



**London**  
CANADA



**Implementation of a Sustainable Financing Structure For  
Solid Waste Management in Ontario**

**Discussion Paper #4**

**Household Fees and PAYT Rates**

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## Glossary

The term “user pay” has been traditionally used in Ontario to describe any system where households pay for waste management.

In this paper, we have used two terms:

- **Household fees** refers to systems where residents are billed monthly or annually on a flat fee basis;
- **PAYT (Pay-As-You-Throw)** refers to systems that have a variable rate pricing structure: households are charged based on how much they throw out, rather than on a flat fee basis. This refers generally to bag and tag systems which have a charge per bag or tag, and more recently to variable can subscription systems.

The purpose of this Discussion Paper is to present fee rates and fee structures which are used to finance municipal waste management systems in Canada and the US. Billing methods, administration of fees and non-payment issues were addressed in Discussion Paper #3.

## 1. Overview of Municipal Solid Waste Management System Financing in Canadian Communities

This Discussion Paper provides a snapshot of different charging structures employed by cities across Canada with a focus on those communities using user fees (e.g. flat fees and/or PAYT) as part of their waste management financing strategy. Table 1.1 provides an overview of the different funding methods employed by Canadian cities to finance their municipal solid waste management activities.

A growing number of Canadian municipal governments use household fees to finance their residential waste management systems. Many municipalities in British Columbia and a handful in Alberta, Manitoba and the Territories charge an annual flat fee for various waste management services and require residents to pay per bag for any additional waste over a set limit (e.g. two bags per week).

**Table 1.1: Overview of Waste Management Financing Systems**

Municipality	Tipping Fees		Flat Fees		PAYT		Property Tax		Revenues		Funds	
	Res.	IC&I	SF	MF	SF	Bus.	Res.	Bus.	BBox	other	Gov't	other
<b>British Columbia</b>												
Victoria/CRD	√		√		√				√			
Vancouver - Pre 2006			√	√	√				√			
Vancouver – Post 2006			√	√	√				√			
Region of Nanaimo	√		√		√				√	√		
<b>Alberta</b>												
Calgary		√					√			√		√
Edmonton			√	√			√	√	√	√		
Airdrie	√		√		√				√			
St. Albert			√	√	√				√			
Lethbridge	√	√	√	√					√			
Grand Prairie			√	√	√							
<b>Prairies</b>												
Saskatoon			√									
Winnipeg		√					√		√		√	
<b>Ontario</b>												
Ottawa Pre- 2006		√					√	√	√	√	√	√
Ottawa Post - 2006		√	√	√			√	√	√	√	√	√
Toronto Pre - 2008		√				√	√	√	√	√	√	
Toronto Post - 2008		√	√	√		√			√	√	√	
Peel												
<b>Maritimes</b>												
Halifax		√					√		√		√	
St. John's		√					√					

Table 1.1 shows that Western Canada has widely embraced the use of flat fees and PAYT to fund waste management services. Many larger western communities have removed waste management system costs from the tax base and rely on flat (or variable) household fees and PAYT to fund their waste management programs. It should be noted that the PAYT programs are partial in nature and, therefore, do not contribute significantly to the funding of the waste management system. In fact, most of the PAYT programs cover the costs of disposing the excess garbage only.

In Eastern Canada (Ontario, Quebec and the Maritimes), the majority of municipal solid waste management systems are funded through the municipal tax base. The City of Toronto is the largest community in Ontario and Eastern Canada with a variable rate PAYT system. While the majority of Waste Management Departments in Ontario communities continue to use general revenues as a source of funding, there is a movement towards establishing separate waste management cost centres that have greater control over revenues and expenditures, and many Ontario communities (London, Kingston, Niagara among others) have been directed by Council to explore sustainable financing options. The City of Calgary, Alberta is also in the midst of exploring sustainable financing options for its waste management system longer term, as it plans to roll out curbside recycling in 2009.

Discussion Paper #3 focused on billing methods and fee administration. This Discussion Paper presents a range of fees and unit charges imposed by municipalities across Canada for solid waste management services. The range of fees is wide, as well as the range of services covered by different fees and offered by different communities.

## 2. British Columbia

### Capital Regional District (population 326,000)

The CRD includes the municipalities of Central Sannich, Colwood, Highlands, Langford, Metchosin, North Saanich, Oak Bay, Saanich, Sidney, Sooke, Victoria and View Royal and the District of Esquimalt. Waste management services are provided by different levels of government. The Regional government (Capital Regional District) is responsible for providing all waste diversion services while area municipalities are responsible for providing garbage related collection services.

The Capital Regional District is responsible for delivering all waste diversion programs, including recyclables and yard waste collection and processing services, and has a goal of 50% solid waste diversion. All solid waste diversion programs are funded through tipping fee revenues and from the sale of recyclable materials (the CRD keeps 100% of recyclable revenues). No funding is drawn from the tax base. In 2007, the tipping fee at the Hartland landfill was \$85 per tonne. It is estimated that of the \$85/tonne charged, \$38/tonne is used to pay for landfill operations and the remaining \$47/tonne is used to pay for waste diversion programs. As of January 2, 2009 Hartland Landfill's new rate is \$95/ tonne for disposal of general refuse.

The CRD uses differential tipping fees to further encourage diversion. These include a reduced fee for separated yard and garden waste to encourage its diversion for composting rather than landfilling.

Area municipalities are responsible for providing garbage collection services which are funded through annual flat fees charged to residents on their utility bills. All the municipalities in the CRD that offer residential garbage collection must adopt a PAYT system. This system limits the amount of garbage that each household may place out for collection to the equivalent of a single can per week. Additional cans or bags require garbage tags. Table 2.1 describes the financing systems and PAYT programs in the CRD area municipalities.

**Table 2.1: Municipal Solid Waste Management System Financing in CRD Municipalities in 2007**

Location	Population	Annual Flat Fee	Services Included in Flat Fee	Extra Tags
Sidney	10,900	SF - \$84.72/yr MF - \$68.48/yr	- Bi-weekly curbside recycling services - 1 can weekly garbage collection	\$3.00/tag
Oak Bay	17,800	SF - \$149/year	- Bi-weekly curbside recycling services - 1 wheeled tote bi-weekly garbage collection	
Esquimalt -	17,000	Financed mainly through the tax base	- Bi-weekly curbside recycling services - 2 cans bi-weekly garbage collection	\$2.00/tag
Victoria,	74,100	SF - \$150 /yr	- Bi-weekly curbside recycling services - 1 can weekly garbage collection	\$3.50/tag
Saanich	103,700	\$107/yr	- Bi-weekly curbside recycling services - 2 cans bi-weekly garbage collection	\$2.50/tag (max. 2 per collection)
View Royal	7,300	\$80/year	- Bi-weekly curbside recycling services - 2 cans bi-weekly garbage collection	\$2.00/tag

## City of Victoria (population 74,000)

Prior to 1990, waste management costs in the City of Victoria were covered through property taxes. In response to the increased tipping fees introduced by the CRD in the early 1990s, the City of Victoria revamped its garbage collection system. In January 1992, a flat fee system and partial user pay system was introduced in the City of Victoria in order to reduce the amount of waste requiring disposal and the cost. In 1992, residents were permitted to place two cans or bags of garbage at the curb. In 1996, the City reduced the number of “free” cans/bags to one.

In 1996, residents of the City of Victoria paid a flat annual fee of \$147 per household for bi-monthly (every two weeks) curbside recycling and weekly garbage collection services. This covered one bag per week and extra bags cost \$3.00 each (\$1.50 covers collection & disposal cost for the additional bag/container, the remaining \$1.50 goes into general revenues). The City sold very few addition stickers, about 12,000 stickers per year (~1 sticker/hhld/year).

In 2006, the City introduced full cost accounting in order to get a better handle on the true cost to provide residential waste management services. The full cost accounting approach has resulted in the identification of a \$14,000 revenue shortfall in waste management operations.

Today, the system remains virtually the same with a minimal increase in costs. In 2008, the City of Victoria announced that it would raise its flat fee by from \$150/hhld to \$156/hhld/yr to defray additional costs associated with increases in tipping fees at the CRD’s Hartland landfill, increases in fuel costs and wages and the recently discovered revenue shortfall.

	Funding Sources	Activities Funded
<b>Tipping Fees</b>		
residential tipping fees	\$47 out of \$85/tonne tipping fee is used to fund waste diversion programs in CRD	CRD uses tipping fees to fund recyclables & yard waste collection and processing & P&E
<b>Curbside User fees</b>		
Single family	\$15,000 (\$3.50/tag)	Pays for excess garbage collection & disposal
<b>Flat Fees</b>		
separate flat fee	\$2.5 million \$150/hhld/yr (SF)	Garbage collection and disposal
separate variable fee		
<b>Property Taxes</b>		
residential property taxes	\$0	
business taxes		
<b>Revenues</b>		
revenues from sale of recyclables	Not available	Helps pay for waste diversion programs

## Metro Vancouver (population 1,990,000)

As with the CRD, Metro Vancouver assumes some waste management responsibilities with area municipalities assuming the rest. Metro Vancouver is responsible for garbage disposal operations, including transfer stations, the Cache Creek landfill and the WTE incinerator as well as yard waste processing operations for some area municipalities and other waste diversion activities. To pay for waste diversion activities, Metro Vancouver applies a \$2.20/tonne surcharge to its garbage tipping fees. It does not fund any of these activities through the tax base.

Most municipalities in Metro Vancouver have established their municipal solid waste management departments as separate cost centres to finance and run their waste management systems. The majority of area municipalities within Metro Vancouver charge flat fees to residents ranging from about \$150 to \$210 per year for single family households. In some cases the fee includes recycling and may also cover the costs for a variety of services beyond collection/disposal and recycling. These services include litter control, education, depots, drop bins, and administration. In addition, with one or two exceptions, Metro Vancouver municipalities have implemented PAYT systems whereby residents are permitted to place a designated number of cans or bags of garbage at the curb (ranging from 2 to 3), covered by flat fees or on the tax base, with additional garbage requiring specially purchased tags. Tag prices for an extra bags/cans range from \$1 to \$2 per tag. Table 2.2 provides a review of financing systems and PAYT programs in Metro Vancouver area municipalities.



**Table 2.2: Flat Fees and PAYT Rates in Selected Metro Vancouver Municipalities**

Location	Population	Annual Flat Fee	Services Included in Flat Fee	Extra Tags
Vancouver (2007)	546,000	SF – \$172/yr	- Weekly curbside recycling services - Variable container garbage and leaf weekly collection	\$2.00/tag
Richmond (2006)	164,000	SF - \$208/yr MF - \$45/yr (recycling & litter charge)	- Weekly curbside recycling services - 2 cans weekly garbage collection	\$2.00/tag
Coquitlam (2006)	103,000	SF - \$160/yr MF - \$20/yr (recycling charge)	- Weekly curbside recycling services - 2 cans weekly garbage collection	\$2.00/tag
North Vancouver (2006)	44,300	SF - \$154/yr MF - \$118/yr	- Weekly curbside recycling services - 2 cans weekly garbage collection	\$2.00/tag
Burnaby (2006)	194,000	Services paid through property taxes	- Weekly curbside recycling services - 3 cans weekly garbage collection (but not strictly enforced)	none
Langley (2006)	23,700	Services paid through property taxes (averaging ~\$127/hh/yr)	- Weekly curbside recycling services - 2 cans weekly garbage collection	\$1.00/tag

Highlights of how some Metro Vancouver municipalities charge for their waste management services are described below.

### **The City of Richmond (population 164,300)**

The City of Richmond has a two can/bag program which entitles residents to place up to two cans or bags of garbage for weekly collection. Additional garbage requires a purchased \$2 sticker. Single family residents pay an annual fee of about \$208 for weekly two can garbage collection services and weekly recycling services. Multi family residents pay about \$45/year for recycling and litter services. The rates are broken down according to activity:

Single family residents - \$99.30/year for garbage collection and disposal services;  
- \$45.51/year for recycling collection and processing services;  
- \$41.14/year for yard waste collection and processing services and  
- \$22.23/year for litter collection and disposal services.

Multi family residents - \$22.96/year for recycling collection and processing services and  
- \$22.23/year for litter collection and disposal services.

Richmond residents are given a 10% discount if they pay the garbage bill on or before the due date.

### **District of North Vancouver (population 82,300)**

In 2001, the District of North Vancouver lowered its bag/can limit from 3 containers per week to two containers per week (extras \$2 each). North Vancouver estimated at the time that this reduction from three containers to two would result in cost savings to the District of approximately \$50,000 per year<sup>1</sup>.

### **City of North Vancouver (population 44,300)**

The City of North Vancouver offers residents weekly curbside garbage and recycling collection services. Residents are permitted to place up to two cans/bags of garbage per week for collection. Excess garbage requires a \$2 sticker. Single family residents are charged an annual flat fee of \$154/hh/year for waste management services and multi family residents are charged an annual flat fee of \$118/hh/year for waste management services. In the case of garbage, the annual flat fees pay for about 92% of garbage collection and disposal expenditures with revenues from tags representing about 3% of revenues. The waste diversion programs (recycling and yard waste collection and processing) paid by household fees (~77%) and rebates (~22%). The rates are broken down as follows:

- Single family residents - \$97/year for garbage collection and disposal services and  
- \$57/year for recycling collection and processing services
- Multi family residents - \$97/year for garbage collection and disposal services and  
- \$21/year for recycling collection and processing services

### **City of Vancouver (population 611,000)**

All solid waste system costs have been removed from the property taxes and instead show up as separate line items on the property tax bill (see Discussion Paper #3 for an example). Households pay directly for the service levels to which they subscribe. By removing the costs of solid waste collection and disposal out of the general levy, residential property taxes were reduced by 5.7% in the year the utility was implemented.

The City of Vancouver applies the following rules to funding of waste management services:

- PAYT for garbage disposal. This policy was established in 1994 and is consistent with the Regional Solid Waste Management Plan. The policy is intended to discourage waste production and encourage the 3 R's. Those who produce more garbage pay more (or those who produce less, pay less).
- Two Component Garbage Fee. The policy of using two components for garbage fees, a fixed Service Fee (also called Stop Fee) to cover the cost of overhead, billing, etc. and a unit cost per can of garbage service was established in October of 2001.
- Ensure that solid waste fees are fully recovered and apportioned back to householders through separate line items on the property tax bill.<sup>2</sup>

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<sup>1</sup> Source: The District of North Vancouver Website. Media Release, May 2001: "New Two-Can Limit In Effect For North Vancouver District Residents".

<sup>2</sup> City of Vancouver, September 30, 2004. Rate Structure for Automated Collection of Garbage and Yard Trimmings. Standing Committee on City Services and Budgets

City of Vancouver Pre 2006 Solid Waste Management System Financing (2005)		
Funding Sources	Amount	Activities Funded
<b>Tipping Fees</b>		
residential tipping fees		
commercial tipping fees		Pays for operation of landfill & EFW
surcharges on items delivered for disposal	\$2.20/tonne (charged by Metro Vancouver)	Funds some waste diversion programs
<b>Curbside User fees</b>		
Single family	\$145,000 (\$1.50/tag)	Pays for excess garbage collection & disposal
<b>Flat Fees</b>		
separate flat fee	\$14,900,000 \$149/hhld/yr (SF) (\$92/hh/yr for garbage \$19/hh/yr recycling \$38/hh/yr yard waste)	Garbage flat fee pays for garbage collection & disposal, Recycling flat fee pays for recyclables collection & disposal yd waste flat fee pays for yd waste collection & disposal
separate variable fee	None	N/a
<b>Property Taxes</b>		
residential property taxes	\$0	n/a
business taxes	\$0	n/a
<b>Revenues</b>		
revenues from sale of recyclables	\$1,700,000	Helps pay for waste diversion
revenues from sale of organics		
<b>Other</b>		
government and other grants (specify)		Tipping fee

City of Vancouver Post 2006 Solid Waste Management System Financing (2007)		
Funding Sources	Amount	Activities Funded
<b>Tipping Fees</b>		
residential tipping fees		
commercial tipping fees		Pays for operation of landfill & EFW
surcharges on items delivered for disposal	\$2.20/tonne (charged by Metro Vancouver)	Funds some waste diversion programs
<b>Curbside User fees</b>		
Single family	\$25,505 (estimated) (\$2.00/tag)	Pays for excess garbage collection & disposal
<b>Flat Fees</b>		
separate flat fee		n.a
separate variable fee	19,348,000. Avg. \$172/hhld/yr (SF) (\$70-147/hh/yr for garbage, \$20/hh/yr recycling, \$43-\$62/hh/yr for yard)	Garbage variable fee pays for garbage collection & disposal, Recycling flat fee pays for recyclables collection & disposal & yd waste variable fee pays for yd waste collection & disposal
<b>Property Taxes</b>		
residential property taxes	\$0	
business taxes		
<b>Revenues</b>		
revenues from sale of recyclables	\$2,088,000.	Helps pay for waste diversion
revenues from sale of organics		
<b>Other</b>		
government and other grants (specify)		Tipping fee
other cost recovery (describe)		

### Pre – 2006 Flat Fee System

Prior to 2006, Vancouver set a flat fee for each municipal waste management and diversion service provided to its residents. The MSW services appeared as separate line items on the property tax bill, and households were charged for the following services:

Garbage – stop fee (\$28/yr), per can fee (\$32/yr) x 2 cans= \$92/yr  
 Recycling – stop fee (\$10/yr), service fee (\$9/yr) = \$19/yr  
 Yard waste - \$38/yr flat fee

A typical household was charged \$149/yr, which permitted them to place two cans of garbage for collection each week. The combined garbage and leaf and yard waste fee was displayed as a separate line item from the recycling fee. Home owners had an option of requesting additional cans and were charged an additional fee of \$32/year on the bill or they could purchase tags from participating outlets at \$1.50/tag for occasional excess garbage. In 2005, the City sold approximately 83,000 tags per year collecting \$145,000 in revenues. The sticker price increased from \$1.50 to \$2.00 part way through the year.

### Post- 2006 Variable Rate Subscription System

In 2006, the City of Vancouver launched a new billing approach reflecting its new automated variable containerized waste management system. This new system offers residents a range of variable can sizes for garbage and leaf and yard waste. The fee is based on a two tier system, as follows:

- Garbage
  - 5 cart sizes to choose from (75 litre to 360 litre);
  - annual fee ranges from \$70 to \$147 per household based on cart size;
  - the fee includes cost of container;
  - The fee is based on a \$50 flat service fee + \$27/ 100 Litre collection fee.
- Recycling
  - stop fee (\$10/yr) + service fee (\$10/yr) = \$20/yr.
- Yard Waste
  - 4 cart sizes to choose (120 litre to 360 litre);
  - annual fee ranges \$43 to \$62 based on cart size:
  - The fee is based on a \$33 flat service fee + \$4 per 100 litre collection fee

The container fees increase with the size of the container as shown in Table 2.3.

**Table 2.3: City of Vancouver's Variable Rate Subscription Fees**

Garbage Container (2007 fees)		Yard Trimmings (2007 fees)		Recycling (2007 fee)
Container Size (litres)	Collection Fee (\$50 flat fee service + \$27/100 litre collection fee)	Container Size (litres)	Container Size (litres)	
75	\$70	Not available		\$20
120	\$82	120	\$43	\$20
180	\$99	180	\$47	\$20
240	\$115	240	\$52	\$20
360	\$147	360	\$62	\$20

The average household has experienced a slight increase in waste management service costs (garbage, yard trimmings & recycling) from 2005 to 2007, with the average household paying \$149/yr in 2005, \$161/yr in 2006 and \$172/yr in 2007.

In addition, residents continue to have the option of purchasing tags for additional garbage set outs. The cost for each tag was increased from \$1.50 to \$2.00. At the time, the City recognized that the financial impact of raising the price of garbage stickers was unknown because it was unclear how much demand there would be for stickers with the impact of automation plus the sticker price change. In 2006, the City sold 18,019 stickers (\$36,038 revenue). Sticker sales were much lower in 2006 due to the implementation of the automated collection program with variable pricing.

Metro Vancouver applies a \$2.20 per tonne surcharge on garbage disposed at the Cache Creek Landfill to pay for waste reduction and recycling initiatives. Metro Vancouver is also responsible for promotion and education programs that target residential waste reduction and commercial reduction and recycling as well as development of the Solid Waste Management Master Plan. The individual municipalities deliver their own P&E for residential collection (garbage and blue box recycling) programs. The surcharge is actually a point of contention, since it is not well defined in the solid waste management plan exactly what it is supposed to fund. For years many municipalities have been asking Metro Vancouver to provide more details on how the money is spent.

### **Regional District of Nanaimo (population 127,000)**

The Regional District of Nanaimo provides weekly or bi-weekly curbside garbage collection and/or recycling services to single family households throughout the region (excluding the City of Nanaimo). Under the system, residents are permitted to place one can/bag of garbage at the curb weekly (or 2 cans/bag bi-weekly). The area in which a resident lives determines the frequency of service they receive. Property owners are billed approximately \$140 annually for bi-weekly curbside garbage and recyclables collection and \$149 annually for weekly garbage and recyclables collection. The 2007 rates are broken down according to activity:

- Single family residents - \$108.00/year for bi-weekly garbage collection and disposal services;
- \$117.50/year for weekly garbage collection and disposal services and
- \$31.75/year for recycling collection and processing services.

Residents are permitted to place one can/bag of garbage to the curb weekly (or 2 cans/bag bi-weekly). Tags (\$2) are required for additional garbage. A maximum of two extra containers of garbage per week may be set out. Property owners are billed a flat annual fee for garbage and recycling service once a year in June.

### 3. Alberta

Most communities in Alberta charge a flat fee to pay for waste management services. The administration of the flat fee is either outsourced to utility companies or provided in-house. A handful of communities pay a portion or all waste management costs through property taxes. Many of these programs also employ PAYT for excess garbage. Table 3.1 summarizes the various systems employed by a selection of cities and towns in Alberta.

**Table 3.1: Fees and PAYT Charges in Selected Alberta Municipalities**

Location	Population	Annual Flat Fee	Services Included in Flat Fee	Extra Tags
Airdrie (2006)	20,400	SF – \$103/yr MF – \$42/yr	– depot recycling services – 2 cans weekly garbage collection –	\$1.00/tag
Grand Prairie (2006)	37,000	SF - \$130/yr MF - \$46/yr	– depot recycling services – 3 cans weekly garbage collection – MF fee pays recycling	\$3.00/tag (or \$1/tag if a group of 20 purchased)
Medicine Hat (2006)	51,200	SF - \$140/yr MF - \$34/yr	– depot recycling services – weekly garbage collection (no limits)	none
Edmonton (2007)	666,000	SF - \$182/yr MF - \$118/yr	– weekly curbside recycling services – weekly garbage collection (no limits) – flat fee augmented by tax base	none
Lethbridge (2007)	67,400	SF avg. – \$194/yr	– depot recycling services – variable rate garbage program	none
St. Albert (2007)	53,100	SF avg. - \$137/yr	– depot recycling services – variable rate garbage program	\$1.75/tag

### City of Airdrie (population 20,400)

The City of Airdrie was the first community in Alberta to implement a PAYT garbage system. A bag tag system was introduced in 1992 because Airdrie found it had little control over hauler contract costs or tipping fees in Calgary. One thing Airdrie could do was to reduce the amount of waste that it sent to landfill.

PAYT was phased in gradually. Initially residents could set out up to five bags of garbage per week (extras \$2) and now there is a two bag per week limit (extras \$1 each). In 1998 the over the limit stickers were reduced from \$2 to \$1 to show the true cost of disposing of an extra bag.

In 2006, residents that receive curbside garbage collection services were billed a waste management levy of \$8.23 bi-monthly (\$49.38 per year) and all residents including single family residences, multi-family and condo units were billed an Environmental Services Fee of \$6.99 (\$41.94 per year) bi-monthly which covers the costs for recycling, composting, HHW and spring clean up. Each single family resident paid \$103 annually.

The City of Airdrie bills its garbage and recycling services separately on the utility bill. The City distributes one bi-monthly utility bill for water, sewer, waste management and environmental services. The waste management levy is based on the number of water meters (if the unit has a water meter then it is billed for garbage services). The levies are published in the Waste by-law. The billing services are administered by two full time staff working within finance department but their salaries are portioned back to the water, sewer, solid waste departments.

City of Airdrie's Waste Financing System		
	Funding Sources	Activities Funded
<b>Tipping Fees</b>		
residential tipping fees	\$77,000	Pays for garbage disposal
commercial tipping fees		
surcharges on items delivered for disposal		
<b>Curbside User fees</b>		
Single family	\$32,000 (\$1/tag)	Covers cost to dispose extra waste
Commercial		
Multi family		
<b>Flat Fees</b>		
separate flat fee	\$383,000 (garbage) \$366,000 (recycling) (total \$103/hh/yr = ~\$61/hh/yr - garbage ~\$42/hh/yr -recycle)	Garbage flat fee pays for garbage collection & disposal, Env. flat fee pays for recycling and L&Y depot
separate variable fee		
<b>Property Taxes</b>		
residential property taxes	\$0	
business taxes		
<b>Revenues</b>		
revenues from sale of recyclables	\$92,000	Helps pay for waste diversion activities
revenues from sale of organics		
<b>Other</b>		
government and other grants (specify)		

### City of St. Albert (population 53,100)

The City of St. Albert was the first municipality in Canada to offer a pay-as-you-throw variable-rate subscription container program. In January 1994, St. Albert established a Solid Waste Utility in which the waste disposal expenditures (private landfill tipping and recycling depot) were transferred from the tax base to the utility bill as a flat fee of \$3.00 per month. The first year of the program experienced a revenue shortfall because City staff underestimated the number of residents who would subscribe to the lowest subscription services (1 can or bag per week). The city needed to adjust the subscription rates to ensure that the revenues offset the operating costs.

In 1996 the collection costs were transferred from the tax base to the utility bill as a flat fee of \$3.00 per month. The total flat rate was \$6.00 per month and included costs for recycling, waste collection and transportation, and landfill and tipping fees.

Today, St. Albert uses a variable rate container system in which residents are charged variable rates depending on the size of the container they wish to place at the curb for weekly waste collection. The larger the container (or number of bags), the higher the monthly fee (see Table 3.2 for 2007 fees).

St. Albert residents take recyclables and yard waste to a centralized depot paying \$3.65 per month for the service as a separate line item on the utility bill. They have the option of subscribing to a bi-weekly cart compost service through the summer months.

Residents can use an oversized bag provided that the bag is affixed with two "extra refuse" tags (\$1.75 each), two subscription tags, or one "extra refuse" tag and one subscription tag. Residents are permitted to change their subscription free of charge once per calendar year; however, additional changes in a calendar year cost \$20 per change.

City of St. Albert's Waste Financing System		
	Funding Sources	Activities Funded
<b>Tipping Fees</b>		
residential tipping fees		
commercial tipping fees		
surcharges on items delivered for disposal		
<b>Curbside User fees</b>		
Single family	\$118,000 (1.75/tag)	Covers cost to collect & dispose extra waste
commercial		
Multi family		
<b>Flat Fees</b>		
separate flat fee		
separate variable fee	\$2,355,000 (\$21-252/hh/yr garbage, \$43.80/hh/yr recycling)	Garbage flat fee pays for garbage collection & disposal, recycling flat fee pays for recycling and L&Y depot
<b>Property Taxes</b>		
residential property taxes		
business taxes		
<b>Revenues</b>		
revenues from sale of recyclables	171,000	Helps pay for waste diversion activities
revenues from sale of organics		
<b>Other</b>		
government and other grants (specify)		
other cost recovery (describe)	\$9,000 (penalties & fines)	General waste management

Table 3.2: City of St. Albert's 2007 Variable Container Rates

Bag/Tag program	Variable Container System	Monthly Rate
1 bag set out every two weeks	Not applicable	\$1.75
1 bag set out per week	Not applicable	\$3.50
2 bag set out per week	1 can or 121 litre toter set out per week	\$7.00
3 bag set out per week	Not applicable	\$10.50
4 bag set out per week	2 cans or 242 litre toter set out per week	\$14.00
6 bag set out per week	3 cans or 363 litre toter set out per week	\$21.00
Recycling & composting fee		\$3.65



### City of Edmonton (population 666,000)

In 1995, the City of Edmonton introduced a monthly flat fee to cover processing and disposal activities. Prior to 1995, all residential waste services were funded through property taxes. The flat fee financing system was adopted in order to resolve a financial inequity problem whereby multi-family residents were paying for garbage collection services through their property taxes which they did not receive. In essence, the multi-family sector was subsidizing the single family sector garbage service.

The monthly utility fee funds all disposal related activities (i.e. transfer station for garbage, MRF, Edmonton Composting facility, landfill disposal and Eco stations). The tax base was used to fund collection of waste, recyclables and litter. Property taxes are used to fund collection related activities (i.e. public education programs, garbage and recyclables collection, litter collection and community recycling depots). Over the years, the City used the flat fee approach to cover an increasing portion of waste management costs needed to cover new processing and disposal programs. The City of Edmonton adopted this financing structure as part of a 30-year Waste Management Strategic Plan.

In 2006, the average single family household paid ~ \$45 per year in property taxes towards the financing of waste management services based on an assessed property value of \$188,500 and the average multi family household paid ~ \$16 per year in property taxes on an assess property value of \$55,000 for collection services. The 2006 flat fees average:

- ~\$159 per year for single family households and
- ~\$103 per year for multi family households.

They are used to fund disposal and processing services.<sup>3</sup> The combined average cost paid per single family household (SFH) was approximately \$204 per year and \$119 per year for multi-family households. In addition, the residential waste management system had been subsidized by taxes from businesses in the amount of \$32/hhld per year. The costs were offset by revenues generated from tipping fees at the City's Clover Bar Landfill and from sale of recyclables.

In March 2008, City Council voted to create a waste management utility, a city agency that will run the garbage collection and handling system and charge fees to cover the complete cost. All waste management costs are being charged as a flat fee starting in January 2009 and have been removed from the property taxes entirely.

City of Edmonton's Waste Financing System		
	Funding Sources	Activities Funded
<b>Tipping Fees</b>		
residential tipping fees	n.a. (\$42.00 per tonne)	Helps pay for waste management branch expenditures
commercial tipping fees	n.a. (\$42.00 per tonne)	
surcharges on items delivered for disposal		
<b>Flat Fees</b>		
separate flat fee	SF - \$159/yr (\$13.25/mth) MF - \$103.32/yr (\$8.61/mth)	Funds all disposal-related activities including a transfer station for garbage, the MRF, the Edmonton Composting Facility, landfill disposal and Eco Stations.
separate variable fee		
<b>Property Taxes</b>		
residential property taxes	SF avg. \$45.01/hh/yr MF avg. \$15.76/hh/yr	funds all collection related activities i.e. garbage & recyclables, litter collection, community recycling depots & public education programming
business taxes	\$7.6 million (equivalent to \$32/hh)	
<b>Revenues</b>		
revenues from sale of recyclables	\$2.6 million	Helps pay for waste diversion activities
revenues from sale of organics	\$46,000	
<b>Other</b>		
government and other grants (specify)		
other cost recovery (describe)	Alberta Action on Waste subsidizes HHW	General waste management

<sup>3</sup> Multi-family residents may apply for a multi family vacancy rebate at the end of the year for units not occupied.

### City of Lethbridge (population 67,400)

The City of Lethbridge has a unique approach to its waste management financing system. While residents are charged a flat fee on their utility bill to cover the cost of garbage and recycling services, they are also given a rebate from the sale of recyclables on their utility bill. Last year, residents were shown a \$0.50 credit on each utility bill from the sale of recyclables. The City has maintained this rebate policy since 1991.

The City is undergoing a number of changes to its waste management financing structure. Currently, it charges different tipping fees for residential garbage (\$10/tonne) and IC&I garbage (\$41/tonne). The residential preferred rate is paid by City residents and outside municipalities for residential waste. Most of the revenues from tipping fees are used to pay for landfill operations. Over the next few years, the City plans to slowly raise the residential tipping fee in order to reflect the truer costs of maintaining the landfill and demonstrate fairness with the IC&I tipping fee.

City of Lethbridge's Waste Financing System		
	Funding Sources	Activities Funded
<b>Tipping Fees</b>		
Residential tipping fees	\$3.9 million (charge residents \$10/t and IC&I \$39/t)	Helps fund landfill operations
Commerical tipping fees	See above	
Separate variable fee	\$3 million (avg \$194/hh/yr = \$117-126/hh/yr garbage, \$33/hh/yr recycling, \$42/hh/yr landfill fee)	Garbage flat fee recycling flat fee & landfill fee pays for all waste and waste diversion related
<b>Property Taxes</b>		
Residential property taxes	\$0	
Business taxes		
<b>Revenues</b>		
revenues from sale of recyclables	Itemized on bill as a credit to the resident	Recycling revenue shown as a credit on the utility bill

In addition, the City is transforming its waste collection services from a manual system to an automated variable rate cart system. The transition began in 2005 and is expected to be complete in 2009. Under the automated system, residents are permitted to choose from a large sized cart (equivalent to 5 bags in volume) or a medium sized cart (equivalent to 3 bag in volume) and charged according to the size, as follows:

- Large 5 bag cart - \$11.50 per month
- Medium 3 bag cart - \$9.75 per month
- Additional cart - \$7.48 per month

The garbage collection fee includes the costs of residential collection, administration, spring clean up, litter clean up and fiscal services. In addition, residents are charged a recycling fee of \$2.75 per month to cover recycling and yard waste depots, HSW services, P&E, administration and fiscal services as well as a landfill fee of \$3.50 per month to cover landfill disposal charges. In total, residents pay about \$194 per household per year in flat fees for waste management services.

## 4. Saskatchewan

Several small communities in Saskatchewan have unit pricing programs for waste management. As an example, the Town of Outlook (population 2,150) bills residents \$4 per month for weekly garbage collection (no bag limits) and \$2.50 per month for weekly curbside compost collection and the use of a recycling depot. Numerous other small Saskatchewan communities have similar programs.

### **Regional Authority of Carleton Trail (REACT) (population 20,000)**

The Regional Authority of Carleton Trail (REACT) was created in 1996 consisting of 45 municipalities. REACT is a waste management authority that provides waste collection and disposal services and waste diversion services (unmanned depots) to member municipalities. Member municipalities own REACT.

All member municipalities pay the same levy which varies based on initial year of membership. Upon joining REACT, a member municipality pays \$28 per capita for the first four years (which covers \$8 operating costs and \$20 capital costs) and \$12 per capita after the initial four year period. Member municipalities collect the monies through property taxes. The Authority is constantly reviewing the levy but to date it has not required adjustment. The following is a breakdown of revenues earned for 2003 (~\$1 million budget):

- Per capita levy (~50% of total budget) - \$400,000;
- Full user pay program (covers the cost of collection) - \$130,000;
- Rental of commercial and multi-residential waste bins (“holds us up”) - \$310,000;
- Tipping fee (volume based) - \$85,000;
- Revenue from recyclables and used oil - \$50,000 and
- Some miscellaneous business revenue.

All the revenues funnel into one fund. The revenues collected for waste services help subsidize recycling services. REACT provides a commercial waste service to IC&I customers and multi-residential buildings which provides critical financial support (it “holds us up”).

## 5. Manitoba

A number of communities in Manitoba have adopted PAYT programs for waste management.

### **City of Winnipeg (population 619,500)**

In Winnipeg residents can set out unlimited amounts of waste at the curb. The City relies on property taxes to pay for the collection and disposal of residential garbage. Winnipeg studied PAYT systems in the late 1990's and staff tried to get council to adopt a partial PAYT program in 2001 and then again full PAYT in 2004 but both proposals were rejected.

### **City of Selkirk (population 9,800)**

Facing the pending closure of its landfill in 2002, the City of Selkirk was forced to implement PAYT and other waste diversion programs in order to reduce the amount of waste that would need to be disposed outside of the municipality. The City implemented a combination of municipal purchasing policies, material ban bylaws, a new transfer station, a PAYT program and bag limits to reduce the amount of waste landfilled. The City placed a two bag restriction on the number of cans/bags of garbage that residents could set out for collection. Residents must purchase \$1.00 tags for additional garbage beyond the limit.

## 6. Ontario

Most communities in Ontario traditionally financed solid waste management through property taxes. In the last 10 years there has been an increasing interest in moving financing off the tax base and into household fees or various PAYT programs. Many communities have made the transition, and a number of large cities (London and Hamilton) are currently studying options. Toronto launched a variable rate cart program in November 2008.

The AMRC estimated that in 2005, 123 communities in Ontario had implemented user pay programs of which 65 (61%) were partial user pay programs and 58 (39%) were full user pay programs. Table 6.1 presents a summary of communities in Ontario with over 25,000 households who have full and partial PAYT programs as of fall 2005. A complete listing can be found in the 2005 AMRC (Association of Municipal Recycling Coordinators) report, *Analysis of User Pay Programs in Ontario*, at <http://www.stewardshipontario.ca/efund/projects/innovative.htm#126>.

**Table 6.1: Full and Partial PAYT Programs in Ontario In Communities with > 25,000 Households**

Program	House holds	Program launched	Set out	Bag/ Tag	Bag limits	Cost per bag/tag	Bag/ container restrictions
<b>Full PAYT Programs In Communities With &gt; 25,000 Households</b>							
Northumberland, County	36,366	Nov 1998. 5 munic joined 6 others in user pay, On Jan1, 1999, all munic became full user pay	All bags require tags	Tag	3	\$2.00/tag; vendors have option of charging \$2.20	30X38", black or green only, 77L, must be labelled "wet"
Oxford, County	39,868	February, 2003	All bags require tags	Tag	No	\$1.00/tag	1 tag for: 76X96 cm bag or container <129L, max 20 kg; 2 tags for larger bags or containers 129-240L, max 20 kg. 3 tags for containers >240L.
Wellington, County	29,558	January, 2002 (local munic. had programs in 92, 97, 96)	County issued stamped yellow bags	Bag	No	\$1.75 for large bag; \$1.00 for small	Large=30X38" Small=24X28" max weight: 40 lb or 18 kg.
<b>Partial PAYT Programs In Communities &gt; 25,000 Households</b>							
Barrie, City	44,652	1997	2 bag setout; First two bags: no tags	Tag	No	\$1.00/tag; \$2.00 as of Sept/05	20 kg; can must have handles
Durham, Region: Municipalities of Clarington, Scugog, Uxbridge and Brock	43,700	2004	3 bag setout; First three bags do not require tags	Tag	4	\$1.50/tag	20 kg
Greater Sudbury, City	63,020	2004	3 per setout; First three bags as is, additional require tag	Tag	No limit	\$2.00/tag	a max capacity of 85L and max weight of 25 kg.

Program	House holds	Program launched	Set out	Bag/ Tag	Bag limits	Cost per bag/tag	Bag/ container restrictions
Kingston, City	48,550	May 31, 1997 across amalgamated city	2 for residential, 12 for commercial	Tag	No	\$2.00/tag	40 lb
Niagara Region	410,574 pop(2001) 180,000 sfh		3 in 1998 2 in 2003	Tag			
Peel Region	1,000,000 pop 220,000 sfh	Feb 2002	2 for residential	Tag		\$1.00/tag	
Sault Ste. Marie, City	31,751	Jan. 1, 2004 to Jan. 1, 2006	2 per setout; Bags in excess of two require bag tags	Tag and landfill fee	No	\$2.00/tag	121L, 20 kg.
Simcoe, County	113,341	January 1 in 2005, but some municipalities have had it in place for several years	2 per setout	Tag	No	\$2.00/tag	Bag: 36X30"; Can: 17 gallons; max of 20 kg.
Whitby, Town	28,640	1996	4 per setout	Tag		\$1.00/tag	Receptacles must be no greater than 0.65 m (26") in height (from bottom up to top of receptacle) or 0.5 m (20") in width.

According to the AMRC study, most (78%) communities with full PAYT programs and 67% with partial PAYT programs had populations fewer than 5,000 households (approximately 15,000 population) in 2005. As shown in Table 6.1, only three (5%) of larger communities with populations greater than 25,000 households (approximately 75,000 population) had implemented full PAYT programs by 2005. According to the AMRC, of the 58 full PAYT programs in place in 2005, 80% started off as full PAYT programs and the remaining 20% evolved from partial programs. It may be that smaller communities have an easier time implementing full PAYT programs due to the stronger community bonds, more effective communications and dissemination of information and greater willingness of community leaders and Councillors to champion the cause, which may not be as prevalent in larger cities.

### County of Oxford (population 99,300)

Oxford County has a full PAYT program, where each bag of garbage must have a tag (\$1.00 each).

### City of Stratford (population 29,700)

Early in the implementation of the program in 1997, the City of Stratford decided to charge a lower user fee at the City landfill than at the curb as a way of compensating those residents that needed to drive their waste to the landfill. Initially the City charged \$1.20 per bag at the curb but only \$0.50 per bag at the landfill. Consequently, it experienced a 160% increase in residential self-haul waste going to landfill, with the average vehicle discarding 2.1 bags (compared with 1.0 bags per household placed at the curb). Efforts to eliminate the disparity resulted in comparable user fees at the curb and at the local landfill. Since its fiscal year 2001, the City has gradually increased the price of the bag at the curb from \$1.20 to its present \$1.75. The landfill fee has also increased from \$0.50 per bag to its present \$1.65 per bag. The result has been a noticeable decrease in the number of self-hauls to the landfill.

Those larger communities with PAYT programs have implemented partial PAYT programs (i.e. some level of collection service is funded on the tax base). City staff and Council have found that it is easier to obtain

citizen acceptance to a PAYT program if it is introduced in stages. The largest communities with partial PAYT programs (the Region of Durham, the Region of Peel and the Region of Niagara) started by implementing a three bag partial PAYT program.

### **Region of Peel (population 988,000)**

Until recently, the Region of Peel was the largest community in Ontario to introduce a partial PAYT program as a voluntary program in June 2001 and moving to a mandatory program in February 2002. Residents were given another six months to adjust to the partial PAYT program, with enforcement beginning in September 2002. Region staff set the price of the tag at \$1.00 to reflect what other nearby PAYT programs were charging. The cost of the tag essentially covers the cost to dispose of the excess bag of garbage. In October 2007, the Region of Peel reduced the bag limit to two but kept the price for each tag at \$1.00.

### **Region of Durham (population 531,000)**

Four of the eight municipalities within Durham Region that receive weekly garbage collection implemented a three bag variable rate program in 2004. Each additional bag requires the resident to purchase a \$1.50 tag. The cost of the tag is estimated to cover the cost to collect and dispose of the additional bag of garbage.

The remaining four municipalities which receive bi-weekly garbage collection services have a four bag limit in place (this works out to two bags per week) with each additional bag requiring a \$1.50 tag attached.

### **Region of Niagara (population 410,000)**

Niagara Region first introduced a three bag partial PAYT program in 1998 with a policy of gradually reducing the bag limit over time. In 2003, it reduced the limit to its current two bag PAYT program. Each additional bag of garbage requires a tag which costs \$1.00. Determining the price of the tag is a very individual decision for PAYT communities. Those communities that responded to the AMRC survey indicated a variety of approaches for setting the price of the tag or bag at user pay rate. Table 6.2 identifies some of the reasons given.

**Table 6.2: Setting the Tag Price**

<b>Program</b>	<b>PAYT Application</b>	<b>Cost per tag/bag</b>	<b>Setting the Rate</b>
Belleville (19,315 hhlds)	Full	\$1.00	Tag covers 50% of collection costs
Oxford County (39,868 hhlds)	Full	\$1.00	Tag estimated to cover the cost of collection and disposal
Stratford (12,953 hhlds)	Full	\$1.75	Tag covers the cost of collection
Wellington County (29,558 hhlds)	Full	\$1.75	Bag covers the cost of collection
Durham Region (43,700 hhlds)	3 bag partial	\$1.50	Tag covers the cost of collection and disposal
Kingston (48,550 hhlds)	2 bag partial	\$2.00	Tag covers the cost of collection and disposal (rounded up)
Orillia (15,500 hhlds)	40 "free" tags	\$1.50	Tag covers the costs of collection and disposal
Peel (340,000 hhlds)	3 bag partial	\$1.00	Based on what other communities are charging
Simcoe County (113,241 hhlds)	2 bag partial	\$2.00	Tag covers the costs of collection and disposal

Most Ontario municipalities charge between \$1.00 and \$3.00 per tag with the mean at \$2.00 per tag. The rule of thumb is that \$1.00 per tag will cover the incremental cost of disposal for the additional bag of garbage, up to \$2.00 will cover the cost of collection and disposal for the additional bag of garbage and \$3.00 will cover the system cost to manage the additional bag of garbage. Many communities surveyed by AMRC used prices in neighbouring communities to determine the price of the tag.

### **City of Ottawa (population 850,000)**

In July 2005, City Council approved the implementation of an alternative method to fund solid waste services and to increase the incentive to divert materials from landfill. The new funding approach continues to fund waste diversion and recycling costs for single family and multi-family residential properties through the property tax bill but the costs for garbage collection and landfill disposal are removed from the property tax and funded using a uniform flat fee.

The new funding system includes:

1. A differential flat fee for residential curbside garbage collection and multi-residential bin tipping garbage collection. The 2008 fees for residual garbage collection and landfill disposal are:
  - a. \$82 per household receiving residential curbside garbage collection; and
  - b. \$33 per household receiving multi-residential bin tipping garbage collection.

At the time of approval, Council also approved a base budget increase of \$650,000 to pay for the addition of five full time equivalent (FTE) staff to support the new billing and collection methodology, to be funded in 2006 by a one-time contribution from the Citywide Reserve Fund.<sup>4</sup>

Since 2006, residential garbage collection and disposal has been funded through a flat per household fee. The flat fee will still be billed on residential property tax bills, but will appear as a separate flat fee. Based on the 2005 funding model, this would represent an approximate \$500.00 reduction in property taxes for every \$1 million of assessed value.

The new funding model also shifts the costs of residential garbage collection and disposal from the commercial and industrial tax bill to full cost recovery from the residential properties obtaining services. Businesses will no longer help to pay for residential garbage collection services that they do not receive. The change in billing method is included in the overall 3.9% tax increase to residents and businesses for 2006.

The 2006 total revised budget to be recovered from the garbage collection and disposal flat fee was \$21.0 million. Of this total cost, multi-residential bin collection and disposal costs represented approximately \$2.5 million, with the balance of approximately \$18.5 million budgeted for curbside collection and disposal from single family homes. All indirect costs, such as landfill, have been allocated based on projected tonnages collected from the single-family residential and multi-residential sectors.

The City has explored PAYT which it has implemented with its small commercial businesses which receive City curbside collection services. To date, it has not implemented PAYT for its residential sector.

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<sup>4</sup> City of Ottawa. April 26, 2006. Solid Waste Flat Fee Funding Implementation Report. Report to City Council



### City of Toronto (population 2.5 million)

The City of Toronto used to have a bi-weekly six bag/ container (3 bags/containers per week) program in place for single family households. This system was replaced by a variable container program in November 2008. The variable rate program is volume based and the rate is structured so that residents setting out more waste pay more than residents that setting out less waste.

The rate structure is designed to ensure full cost recovery of providing residential waste management services and is applied to the residual waste containers only. The cost of providing waste management service to single family households was \$209/hhld/yr for waste management services broken down as follows:

- \$27 for City-wide services (including litter removal and HSW program)
- \$46 for Green Bin program (including collection, transfer and processing)
- \$26 for Recycling program (including collection, transfer and processing)
- \$110 for solid waste program (including collection, transfer and disposal)

The variable rate structure must generate a total of \$237.5 million annually from single family households (\$183.5 million for current services plus \$54 million for new initiatives) beginning in 2008 (prorated for a partial year in 2008) and increasing at a rate of 3.5% per year thereafter. This works out to an annual cost of \$271 for single family households starting in 2008.

The variable rate based system developed by Toronto allows residents to choose one of four sizes of garbage carts with annual rates increasing by cart volume (see Table 6.3). All waste management costs have been removed from the property taxes (November, 2008) and from now on will be charged as a variable flat rate fee on a joint water and solid waste bill. All waste diversion services are free of charge with the cost to provide the service built into the residual waste container rate. The City has argued that the rate structure is more equitable and ensures greater predictability and stability in generating revenues to pay program costs.

**Table 6.3: Toronto's Variable Rate Program for Single Family Households**

Cart Size	Bag Equivalent (bi-weekly)	Total Annual Cost	Net Annual Cost after Rebate (-\$209/yr)
75 litre	1.0	\$199	- \$10
120 litre	1.5	\$248	\$39
240 litre	3.0	\$342	\$133
360 litre	4.5	\$399	\$190

Additional features of the program include:

- Unlimited diversion services included in rate;
- Garbage Bin: \$20 fee to 'exchange up' in size;
- No fee to 'exchange down' in size (\$10 fee for first 3 months of program);
- Blue Bin: One free exchange prior to November 1, 2008;
- Residents are given 5 free bag tags to use for overflow (December '09 expiry date on tags);
- Additional tags can be purchased at Home Hardware for \$3.10 each.

One of the biggest challenges facing Toronto's new system was the transition from property tax based financing to fee based financing and the barriers created by existing provincial legislation. Toronto was unable to remove the entire solid waste management program cost from the residential/multi-residential

property classes as any property tax reduction on the residential class must be given in proportion to assessed value. This approach would result in some properties receiving tax reductions greater than the \$209 average and some properties receiving tax reductions much less than the \$209 average per household cost for base solid waste services.

The City temporarily resolved this problem by providing a flat rate rebate to every residential property. Since this approach does not require any major legislative or regulatory change (with the exception of allowing the City to add outstanding solid waste fees to the property tax bill and collect them as a priority lien) it can be implemented immediately. However, the City views this as a short term solution and acknowledges the need to change applicable provincial legislation in order to have the flexibility to adjust property taxes outside of the assessment based property tax system when necessary.

The variable rate program has been supported by a number of additional initiatives including the introduction of additional recycling container capacity, the addition of new materials (polystyrene and plastic bags) in the recycling program, transitioning townhouse complexes from bulky waste collection services to curbside collection services. In addition, Toronto staff are investigating other diversion initiatives such as the piloting of a curbside durable goods collection program and new reuse centres, and possible bans or levies on designated in-store packaging waste.

The variable rate program combined with other waste diversion initiatives is expected to help Toronto achieve its 70% diversion target by 2010.

## 7. Quebec and Maritimes

### Quebec

There are currently no user pay programs in Quebec. All waste management is financed through the tax system. Recycl Quebec has considerable interest in moving the user pay agenda forward and hosted a PAYT workshop in Trois Rivieres in November, 2006.

### The Maritimes

Provinces in the Maritimes have studied user pay systems but very few have been implemented to date. However, there are a couple of very small programs operating at this time in the province of New Brunswick.

### Prince Edward Island (population 135,300)

All communities in the Province of Prince Edward Island are part of the Waste Watch Program. PEI is the only Province in Canada providing full source separated material collection to every home and business in the Province. All full time residents are charged an annual flat fee of \$175 per household per year (part time cottagers pay \$75/year) for bi-weekly collection of organics (a 240 litre green cart) and waste (a 240 litre black cart), as well as monthly collection of recyclables in blue bags. Residents are required to set out any extra garbage in clear bags. Although there is no official bag limit, collectors do not like to see any more than two extra bags out at the curb.