



City of  
**Peterborough**

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**To:** Members of the General Committee

**From:** Jen McFarlane, Commissioner, Municipal Operations (Acting)

**Meeting Date:** October 7, 2024

**Report:** Waste Collection Services for Multi-residential Properties Review, Report MOENV24-033

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## **Subject**

A report to present the findings of the Waste Collection Services for Multi-residential Properties review.

## **Recommendations**

That Council approve the recommendations outlined in Report MOENV24-033, dated October 7, 2024, of the Commissioner, Municipal Operations (Acting) as follows:

- a) That Report MOENV24-033 be received for information;
- b) That Council provide staff with direction to proceed with one of the four service level options outlined in Report MOENV24-033 of waste collection for multi-residential properties beyond 2024.

## **Executive Summary**

- The City currently provides curbside pickup to approximately 37% of multi residential properties, with the remaining 63% requiring private service.
- Service level options have been explored and are provided for Council's consideration.

## Background

In response to the Resolution of Council dated January 15, 2024:

“That staff report back to Council on the cost and service level implications related to garbage pick-up at various multi-residential/condominiums in the city; and, That the report include both the risks and opportunities as well as the financial implications of removing the garbage service from the tax fees paid by multi-residential/condominiums as well as the estimated cost of including green bin collection for the properties.”

City staff have prepared a summary of the background and rationale being implemented based on Council direction and approval of the Waste Management Master Plan Update (IPSES23-001, February 2023), and the Waste Collection By-law (MOENV23-001, October 2023), Municipal best practices, and public consultation.

### Current Service Levels to Exception List

Multi-residential and condominium units or homes are defined as having seven (7) or more units. It is estimated that 37% of multi-residential units, comprised of upwards of 250 units currently receive City-provided waste collection services. These properties, referred to as the “exception list”, currently receive service through a service extension through 2024 based on Council direction with approved temporary funding of \$500,000. The remaining 63% of multi-residential units in the City of Peterborough have already coordinated private garbage collection services.

Waste collection services are not provided equitably across all multi-residential properties, and in many cases contradicts site plan agreements. The history of how this inequitable service level came to be is unknown, however, many site plan agreements stipulate a requirement for private waste collection and snow removal, yet these properties have benefitted from municipal waste collection service over the past 20+ years. The current level of service is not provided by our peer municipalities, as demonstrated in Table 2.

These 37% of properties are currently on the temporary exception list and represent approximately 10% of all residential “units” within the City of Peterborough. They currently produce approximately 20-25 tons of garbage per week, or approximately 20% of garbage collected in the city from all residential units. Communal waste collection setouts pose a significant risk for operator health and safety as well negatively impacting our waste diversion as abandoned material is not linked to any specific residence, rendering it orphaned. This lack of accountability enables poor diversion and regulation compliance, and enforcement challenges. It also creates unsightly abandoned piles of garbage on the city right of way leading to increased complaints and additional demand on resources and equipment.

### **A. Option 1- Alignment of Servicing to Approved By-Law**

The by-law is based primarily on a field assessment to determine if equipment can access properties safely, identified pick-up locations clearly linked to an individual property that aligns with the current by-law to reduce administration and support education and enforcement initiatives (i.e. no common collection points, or non-standard condominium roads). Following that preliminary site assessment is an administrative review to confirm that the property does not have private waste collection identified as a condition of approval through the planning and development process (i.e. site plan approval, plan of condominium).

The City does not currently have the approved budget, staff, or equipment to offer multi-residential waste collection service to those properties currently on the exception list past the temporary 2024 funding. In the absence of staff direction by Council, the default service levels will rely on the approved Waste Collections By-Law. This will require notice to all properties currently receiving multi-residential waste collections.

Should an extension of the current exception list go beyond December 2024, the per month cost to extend would be \$60,000 per month. Although not stated in recommendation b), given the extensive budget implications of the remaining options, Option 1 is the option that eases budget constraints and operational pressures due to service demands exceeding resources. Should staff be directed to proceed with this option, a transition period of up to 3 months would be recommended so that appropriate notice can be given to the current exception list and allows them sufficient time for private collection to be arranged.

### **B. Option 2- Continue Waste Collection Services for the Exception List**

#### **Public Servicing:**

For the same service levels delivered to the current 37% of multi-residential units to be provided in-house by our Public Works Division beyond 2024, additional resources would be required. The City would need to purchase at least two additional new collection vehicles. This requires approximately 18 months lead time and \$1.25M in capital funding, plus bins estimated at \$168,000 (total capital estimate \$1.33M). There would also be the requirement for additional operating, maintenance and administrative support staff plus fuel, insurance, parts, depreciation, and other operating costs estimated at \$665,000 per year.

Should this option be considered the current exception list would need funding to extend the lease of rented units estimated at \$450,000 until equipment arrives and approval to hire permanent staff to continue. It should be noted that Public Works does not currently have the storage capacity to add sufficient staff, trucks, and equipment to the Municipal Operations Center and are currently experiencing overflow parking issues for staff. As mentioned previously, extending waste collection to multi-residential units is not a common service provided by our peer municipalities.

### **C. Option 3- Continue Waste Collection Services for the Exception List**

#### **Contracting Out:**

In accordance with the City's procurement by-law, an RFP or RFI would need to be issued to obtain an accurate estimate of the cost to contract out the waste collection services to the current multi-residential properties on the exception list within the City of Peterborough. Based on our internal costs, it is estimated that a contract for the provision of these services could be more than \$1,100,000 per year (subject to a tender process), plus additional City staff to coordinate and oversee the service estimated at \$185,000.

### **D. Option 4- Expansion to All Multi-Residential Properties**

In accordance with the City's procurement by-law, the City would need to initiate a public procurement process to obtain an accurate cost to contract out the waste collection services to **all** multi-residential properties currently on the exception list within the City of Peterborough. Based on our internal costs, and industry experience, it is estimated that a contract for the provision of these services could be approximately \$2,400,000 per year, plus additional City staff to coordinate and oversee the service estimated at \$185,000 annual operating costs. Additional specialized equipment, agreements, and staffing may be required to service large apartment buildings with on-site garbage compactors and roll-off bins.

**Summary of Service Level Options**

**Table 1. Service Level Options**

<b>Option</b>	<b>Overall Impact to Tax Rate</b>	<b>% Taxpayers Impacted by Additional Fees</b>	<b>Amendment to Waste Collection By-Law Required</b>	<b>Additional Resources Required</b>	<b>Lead Time Required</b>	<b>Equitable Service Levels</b>
1 By-Law Alignment	Short term impact to support the transition.  No impact beyond the date of transition.	37% of Multi-Residential properties  5% of total taxpayers	No	No  Potential Short Term	None  Consider supporting transition of up to 3 months.	Yes
2 Extension of Exception List (Public Servicing)	Long Term Impact	100%	Yes	Yes	In-house 18 months or Competitive Bidding Process	No
3 Extension of Exception List (Contractor Servicing)	Long Term Impact	100%	Yes	Yes	Competitive Bidding Process	No
4 Expansion to all Multi-Res Properties	Long Term Impact	100%	Yes	Yes	Competitive Bidding Process	Yes

## **Other Consideration**

### **A. Property Tax Implications**

The property tax levy for Waste Management services for all multi-residential and condominium properties in 2024 is \$1.1 million dollars, which equates to 0.51% in the All-Inclusive Rate for 2024 paid for by all Multi-Residential taxpayers, including the 67% of multi-residential properties currently paying for private waste collection. For example, if a property owner pays \$8000/year in taxes, \$54/year goes towards Waste Management services (\$4.50/month).

The property taxes levied for Waste Management includes all waste collection and management services: recycling, garbage, leaf, and yard waste plus organics, including management of parks, public spaces and facilities, operation, and management of current and former landfills, as well as all Diversion programs and facilities (Household Hazardous Waste, 24/7 public recycling depot, etc.).

Removing this funding from the property tax levy of these properties where curbside collection is not available would shift the burden from these properties to all other ratepayers in the City. There would not be an equivalent cost savings as all other aspects of the waste management services are still required to process the waste from those properties. In other words, property taxes fund all services to make them available to all ratepayers, though some services provided are not relevant or useful to all ratepayers. Removing this levy from these properties is setting a precedent for other ratepayer groups to hand select which services they want their tax dollars used towards. For example, People who don't play sports or have kids who play sports may not use any of the parks or playgrounds, but still fund them in their property taxes.

### **B. Source Separated Organics**

Phase one of the new GROW Peterborough program has been extremely successful, with diversion levels increasing from 52% to 76% (plus). Similar results are expected with program expansion into the Industrial, Commercial, Institutional, and Multi-Residential (ICI & MR) sectors. Source Separated Organic (SSO) collection to ICI & MR is currently available through private collection service contractors. Municipal program expansion, or future SSO phases will require a thorough review, program development, and site-specific implementation. Expansion is contingent on staffing and funding approvals and expected to take 3-5 years. The 2024 budget request to continue expanding this program was not approved.

## **Bag Tag Programs**

One of the suggestions that came through staff's public consultation was a "Bag Tag program." Lessons from other Municipalities who have trialed bag tags indicate that tags add costs to program participants, but the revenue does not cover the added staffing, printing, or enforcement costs. A Multi-Residential Bag Tag program cannot address challenges such as inequities in Multi-Residential waste collection services, decreased diversion rates, inaccessible roads, or abandoned waste at communal set-outs. A Bag Tag program tends to result in financial deficits, tag fraud, illegal dumping, and abandoned hazardous waste at communal set-outs.

## **Pilot Programs**

Various types of pilot programs have been considered, such as:

- a) Provide continued service to condominiums only where penalties can be issued to condo boards. Agreements and bonding would be required to issue amps for violations and require enforcement staffing.
- b) The potential of Source Separated Organics collection to multi residential properties. This would require program research, development coordination, ongoing monitoring and would be subject council approval.

**Level of Service Comparison**

In developing the Waste Management Master Plan Update, and the resulting Waste Collection by-law, a thorough review of service levels in other municipalities was conducted. It was discovered that peer municipalities do not deliver services in a similar manner with varying inconsistent levels of service. The by-law includes a recalibration to ensure a consistent, sustainable level of service. The by-law includes a scoped level of service based on the available budget and resources modeled on other Municipalities. For reference, a summary table of other municipal waste collection services for multi-residential properties is provided below.

**Table 2. Service Levels of Peer Municipalities**

<b>Municipality</b>	<b>Multi-Residential Waste Collection (Yes, No, Limited)</b>	<b>Comments</b>
<b>Barrie</b>	Limited	No curbside collection to multi-res over 11 units.
<b>Cobourg</b>	Limited	Municipal private road garbage service only provided when sufficient site parameters are met, at additional cost (bag tag system implemented in 2019).
<b>Guelph</b>	No	Multi-Residential property owners (6 or more units) shall arrange a private waste collection service.
<b>Kingston</b>	Limited	Collection offered to multi-res properties at an additional garbage service fee.
<b>Niagara</b>	Yes	Multi-residential (over 7 units) maximum 24 bags, additional service from a private contractor at additional cost.
<b>North Bay</b>	Limited	Multi-residential over 10 units - must use front-load bin service, plus a bag tag fee.
<b>Ottawa</b>	Limited	Multi-residential must meet city collection criteria, use front-load bin collection, at additional fee payable to city or a private contractor.
<b>Sault Ste. Marie</b>	No	As of January 1, 2021, the municipality no longer offers solid waste collection to multi-residential over 5 units. This service must be arranged through private contractor.



<b>Sudbury</b>	Limited	The City of Greater Sudbury only collects garbage from multi-unit residences if there is an agreement in place and an additional annual fee is paid.
<b>Toronto</b>	Limited	Multi-residential (over 9 units) must meet city collection criteria, at additional fee payable to city or a private contractor.
<b>Waterloo</b>	No	Multi-residential (7 or more units), private contractor required.
<b>Whitby</b>	No	Private Road Residences and Multi-Residential Properties are not eligible for Town waste collection services.
<b>Windsor</b>	No	Multi-residential over 4 units - owner must provide centralized bin for private collection. City does not enter private property for collection.

## Strategic Plan

Strategic Pillar: Governance & Fiscal Sustainability

Strategic Initiative: Support a culture of continuous improvement, safety, and innovation to enhance cost effective delivery of City programs and services

This review provides options for various service levels, to ensure service delivery is cost effective and equitable across the City.

## Engagement and Consultation

Following Council discussions in the fall of 2023, staff have received input from multiple stakeholders. Through public consultation, staff received input from varying types of property owners with unique circumstances including private roads, communal set-outs, pre-existing Site Plan Agreements etc. Private waste collection provider provided insight into their service capabilities and required lead time. The Waste Management Master Plan was also considered, which formed the basis for the Waste Management By-Law.

## Budget and Financial Implications

This report identifies the financial implications of varying levels of service. There are no budget or financial implications associated with receiving this report for information. Estimated budget and financial implications of varying service levels are provided in Table 3. Final budget and financial implications are subject to the City’s procurement processes.

**Table 3. Budget and Financial Implications**

<b>Option</b>	<b>Operating Costs</b>	<b>Capital Costs</b>	<b>Increase to Overall Tax Rate for 2025</b>
1 By-Law Alignment	\$45,000/month	\$0	0.25%
2 Extension of Exception List (Public Servicing)	\$665,000/year general operation costs \$415,000/year additional staffing Cumulatively \$665.00/year	\$1.33 M in equipment acquisition	0.99 %
3 Extension of Exception List (Contractor Servicing)	\$1.1 M/year \$185,000/year in staffing	\$0	0.51%
4 Expansion to all Multi-Res Properties	\$2.60 M/year \$185,000/year staffing	\$0	1.22%

## **Conclusion**

Current waste collection service levels for multi-residential and condominium units, or homes, have not previously been determined through an equitable process. This review supports the City in its efforts to provide equitable service levels while meeting the needs of the community

Submitted by,

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