

PAY-AS-YOU-THROW (PAYT) & ORGANICS WASTE UTILITY

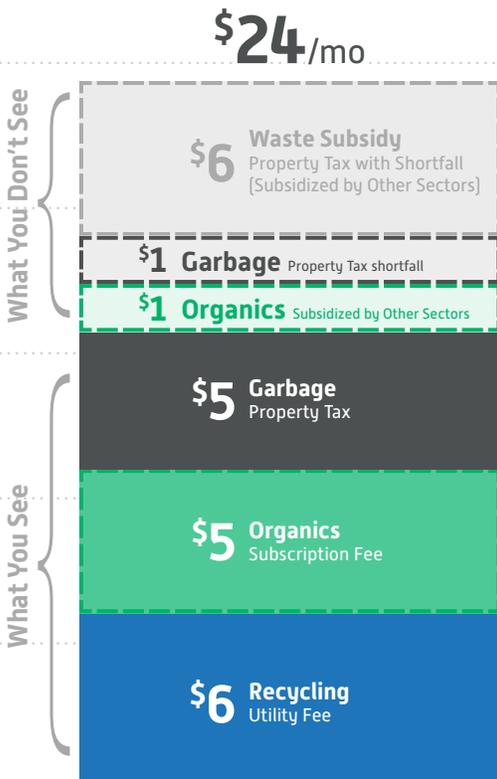
Frequently Asked Questions



What will the Pay-As-You-Throw (PAYT) utility and organics program cost residents?

The following are estimates based on the average assessed property value of \$371,000.

The Illusion of Waste Services Current Costs



Property Tax and Fee Option for Waste Services (Year 1)

\$31/mo



or

Waste Utility Option (Year 1) Recommended



Does not cover full program cost to deliver the service.

*Requires 2% Property Tax Increase to Address Current Annual Funding Shortfalls plus 1.8% for Landfill Replacement

Does not reflect \$5.27 that would be removed from property tax on a \$371,000 average assessed value.

†Final PAYT Rates to be set in 2019.

How will this impact my property taxes?

Based on the administration's recommendations for a unified waste utility, all properties are expected to see a 3.5% reduction in their property taxes which are currently allocated to waste services.

For example, a single-family household with a \$371,000 assessed property value would see a reduction of \$5.27 per month (\$63.28 per year) on their property taxes.

Will a reduction in my property taxes be equal to the proposed utility fee for organics and waste?

The proposed utility fee is higher than the reduction in property taxes due to a number of reasons:

1. The current property tax model is subsidized by the commercial sector, even though they do not receive garbage collection services from the City. Under a utility model, garbage services will be paid for by the users of the system.
2. The current property tax model and budget is underfunded. Additional funds need to be added to the waste collection services budget in order to be financially sustainable and ensure that the landfill is appropriately managed in line with economic, environmental and regulatory requirements.
3. An additional service, a Green Bin Organics Program, is included in the Waste Utility Cost. This service was not provided under the property tax model to all residents, therefore this would be an additional cost to the utility.

Why move these services from property taxes to a utility? Why not keep it as is?

In a utility model, users pay directly for services they are provided. This provides a mechanism to incentivize diversion. The recommended combination of City wide organics and the Pay-As-You-Throw waste utility could extend the landfill life by up to 20 years and help us achieve our goal of 70% waste diversion by 2023. This is anticipated to save the City \$5 million per year.

How will I know which PAYT bin size is right for me? Can I switch if it's not adequate?

60% of resident are expected to be able to switch to a smaller bin immediately. Switches to smaller bins are intended to be free.



How will the city address illegal dumping? Will the PAYT system not lead to more offenses?

Illegal dumping is a concern in all municipalities with or without variable pricing, including Saskatoon. It is estimated that the City spends approximately \$300,000 per year on cleaning up and managing illegally dumped waste. According to the Environmental Protection Agency, communities that have implemented variable pricing have found that illegal dumping is less of a concern than anticipated. One study found that 48% of cities and towns saw no change in illegal dumping, 6% felt it declined, and 19% saw an increase (27% had no information).

Providing adequate capacity for recycling and composting, educating effectively on the expectations of the program, and providing resources to enforce the rules are all strategies that can help minimize illegal dumping. The Administration will also explore opportunities to introduce a 'bulky item' collection service to make it more convenient for residents to dispose of items they cannot get to the landfill on their own.

Changes to the Waste Bylaw were recently made (effective January 1, 2018) to increase fines for illegal dumping, and we have added a new reporting tool online or by phone so that residents can inform our Environmental Protection Officers if they witness illegal dumping. We also continue to make improvements to our education and enforcement of the Waste Bylaw and we appreciate feedback from residents on how to make this better.

Are these programs mandatory?

Can I opt out?

The recommendation that is with City Council is for a mandatory city-wide organics program; garbage and recycling collection are already mandatory. No provisions for opting out are suggested, although there are three sizes of garbage bins being recommended. City Council will have the final say as to whether or not to accept the recommendations on mandatory organics and the Pay-as-you-throw (PAYT) utility.

When will the programs be implemented?

If approved by City Council, these programs are expected to launch in 2020.

What about the other sectors, like multi-unit residential and businesses?

The City engaged with multi-unit residents and property managers in June 2018. The results of that engagement are available [here](#). Administration is expected to come forward with recommendations in spring 2019.

Engagement with businesses and organizations (ICI – Industrial, Commercial, and Institutional) is expected to begin in fall 2018. Discussions will involve recycling, organics, source separation, construction and design, and food reclamation.

The mill rate reduction proposed will reduce the taxes paid by multi-unit residents and commercial business.

What happens if we do nothing?

City Council may choose to not implement any changes. At the current rate of waste going to the City landfill, it is expected to fill up within 40 years. The replacement cost is over \$120 million.

In order to fund existing waste management programs, a 2.0% increase in the mill rate beyond the indicative rate is needed. This does not include any additional savings for landfill replacement.

Doing nothing will have an amortized cost of \$23 million per year versus the combination of recommendations which will have an amortized cost of \$18 million per year.

