



Municipality of the District of Argyle

Item: February 25, 2025

Date: Solid Waste Contract
Renewal

Vision statement

Argyle is the community of choice to invest, live and play.

Mission statement

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

Argyle provides affordable taxation while providing safe and healthy communities and strives to engage and inform our residents on decisions that affect them most.

Argyle provides high class, accessible recreational and cultural facilities and helps celebrate its unique heritage and culture and welcomes new residents to our region.

CAO's Recommendation:

That Council endorse the service level for the collection of Solid Waste for the 2025-2032 fiscal years, including the collection of recycling materials which shall be reimbursed to us through the Extended Producer Responsibility Provincial Legislation.

Service provision shall include the collection of residuals (garbage), recyclables and organics once every two weeks as is currently collected.

Suggested motion:

That Council endorse the attached request for proposal for Solid Waste Collection, and act as the principal contract holder for the collection of recycling material.

That Council task the CAO to negotiate an agreement with Circular Materials to receive industry funding under the Extended Producer Responsibility legislation.

Background:

WasteCo Limited has been the traditional contractor for solid waste collections for Argyle and it has been for over 15 years. We were fortunate to have a well experienced contractor with great knowledge of the area.

The services that were traditionally delivered are **summarized** as follows:

Pick up in Argyle typically occurred from Monday to Thursday each week. Fridays were left open for special pickups. From a residential point of view, all three streams were picked up once every two weeks. Residents were asked to put their waste curbside on **public roads**. Private roads will not receive pick up, mostly to reduce insurance risk to the contractor.

The contractor has the responsibility to place rejection stickers on unsorted trash or recycling, with Waste Check is mandated to follow up for education of the resident. There is a lot of other rules around storm days and complaints that are detailed in the agreement.

There are fuel surcharge calculations in prior agreements and in this one. In short, it sets an average cost of diesel fuel for 2024, and that is the base where the hauler bids. If fuel prices go up, then they are entitled to charge a fuel surcharge. The agreement puts in provisions that the base will go up or down with the increase or elimination of a carbon tax.

Internal discussion on Alternative pickup models

Alternative models were discussed and considered both internally and in consultation with hauler's experience. The idea of a weekly pickup was considered. This additional service has been priced as significantly more expensive and could force up to a 7-cent municipal residential tax rate increase depending on the quotes. This also assumes that the subcontractors would be capable of delivering the service. Staff scarcity is real, carbon tax cost included in diesel fuel is also real.

In our assessment, there is a considerable risk of higher costs for this service. Any issues around the current pickup procedures are not significant enough to justify significant alterations to the delivery. Further, there is ongoing uncertainty on how recycling will be picked up and paid for by industry under the new Extender Producer Responsibility Legislation.

MGA considerations:

Solid waste collection is a core municipal service and therefore eligible under the MGA section 65.

Financial considerations:

Budgeted cost of collection (contract) for 2024-2025 was \$429,500. Increases in the past contract were set at 3% per year. Costs of **all** services have escalated significantly since COVID, and the nature of those increases are of direct relevance to the hauler. Higher minimum wages and fuel costs to name a few.

Neighboring municipalities experienced a significant cost increase in their services in 2023, and with increased cost of doing business post covid, staff is not inclined to change the level of services to its residents due to the uncertainty.

There will be a financial offset to increased costs, thankfully, as the recycling portion of the contract shall be reimbursed by industry who manufacture the products. Savings will not only be at the collection level, but also at the Solid Waste Park where tipping fees are paid to Scotia Recycling for these services. Under the new arrangements, those expenses will also be shifted to industry. Cost savings on the reduction of the disposal (tipping) fees will be indirect, as the benefit will be at the Solid Waste Park organization.