



2025 Budget Request

Request: Waste Collection Reserve

From: Niall Lobley, CAO

Department: Community & Environmental Services

Total Financial Ask: \$300,000 (\$150,000 2025, \$150,000, 2026)

Type of Budget Request: *Operating (into Reserve)*

This document and its attachments are public and available in an accessible format upon request.

Background and Strategic Priority

Demonstrate and Enhance Environmental Stewardship

- Increase recycling and waste diversion
- Investigate opportunities for inter-municipal waste and recycling contracts using efficient and clean fuel burning vehicles
- Investigate opportunities for green box program within secondary settlement areas within the Township

Analysis

Georgian Bluffs is undertaking a procurement for new waste and garbage collection services to start in 2026. The new contract will begin as the existing contract with Waste Management comes to the end of its term. The timing for the new contract also aligns with the transition of Blue Box collection and management services to the Province under the Circular Materials Recovery Act.

Currently, the Township collects household waste and household blue box recycling materials on a curbside collection basis from approximately 5,600 residential, commercial, institutional and industrial properties across the Township. The collection contract is for household waste; typical materials that are not of a hazardous nature and cannot be recycled that are generated by a typical household week over week.



The Township currently spends approximately \$850,000 annually on waste collection services.

Approximately \$260,000 of this is the collection of household recycling.

The Township generates revenues from Circular Materials Ontario (CMO) who contribute toward the eligible address collection of recycling materials currently and from bag tags which generate revenue of approximately \$335,000 annually.

The balance, around \$260,000, is supported by the tax base as part of the operating budget.

The waste industry is rapidly changing as legislation seeks to reduce waste moving the landfill and improve the long term management of landfill. The waste industry, like the municipality, is preparing to evolve as vehicles and equipment evolve in response to climate change. The existing fleet is susceptible for fuel price increases, impacting collection and contract costs. Further, like many sectors, the waste management industry is seeing sustained labour impacts, which are forecasted to increase over coming years.

The Township is one of an increasingly small number of communities that support a manual, bagged waste collection. These are increasingly not supported; manual handling of waste is increasingly being eliminated in favour of mechanised collection for health and safety and labour attraction reasons.

One of the key changes that is predicted to impact household waste collection over coming years is the elimination of organic materials from the waste stream. Organic materials such as kitchen waste and yard waste, will no longer be accepted at landfills, largely due to the high carbon emission impact of these when placed in landfill. The Provincial government has pledged to eliminate organics from landfill, although the timing for this has been changed and no defined date for this change is in place.

The procurement process will also investigate options for other waste streams that the municipality currently pays for such as hazardous waste collection, yard waste collection, and services that residents pay for out of pocket currently, such as large item collection and disposal.

As a result of these pressures, The Township is aware that other municipalities who have been undertaking procurement of new waste management services are seeing substantial price increases with new contracts. These increases have, in some communities, been a doubling of collection contract pricing. Not only have some of these changes driven cost increases, some are changing the way that municipalities can fund waste collection; alternative ways of financing waste may be required if bag tags or similar cannot be used moving forward.



Staff anticipate that initial estimates for likely costs for future garbage collection services will be known by early 2025. However, staff are proposing that a waste collection reserve be established to provide a buffer for any cost increases in future years. Staff are proposing that this reserve be established and funded in 2025 and 2026 and that it then be used over the term of the next waste management contract to help soften the impact of any increased costs that are experienced with the next contract.

Financial Impact

\$150,000 in 2025 and \$150,000 in 2026; total of \$300,000.

The reserve would be funded by the operating budget over these two years.