



Information Report

DATE OF MEETING JULY 15, 2020

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SUBJECT SANITATION SERVICE REVIEW

OVERVIEW

Purpose of Report:

To advise Council of Staff's intention to conduct a service review on the automated solid waste collection program to inform the upcoming budget cycle.

BACKGROUND

Solid waste collection is a comprehensive service provided to non-strata residential addresses, up to four-plex. It represents very good value: for less than \$3.50 per week, the City removes almost all organic waste, recycling and garbage from residents' curbside. At the same time, it is highly sensitive – top of mind in the public's perception of City services. Staff, notably the drivers and front office staff, are committed to providing a high level of service.

Last year was the first full year of automated curbside solid waste collection. The program is successful in reducing worker injuries, increasing diversion from the landfill and adding convenience for residents by including yard waste in the organic disposal stream. Currently, the City serves over 29,000 households, with collection rates growing rapidly. Curbside garbage collection is up, but self-haul trips to the landfill are down. As a result of higher than expected growth, the pandemic, and an increase in people at home, coupled with online ordering, the capacity of the sanitation system is significantly stretched. While the physical injury rate among sanitation drivers is lower, Staff are working long, hard hours to ensure the program's success.

DISCUSSION

The automated collection program was implemented based on research into similar municipalities, some of whom were also new to the initiative. A number of assumptions drove the business case. The program is experiencing challenges due to growth, higher than expected participation and use of the system, resulting in overload and overuse of equipment, leading to early equipment fatigue and contamination. With the popularity of automated waste growing across North America, equipment delivery times are stretching to longer than 18 months. This makes increasing collection capacity a challenge. With changing consumer behaviour, we are tending to work the vehicles beyond their service ability.

Now that Nanaimo has over a year's experience under its belt, it is timely to conduct a service review of the program. The review would update the initial assumptions, review successes, optimize practices, look for capacity improvements, re-examine financial modelling and make

course corrections to ensure the program's long-term sustainability. The review can examine Nanaimo's experience and lessons learned in other jurisdictions to chart a forward path.

Financial Implications

Estimated costs for the review are expected to be in the range of \$25,000. Funding is available under the sanitation cost centre, contracted and miscellaneous services. This line item was intended for the curbside waste audit, originally intended to occur in 2020. The audit has been postponed as a result of potential exposure of Staff to the COVID-19 virus.

Quarterly financial projection work is currently underway. Based on the initial review, Sanitation is expected to be significantly over budget by the end of the year due to overtime wages and higher than expected maintenance costs. The cost of this review has been included in the projection numbers. The Quarter Report for the period ending June 30th, 2020 will come to the next Finance and Audit Meeting.

CONCLUSION

The proposed service review is proposed to be conducted by a third-party consultant with significant experience in municipal service reviews, including solid waste automated collection.

SUMMARY POINTS

- Automated solid waste collection is a high profile service that residential ratepayers value highly.
- With almost two years' experience, it is timely to conduct a service review to look for opportunities to optimize the automated solid waste collection program.
- A service review is intended to ensure the program's long term sustainability.

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