

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Finance Committee – November 21, 2024

AUTHOR: Marc Sole, Manager, Solid Waste Services

SUBJECT: SOLID WASTE FACILITIES TIPPING FEES REVIEW

RECOMMENDATIONS

- (1) THAT the report titled Solid Waste Facilities Tipping Fees Review be received for information;**
 - (2) AND THAT the tipping fee for Municipal Solid Waste be increased from \$150 to \$165 per tonne in 2025, \$180 per tonne in 2026, and \$195 per tonne in 2027;**
 - (3) AND THAT the tipping fee for Cardboard be increased from \$285 to \$385 per tonne;**
 - (4) AND THAT the tipping fee for Scrap Metal be increased from \$150 to \$170 per tonne in 2025, \$190 per tonne in 2026, and \$210 per tonne in 2027;**
 - (5) AND THAT the tipping fee for Dry Mattresses or Boxsprings be increased from \$25 to \$30 per unit;**
 - (6) AND THAT the tipping fee for Crib Mattresses be increased from \$5 to \$10 per unit;**
 - (7) AND FURTHER THAT these tipping fees be incorporated into a future amendment of *Sunshine Coast Regional District Sanitary Landfill Site Bylaw No. 405*.**
-

BACKGROUND

The Sunshine Coast Regional District (SCRD) manages the Sechelt Landfill and Pender Harbour Transfer Station, where materials are collected for recycling or burial. The current Municipal Solid Waste (MSW) tipping fee at the Sechelt Landfill is \$150 per tonne, which has not been increased since September 2013. Rising costs over the past eleven years, particularly for cover material and landfill operations, have been funded through taxation. To ease the taxation burden and support future solid waste initiatives, staff propose a schedule for increasing the MSW tipping fee, moving towards a user fee cost recovery model.

At both disposal sites, cardboard, scrap metal, and mattresses are accepted for diversion. Cardboard is collected in a lidded 40-yard container and primarily serves commercial businesses that cannot access recycling depots. Once full, a contractor transports the cardboard off-coast for recycling. Scrap metal is also collected in designated 40-yard containers, with a contractor compacting and transporting the metal to a recycler in Vancouver. At Pender Harbour Transfer Station, customers stack mattresses in a 40-yard container, which

is later transported to Sechelt Landfill for reloading into a 53-foot trailer. SCRD staff manage the loading of the trailer, and once full, it is sent to a recycling plant in the Lower Mainland.

The purpose of this report is to present the results of a tipping fee analysis for MSW, cardboard, metal, and mattresses, and provide recommendations for increased tipping fees in *SCRD Sanitary Landfill Site Bylaw No. 405*.

DISCUSSION

Each material type has its own complexities that need consideration to make a fulsome analysis.

Tipping Fee Review of MSW

The MSW tipping fee serves as the main funding source for landfill operations, covering overhead costs, subsidies for diversion programs that aren't fully funded, and direct operational expenses. A review of recent contracts related to landfill operations revealed funding shortfalls that have required support through taxation. Increasing the MSW tipping fee could potentially reduce reliance on taxation for these services in future years. Table 1 presents the taxation required to support the operations of the Sechelt Landfill in 2025.

Table 1 - 2025 budget funded through taxation for Sechelt Landfill operations

	Required 2025 taxation
Sechelt Landfill Site Operations	\$460, 975
Sechelt Landfill cover and aggregate materials	\$151,200
Total	\$612,175

The average MSW received at the Sechelt Landfill over the past three years is 12,595 tonnes. To fully recover the costs of tax-funded landfill operations through user fees, an increase of \$46 per tonne would be necessary. Staff suggest a phased approach to increase the MSW tipping fee over three years to reduce the impact on the community. Table 2 includes the proposed fee schedule for the upcoming three years.

Table 2 - Proposed tipping fee schedule for MSW

	2024 (Current Tip Fee)	2025	2026	2027
Proposed Tipping Fee Increases	\$150	\$165	\$180	\$195

Tipping Fee Review of Scrap Metal

Revenues from the metal recycler and the large appliance stewardship program (Major Appliance Recycling Round table; MARR) must be considered in a review of scrap metal tipping fees. An analysis of 2023 expenses and revenues revealed that taxation funded \$60,540 in direct costs, with 844 tonnes collected. To fully fund this service through user fees, a \$61 per tonne increase in tipping fees is needed. To minimize the impact on stakeholders, staff

recommend a gradual adjustment to the tipping fee schedule over the next three years as follows.

Table 3 - Proposed Tipping Fee Schedule for Scrap Metal

	2024 (Current Tip Fee)	2025	2026	2027
Proposed Tipping Fee Increases	\$150	\$170	\$190	\$210

Tipping Fee Review of Mattresses and Cardboard

Direct costs for managing cardboard include expenses related to containers, hauling, and processing. Due to cardboard’s lightweight nature, the cost per tonne to recycle it is relatively high. A summary of current tipping fees and the projected direct costs for 2025 at each site is provided in Table 4. To promote diversion, full cost recovery is not recommended; however, a \$100 per tonne increase would help shift some of the costs to the users of this service.

Similarly, direct costs for mattresses encompass containers, hauling, and processing. In 2024, the mattress recycling contractor based in Delta was acquired by another recycler located in Hope. This change has resulted in increased direct costs due to the new contractor's pricing structure and additional transportation charges. The current contractor is the only facility in BC that recycles mattresses. A summary of current tipping fees and 2025 direct costs at each site is also included in Table 4. While full cost recovery is not recommended to encourage diversion, a \$5 per unit increase would aid in recovering a greater portion of costs through user fees.

Table 4 – Current Tipping Fees Compared to Direct Costs for Mattresses and Cardboard

Material Category	Current Tipping Fee	Estimated Direct Costs		Unit of Measure	Types of Direct Costs Incurred
		Pender Harbour Transfer Station	Sechelt Landfill		
Cardboard	\$285	\$1,752	\$455	Per tonne	Containers, hauling and processing
Mattress or Boxspring - Dry	\$25	\$65	\$43	Per unit	Containers, hauling and processing
Crib Mattress	\$5	\$30	\$19	Per Unit	Containers, hauling and processing

Financial Implications

Tipping fees are intended to cover the direct costs of disposing or recycling specific materials. The proposed fees for these materials were carefully evaluated to maintain incentives for diversion while taking into account the operational costs at the Pender Harbour Transfer Station and Sechelt Landfill.

A summary of the proposed tipping fee compared to the current fee is provided in Table 5.

Table 5 – Proposed Changes to Tipping Fees to be Implemented in 2025

Material Category	Current Tipping Fee	Proposed Tipping Fee	Unit of Measure
MSW	\$150	\$165	Per Tonne
Cardboard	\$285	\$385	Per Tonne
Metal – Scrap	\$150	\$170	Per Tonne
Mattress or Boxspring – Dry	\$25	\$30	Per Unit
Crib Mattress	\$5	\$10	Per unit

Timeline for next steps

Based on the Finance Committee’s recommendations, staff will bring forward an amendment to Bylaw No. 405 to the SCRD Board. The timing of this amendment is anticipated for Q1, 2025.

Staff will undertake further financial analyses in preparation of the 2026 budget process and will present the proposed tipping fees for 2026 and 2027 at the 2025 Finance Committee meeting.

Communications Strategy

Staff will develop a communications plan based on the Board's recommendations and timelines. This plan will proactively inform the public about the changes to the tipping fees and their rationale through a news release, social media posts, the Coast Current newsletter, and local media. If the Board approves the proposed tipping fees for MSW and scrap metal, these new rates will be publicly communicated to inform residents and businesses of future increases in the coming years.

STRATEGIC PLAN AND RELATED POLICIES

This staff report is aligned with the Board’s Service Delivery Focus Area of Solid Waste Solutions: Enhance diversion and recycling programs and look for ways to reduce costs. This report is also in alignment with the SCRD’s 2011 Solid Waste Management Plan.

CONCLUSION

A review of tipping fees for materials collected at the SCRD’s solid waste facilities determined that a portion of the associated costs is currently funded by taxation. To address this, proposed increases to the tipping fees aim to transition to a user-pay model, shifting some of the financial burden from taxpayers to users of these services.

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