

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Finance Committee – November 21, 2024

**AUTHOR:** Marc Sole, Manager, Solid Waste Services

**SUBJECT:** 2025 REFUSE COLLECTION [355] FEE REVIEW

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### RECOMMENDATIONS

- 1) **THAT the report titled 2025 Refuse Collection [355] Fee Review be received for information;**
  - 2) **AND THAT Schedule A of *Sunshine Coast Regional District Waste Collection Bylaw No. 431* be amended to increase waste collection fees by 5.71% for 2025 and the cost of a replacement Food Waste Can to \$72 per can;**
  - 3) **AND THAT the 2025 projected operating shortfall be funded by Refuse Collection [355] Operating Reserves in the amount of \$70,905;**
  - 4) **AND FURTHER THAT the 2025-2029 Financial Plan be updated accordingly.**
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### BACKGROUND

The garbage and organic curbside collection services are both funded from fees collected under *Sunshine Coast Regional District Waste Collection Bylaw No. 431*.

There were no rate increases proposed for 2024 as an analysis determined that the existing rate was sufficient to fund the service through the remainder of the prior curbside garbage collection contract, which expired on May 31, 2024. The Sunshine Coast Regional District (SCRD) entered into a new curbside collection agreement in Q3, 2024, which contained higher collection fees than the previous contract. The financial implications of the new curbside collection contract need to be considered in the rate structure of this service.

The purpose of this report is to present an analysis and make recommendations to the Refuse Collection Service [355] rates for 2025.

### DISCUSSION

An analysis of projected service costs for 2025 has been done in preparation for establishing rates for the coming year. Refuse collection rates are set based on the revenue required to fund the service level and contract values approved by the Board. Any surplus is transferred to operating reserves, and conversely, operating reserves can be used to stabilize or smooth out rate increases if sufficient funds exist.

A review of the proposed 2025 budget determined that the existing rates may not be sufficient to fund the service at this time. There is also a projected uncommitted operating reserve balance of \$402,871 in 2024.

Therefore, it is recommended that the rates for 2025 be increased by 5.71%, with operating reserves funding a shortfall of \$70,905 in 2025. A further rate increase in 2026 will be required to fully fund the service without incurring a shortfall. Using operating reserves in 2025 allows for the increased costs to deliver this service to be spread over a two-year period. If operating reserves are not used to buffer the increased costs of this service, a rate increase of \$22.97 or 11.41% would be required. The proposed rates for 2025 are as follows:

<u>Annual Collection Fee</u>	<u>2024</u>	<u>2025</u>
<b>Single Family Residential Dwelling Unit</b>	\$201.26	\$212.75
<b>Mobile Home in Mobile Home Park</b>	\$169.67	\$181.16
<b>Rate stabilization from operating reserves</b>	\$0	\$70,905

A further financial analysis will be conducted in advance of the 2026 budget process to confirm the rate options for 2026, including using a portion of the operating reserve for rate stabilization.

An additional increase to the cost of a Food Waste Can (“Green Bin”) is also proposed to ensure cost recovery for each replacement container sold. The current replacement cost per can is \$72. However, the bylaw only allows us to charge \$40 per can. It is proposed that this fee be increased to \$72 to recover the cost of each replacement container sold.

*Timelines for next steps*

If approval is received to increase the rates, an amendment to *Sunshine Coast Regional District Waste Collection Bylaw No. 431* will be presented for the Boards consideration at the December 12, 2024, Board meeting. The 2025-2029 Financial Plan will also be updated accordingly.

*Communications Strategy*

User Fees will be communicated as part of the 2025 budget and utility rates communications plan. Service participants will have the opportunity to engage with the SCR D during the public budget engagement process. There will also be information included with utility bills when distributed.

**STRATEGIC PLAN AND RELATED POLICIES**

The rates presented are consistent with the Board’s Financial Sustainability policy.

**CONCLUSION**

The refuse collection rates are insufficient to fund the service in 2025. Therefore, it is recommended that the refuse collection rates be increased by 5.71% in 2025 and that operating reserves be used to fund the projected shortfall of \$70,905.

Reviewed by:			
Manager		Finance	X - A. Taylor
GM	X - R. Rosenboom	Legislative	
CAO/CFO	X - T. Perreault	Other	