE CURRENT SOLID WASTE AND RECYCLING PROGRAM

The current solid waste and recycling program includes the following components:

- Single family garbage, yard waste and recycling collection
- Multi-family, industrial, commercial and institutions garbage, yard waste and recycling collection
- Recycling and yard waste depots operations
- Bulky item and abandoned garbage collection
- Litter collection
- Program administration and clerical support

The 2009 annual operating budget for the above program is \$8.3 Million with offsetting revenue of \$2.1 Million. The entire program is currently funded by the general property tax.

Since the City's adoption of Metro Vancouver's Zero Waste Challenge initiative in 2007, the City has been working toward a higher waste reduction goal beyond the current 50% reduction target. The City has a well established "Think Three" program where residents are encouraged to keep the weekly garbage disposal to no more than 3 cans. Many residents have accepted recycling and composting as good environmental practices and utilize the City's waste reduction programs to minimize garbage disposal. However, the existing program funding model neither provides a cost reduction for those households that put out less waste nor charges extra for those households that put out a high volume of waste.

Notwithstanding the above, industrial, commercial and institution customers of Burnaby's waste collection system are charged based on the volume of waste and frequency of collection.

3.0 PROPOSED FUNDING PLAN FOR SOLID WASTE AND RECYCLING

One of the goals of the automated collection programs is maintain tax neutral. In order to achieve this goal, it is recommended that the solid waste and recycling program continue to be funded from the general property tax with no change to the current tax structure. To promote greater waste reduction, it is recommended that a differential pricing structure be introduced based on garbage toter size as part of the automated collection program implementation plan. The toter size based pricing structure supports the concept of "waste more and pay more, waste less and pay less". It is hoping that with the differential pricing schedule, the City will be able to achieve greater waste diversion in the future.

The following describes how the automated collection program and the toter system will be rolled out to Burnaby's single family and two-family residential sector and the choices of toters each household may make that best meet their needs.

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As the City is moving forward with the implementation of an automated garbage collection system, it is timely to examine the incentives created in the pricing of the solid waste and recycling program. Under the new automated collection program, every single family and two-family household will be given a set of 1 -180 litre (for garbage) and 1 – 245 litre (for yard waste) totes. Other sizes of the totes will be available to the residents as shown in Table 1 below:

Available Garbage Toter Sizes (One toter per household)	Available Yard Waste Toter Sizes (One toter per household)
<ul style="list-style-type: none"> • 120 litres (equal to approximately 1.5 standard cans). Appropriate for small families of up to three persons • 180 litres (equal to approximately 2.3 standard cans). Appropriate for average families between 3 and 5 persons • 245 litres (equal to approximately 3.2 standard cans). Appropriate for houses with secondary suites • 360 litres (equal to approximately 4.7 standard cans). Appropriate for houses with secondary suites and/or home based businesses 	<ul style="list-style-type: none"> • 180 litres • 245 litres • 360 litres

Table 1 Available Toter Sizes for Garbage and Yard Waste Automated Collection

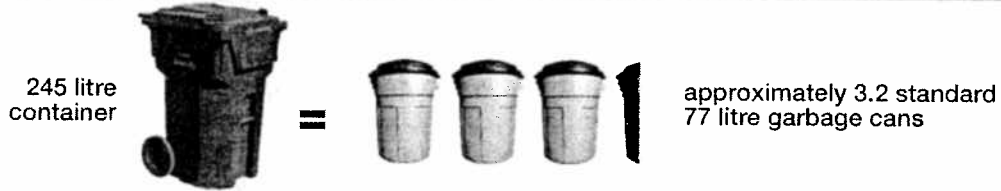
Garbage Containers: Which size is best for your household?



Garbage Containers: Which size is best for your household?



Garbage Containers: Which size is best for your household?



Garbage Containers: Which size is best for your household?



There are approximately 35,000 single and two-family households in Burnaby and the current plan in support of the automation program is that the City will purchase the required toters and distribute the default standard 180 litre toters to each household. To facilitate the selection of other than the standard toter size, by residents, and to allow sufficient lead time for the ordering and delivery of the toters, information pamphlets on the automated collection system and the toters will be sent to each household and public display of the toters will be held at major Burnaby shopping centres and public facilities during the month of February and March.

As part of the information distribution, a survey form will be sent out to each household in 2009 March outlining the new automated collection process and asking the homeowners to indicate their choice of toter size. Homeowners will be required to return the notice back to the City indicating their toter size choices by mid-April and if no reply is received by the deadline, a default size (180 litre) will be chosen for the property owners. After the returned forms are compiled, a tender will be issued for the supply and delivery of the toters by 2009 October. Based on the current procurement schedule, it is projected that the automated collection program will be rolled out to all households by 2009 November.

The new automated collection program offers residents the flexibility to choose the alternative toter sizes that best meet their need. By allowing residents to choose their toter sizes, the program provides an opportunity for the City to provide financial incentives to recycle in concert with the commencement of the automated collection system. The pricing concept for garbage collection would provide a financial incentive for residents to reduce waste and to utilize the recycling and composting programs at a higher level. For yard waste toters, residents are free to choose the size required with no differential pricing. For the commercial, industrial and institution sector, a fee for service system is in place and will remain unchanged except with minor adjustments to the fee schedule to reflect the projected increase in collection and disposal costs as outlined in Table 2.

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The majority of multi-family strata complexes in Burnaby are served by centralized container service. However, less than a dozen of the townhouse complexes are provided with individual can pick up service due to historical practices or unique site circumstances; they will continue to receive the same individual collection service with the new toter. These units will be given the same level of choice and alternative pricing as that being offered to the single family household as outlined in Table 2.

<p>1. Single and Two Family Residential Sector (Toter Service) (Will remain in the property tax base)</p>
<p>Garbage collection fee:</p> <ul style="list-style-type: none"> • 120 litres toter - (\$40)/year/household –credit applied to property taxes* • 180 litres toter - DEFAULT toter size, no charge • 245 litres toter - \$100/year/household charge • 360 litres toter - \$250/year/household charge <p>Recycling and yard waste collection fee:</p> <ul style="list-style-type: none"> • No charge, residents are free to choose any one of the three toter sizes (180, 245 and 360) available for yard waste.
<p>2. Business Sector (Container Service – Based on current schedule with adjustments to reflect increased collection and disposal costs)</p>
<p>Garbage collection fee:</p> <ul style="list-style-type: none"> • Charges based on size of containers and pick-ups • 6 cubic yard container <ul style="list-style-type: none"> ○ Rental: \$26.00/month ○ Pick-up charges: \$46.00 • 4 cubic yard container <ul style="list-style-type: none"> ○ Rental: \$25.00/month ○ Pick-up charges: \$37.00 • 3 cubic yard container <ul style="list-style-type: none"> ○ Rental: \$24.00/month ○ Pick-up charges: \$32.00 • Special sizes up to ½ cubic yard container <ul style="list-style-type: none"> ○ Rental: \$10.00/month ○ Pick-up charges: \$6.00 <p>Recycling collection fee (including yard waste):</p> <ul style="list-style-type: none"> • \$6.00/month for each recycling and yard waste container up to 360 litres in size • \$20.00/month for each 3, 4 or 6 cubic yard container

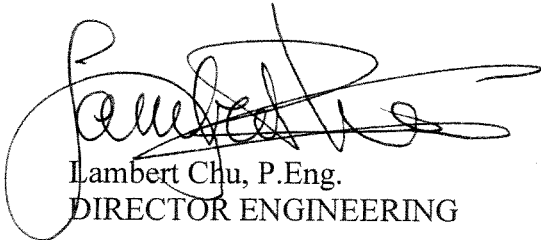
Table 2 Proposed Solid Waste and Recycling Utility Charges for 2010

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4.0 CONCLUSION

The new automated garbage and yard waste collection system will begin to roll out to all single and two-family households in 2009 November. The automated collection system will provide each household with two default 180 litre toters and alternatively a choice of toter sizes that best suit their family waste disposal and composting needs. The alternatives will support and promote the *waste more and pay more, waste less and pay less* principle. Residents who choose a smaller garbage toter will pay less than those who choose a larger garbage toter while those electing to stay with the default will not experience a financial impact. This pricing scheme is intended to help promote an enhanced level of waste reduction practice and to divert more recyclable and compostable materials to the recycling stream. The first set of 180 litre toters (one for garbage and one for yard waste) will be provided free of charge to each household. Subsequent replacement toters required due to theft, lost or misuse may be obtained from the City at cost. Additional yard waste toters may also be purchased from the City at cost.

It is recommended that Council approve the financial plan for the solid waste and recycling program as outlined in this report and that staff be authorized to amend the existing Solid Waste Bylaw to reflect the changes effective 2010 January 01.



Lambert Chu, P.Eng.
DIRECTOR ENGINEERING



Rick Earle
DIRECTOR FINANCE

RE/LSC/br

Copied to: City Manager
Director Finance