

DATE OF MEETING    APRIL 7, 2025

AUTHORED BY        DAVID THOMPSON, MANAGER, ROADS AND TRAFFIC

**SUBJECT              RECYCLE BC FINANCIAL PROJECTIONS 2025 THROUGH 2029**

## **OVERVIEW**

### **Purpose of Report:**

To present financial projections for curbside recycling collection operations, 2025 through 2029.

## **BACKGROUND**

The City of Nanaimo has been collecting residential recyclables at curbside, on behalf of Recycle BC, since 2014; initially, this collection was done by a contractor. When automated collection was introduced in 2018, City forces took over this work, and as compensation for this service, the City receives a per household revenue. In addition, the City also receives per household compensation for education and administration efforts associated with the recycling program.

At its meeting of December 02, 2024, Council resolved to:

1. Execute the Recycle BC Amending Agreement and submit to Recycle BC before December 16, 2024, to extend the term of the current Master Services Agreement from December 31, 2024 to May 1, 2025;
2. Direct Staff to present forecast financial projections for the program term at a subsequent meeting; and,
3. Execute the Recycle BC Master Services Agreement and Statement of Work and submit to Recycle BC before May 1, 2025 for new term ending December 31, 2029.

Council had previously extended the contract with Recycle BC, with the previous term expiry of December 31, 2024. Following the December 2, 2024 resolutions, Staff submitted the Amending Agreement To Recycle BC. This report presents the financial projections for the contract term of January 1, 2025 to December 31, 2029, as included in the 2025 - 2029 Financial Plan and is a follow-up to resolution #2 above.

## **DISCUSSION**

Extraction and allocation of costs to curbside recycling operations, and estimated revenues to be received from Recycle BC, as included in the 2025 - 2029 Financial Plan are summarized in the table below:

**Curbside Recycling - Financial Projections 2025-2029**

	2025	2026	2027	2028	2029
Revenue: Recycle BC	1,403,420	1,442,941	1,483,574	1,525,351	1,568,305
Expenses*	1,663,842	1,599,829	1,555,177	1,555,000	1,489,522
<b>(Deficit)/Surplus</b>	<b>(260,422)</b>	<b>(156,888)</b>	<b>(71,603)</b>	<b>(29,649)</b>	<b>78,783</b>

\*Excludes annual allocation to Carts Reserve for future replacement of carts for all 3 collection streams - 1,525,550/year

This information shows that the City is currently incurring expenses in excess of revenues, primarily as a result of debt incurred in launching the automated collection program in 2018. As this debt reduces, the program turns revenue positive based on current estimates.

The specific allocation of costs to recycling operations varies between 18% for weight-based costs (recyclables make up about 18% of the total material weight handled in a year) and 33% for activity based costs (those activities that are required equally for recyclables, organics and landfill waste collections).

With the current term of the Recycle BC Master Services Agreement and Statement of Work covering 2025 through 2029, Council will have the opportunity to review continued participation in this program, closer to that time.

**SUMMARY POINTS**

- The City of Nanaimo will continue to provide curbside recycling services from 2025 through 2029 on behalf of and in partnership with Recycle BC.
- The program is currently incurring expenses in excess of revenues; however, this is expected to shift as debt is paid off within the term of the Agreement.
- Council will have an opportunity to review continued participation closer to the end of the term of the Agreement.

**ATTACHMENTS**

Attachment A – Financial Projections 2025 - 2029

**Submitted by:**

David Thompson  
 Manager, Roads and Traffic

**Concurrence by:**

John Elliott  
 Director, Public Works

Bill Sims  
 General Manager, Engineering and Public Works