



## FINANCE DEPARTMENT REPORT

Report number: F-20-2023

Subject: Proposed garbage collection rates for 2024

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Reviewed by: Josée Brizard, CAO-Clerk

Date: October 30, 2023

## INTRODUCTION

### **HISTORICAL CONTEXT**

The garbage rate was set at \$180 in 2016 for subsequent years (By-laws 06-2016) and has never been reviewed since to reflect actual costs. The contract with Mikes's Waste and GFL has expired and has been renewed through the end of 2025. The renewal price has increased, and the garbage rate should be adjusted accordingly. In addition, recycling collection is no longer included in the rate charged, as it's now handled by the province.

### **USER-PAY CONCEPT**

Section 391 of the Municipal Act, 2001, c.25, as amended, stipulates that a municipality may set fees or charges for services provided and the use of its property. Costs included in fees or charges may include costs incurred by the municipality in administering, performing, and establishing, acquiring, and replacing capital assets. In the case of the Environment Department, for garbage collection, only properties with a collection service are charged; this is a user-pay case. Revenues from the rate charged are used to meet the needs of the service whether for day-to-day operations or for current and future capital and landfill closure and post-closure obligations. In summary:



It is important to note that the garbage collection rate is not charged to all properties. Commercial and industrial properties, vacant lots, do not pay this charge.

## EXPENSES CURRENTLY IN THE RATE

Currently, the garbage collection rate covers the cost of garbage collection, garbage disposal, large item collection, annual expenses of closed landfills, and a transfer to reserve for closure and post-closure costs.

Over the last few years, the cost of garbage collection and garbage disposal has increased in large part due to the surge in gas prices. Although we had a fixed contract, these increases were reflected in additional invoicing for the fuel surcharge.

## EXPENSES NOT CURRENTLY IN THE RATE

Since the rate was last established in 2016, other services have been added and these expenses should now be included in the rate as they are becoming significant and are currently taken in large part from the tax base while it should be user-pay.

### **HAZARDOUS WASTE DEPOTS**

Two hazardous waste depots were added in 2018 and 2019, in lieu of the annual collection, saving money and providing a better service. This is free to residents, but the cost of running these depots

increases rapidly each year. Since this is offered only to the users of the garbage collection, it should be normal that they are the only ones to paying for it. We have tried to find a solution, but there is no way to calculate the amount of waste brought in to charge per drop off. These costs are included in the operations and covered by the general tax base. Including the cost of operating of these depots in the garbage fee is the fairest way of to ensure that users cover the costs.

### ***DOG WASTE AND GARBAGE BINS***

As our communities become denser, the need for dog waste and garbage bins has seen a rise. This service has been added gradually, and now generates expenses large enough that they should be factored into this rate.

Each week, an employee is assigned to collect waste throughout the municipality. Special bags are required for dog waste to reduce odors and prevent leaks. The garbage bins need to be sturdy to keep out water and snow, and to prevent the wind from blowing them away. There's also the cost of disposing of all the collected trash. Currently, these costs are included in operations and covered by the general tax base. Again, these costs are associated with garbage collection and so should be included in the rate.

### **RESERVE FOR FUTURE SERVICES**

This is to cover the portion of the cost not charged to the resident. Should these future services not occur, Council could decide to allocate the amount in reserve to other environmental services.

### ***COMPOSTING***

Organic waste makes up a significant portion of municipal solid waste. By implementing composting programs, municipalities can divert organic materials from landfills, reducing the burden on these sites and mitigating harmful environmental impacts such as groundwater contamination and methane emissions. Composting is not yet offered by the municipality, but it is on the radar for coming years. As well, should the province require us to compost, we must have enough money in reserve to purchase the bins to provide the service.

### ***OTHER ITEMS***

Other items that are not currently collected in our landfills, but should be, include the removal of Freon from appliances, mattress recycling, and the sorting of construction materials. As our communities grow, the demand for these services will only increase, and the operating costs will need to be covered by both the rate and the tax base. It's also worth remembering that some of these services will extend the life of our landfills.

### **PROPOSED RATE**

Based on the items above, it is proposed that the new rate cover the cost of:

- Garbage disposal
- Garbage collection
- Large item collection
- Dog waste & garbage bin collection
- Expenses for closed landfills

- Net expenses for open landfills
- Hazardous Waste Depots
- Reserve for future services
- Reserve for closure & post-closure costs

The total proposed rate for 2024 is \$180. A breakdown of these costs is shown in Appendix A.

As the cost increase for 2025 is difficult to determine due to market volatility and cost uncertainty, it is suggested that the proposed rate be reviewed in conjunction with the 2025 budget. The 2026 garbage collection and disposal contract will be renegotiated in 2025.

## COMPARATIVE RATES

Comparative rates of surrounding municipalities are presented in Appendix B. Overall, several municipalities are increasing their rates to offset rising costs in general.

## ATTACHMENT

Appendix A – Breakdown of the proposed rate for 2024

Appendix B – Comparative rates of surrounding municipalities

## RECOMMENDATION

That Council approve the proposed garbage rates of \$180 for 2024.

That Council approve to review the rate in 2025 based on data available at that time.

Nadia Lockhart-Knebel, CPA  
Treasurer

# APPENDIX A

## BREAKDOWN OF COSTS FOR PROPOSED RATE

Component	2023 projected annual cost	2024 estimated annual costs		Cost per pick up	% of total
		w/CPI increase (3%)	# of pick ups*		
Garbage disposal (GFL)**	\$ 182,000	\$ 182,000	5,126	\$35.51	20%
Garbage collection (Mike's Waste)**	\$ 460,510	\$ 460,510	5,126	\$89.84	50%
Large item collection	\$ 16,600	\$ 17,100	5,126	\$3.34	2%
Dog waste & garbage bins	\$ 5,000	\$ 5,200	5,126	\$1.01	1%
Annual expenses - closed landfills	\$ 42,650	\$ 43,900	5,126	\$8.56	5%
Net annual expenses - open landfills	\$ 49,350	\$ 50,800	5,126	\$9.91	6%
Hazardous Waste Depots	\$ 17,700	\$ 18,200	5,126	\$3.55	2%
Reserve for future services	\$ 40,000	\$ 41,200	5,126	\$8.04	4%
Reserve for closure & post-closure costs	\$ 103,520	\$ 103,520	5,126	\$20.20	11%
<b>Total</b>				<b>\$179.95</b>	

\*based on 2023 pick ups + a growth of 66 households as per the development charge study

\*\*based on actual contract renewal for 2024

# APPENDIX B

## COMPARATIVE RATES OF SURROUNDING MUNICIPALITIES

Municipality	2023			2024	Increase from garbage rate
	Garbage	Recycling	Total Rate	Rate*	
Alfred-Plantagenet			\$180.00	\$250.00	+ \$70.00
Casselman			\$257.53	\$265.26	+ \$7.73
Champlain	\$170.00	\$61.00	\$231.00	\$175.00	+ \$5.00
Clarence-Rockland			\$221.00	\$221.00	Same
Hawkesbury	\$180.00	\$63.00	\$243.00	\$210 - \$320	+ \$30 - \$140
Hawkesbury-Est	\$170.23	\$58.30	\$228.53	\$180.00	+ \$9.77
Nation	\$105.00	\$75.00	\$180.00	\$180.00	+ \$75.00
Russell	\$139.00	\$73.00	\$212.00	\$212 - \$303	+ \$73 - \$164

\*total rate for 2024 is for garbage only since recycling is now collected by the province.