

City of Mississauga
Corporate Report



<p>Date: October 31, 2024</p> <p>To: Chair and Members of Budget Committee</p>	<p>Originator's files:</p>
<p>From: Sam Rogers, MBA, Acting Commissioner of Transportation and Works</p>	<p>Meeting date: November 18, 2024</p>

Subject

Vacuum Leaf Collection Program – Future of Program

Recommendation

1. That Council provide direction on which of the following four Vacuum Leaf Collection Program (VLCP) options should be implemented for the next contract term, commencing in 2025:
 - (i) Maintain existing VLCP using current criteria;
 - (ii) Continue with existing program and freeze on additional streets;
 - (iii) Reduce the VLCP to include only ditched residential streets; or
 - (iv) Discontinue the VLCP.

2. That if Council provides direction to proceed with options (i), (ii) or (iii) from Recommendation 1:
 - (i) That Council authorizes the associated Operating budget increases for 2025, and;
 - (ii) That Council authorizes staff to award the procurement for these services in accordance with Procurement By-law # 0013-2022.

Executive Summary

- In 2019, Council approved the following two criteria for residential streets to be included in the current VLCP:
 - (i) the residential street must be 35 years from assumption, and
 - (ii) a large amount of mature, City-owned trees are located on the streets, confirmed by a visual inspection carried out by City staff.

- In 2019, during consideration of revised VLCP criteria, Council directed staff to report back at the end of the current contract on program options, criteria and costs. The current VLCP contract will expire at the end of the 2024 fall season. This Corporate Report is in response to Council's direction for a follow-up report.
- Staff have identified four potential options for the future of the VLCP:
 - (i) Maintain existing VLCP using current criteria;
 - (ii) Continue with existing program and freeze on additional streets;
 - (iii) Reduce the VLCP to include only ditched residential streets; or
 - (iv) Discontinue the VLCP.
- A Request for Tender for these four options was completed in September 2024 and the 2025 Operating Budget impacts for each of the four options are as follows:

	Option 1 – Existing VLCP using Current Criteria	Option 2 – Freeze Current Program	Option 3 – Ditched Roads Only	Option 4 – Discontinue VLCP
Total Costs	\$3,657,000	\$3,590,000	\$1,345,000	\$0
Revenues	\$1,650,000	\$1,650,000	\$500,000	\$0
Net Costs	\$2,007,000	\$1,940,000	\$845,000	\$0

- Council's direction is required on which of the four options to proceed with for the 2025 season.

Background

The City of Mississauga currently undertakes an annual Vacuum Leaf Collection Program (VLCP) on streets within the City that meet Council-approved criteria. The VLCP supplements the Region of Peel's yard waste program in areas with mature City trees. The existing criteria for streets to be included in the VLCP is a two-step approval process. First, the subdivision must be 35 years old, from date of assumption. Staff then perform a visual inspection to confirm if a large amount of mature City-owned trees are located on the street. For the 2024 VLCP, 2,117 streets met these criteria and are included in the program. The 2024 program will be completed by 29 VLCP crews. A listing of the streets that are part of the current program can be found in Appendix 1.

At the General Committee meeting of June 26, 2019, a report from the Commissioner of Transportation and Works, dated June 18, 2019 and entitled “Vacuum Leaf Collection Program Revised Criteria” (attached as Appendix 2) was considered and the current program criteria noted above were approved and adopted by Council. In addition, Council directed staff to report back at the expiration of the current VLCP contract with program options, criteria and costs.

The current VLCP contract consisted of a three-year term followed by two optional one-year extensions. Due to the economic benefit of the contract extensions, the optional extension years were exercised. As a result, the current VLCP contract will be expiring at the end of the 2024 program.

The purpose of this report is to provide options for the VLCP going forward and seek Council direction on the future of the program based on the recently completed procurement for these services.

Comments

VLCP Overview

The VLCP commenced in the City of Mississauga over 50 years ago. The original intent of the program was strictly to collect leaves in the fall that had gathered in the roadside ditches of the various ditched road communities throughout the City. Over time, the VLCP has grown into the program that it is today. The VLCP is provided mainly through the use of contractors with approximately 15% of the program being completed utilizing City staff.

The VLCP is a six-week program intended to help keep ditches and catch basins clear in areas with mature trees within the road allowance. Streets are placed into one of three zones and each zone receives two pick-ups, which are three weeks apart. Approximately 65% of the streets in the City are being serviced currently, with private townhouse complexes, apartments, condominiums and businesses not eligible for the program.

Leaves collected as part of the VLCP are hauled to the designated Works yards. The leaves are then loaded by City staff into trailers provided by the Region of Peel for hauling and disposal at a yard waste treatment site. As a result, the Region of Peel compensates the City for leaves collected under the VLCP, based on the weight of leaves collected. The City receives the same annually adjusted payment rate, per tonne, that the Region of Peel pays their yard waste collection contractor. The payment received from the Region of Peel under the agreement is intended to compensate the City at the same cost that the Region would theoretically incur if those leaves were collected under the Region’s yard waste program. A significant increase in the payment rate is not expected for the short to medium term. The terms of the arrangement, including responsibilities of each party, are set in the Vacuum Leaf Collection Agreement between the City and the Region of Peel.

Through the Region of Peel's yard waste collection program, all residents can place their yard waste, including leaves, in paper waste bags or plastic containers at the curbside for regular collection. Yard waste collection is not weather dependent.

Growth of the VLCP

Over the years, the VLCP has grown substantially in size from the original program intent to collect leaves that had fallen from street trees onto the City's 245 ditched roadways. In 2019, the program included 1,738 serviced streets; in 2024, the program has grown to 2,117 streets. Utilizing the existing criteria for the program, staff anticipate that by 2027, the program will grow by an additional 348 streets for a total of 2,328 streets. This will require up to an estimated 10 additional contracted crews. The City currently has a total of 3,239 residential streets that may eventually fall within the criteria of the VLCP. Based on current average growth, it is anticipated that all residential streets within the City will receive service under this program within the next 15-20 years, necessitating a significant number of additional crews.

VLCP Considerations

There are several considerations for the VLCP that result from the current size of the program, the timing of the VLCP and the unpredictability of the leaf drop. The considerations are detailed as follows:

- Leaf drop timing varies from year to year and due to the lead-time required in mailing notification of pickup dates, there is very little flexibility in the timing of the program. This often leads to extended dates of service, increased complaints from residents due to timing of the VLCP, additional pick-ups and increased program costs.
- Leaf pickup overlaps with the winter maintenance season, often causing difficulties in the later part of the VLCP and placing a strain on City resources. The same City resources that are used for VLCP are also used for winter maintenance activities. As such, service levels (including compliance with Minimum Municipal Standards) especially during the initial response to winter events may be placed at risk. Other issues include frozen leaf piles that are either slow to be collected or not collected at all until they thaw or are plowed off the street during a winter event.
- The leaves collected from the VLCP are stored at the City Works Yards. At the peak of the VLCP, the City's Works Yard experience significant challenges with space due to the size of the leaf piles, VLCP equipment entering and exiting the yards and with the arrival of 500 pieces of winter maintenance equipment during the VLCP. As the VLCP and winter programs continue to grow, these pressures will increase.
- The current VLCP model is based on the City providing leaf vacuums for use by contracted crews. This has become problematic with issues around liability, training, breakdown downtime and increased pressure on Fleet Services to maintain the vacuums. The vacuums are also aging and are expected to be replaced in the next

several years putting additional strains on the Fleet Capital Replacement Program during and after the VLCP. In addition, storage of the leaf vacuums during the off-season takes up valuable space at the Works yards.

The City relies on payment from the Region to offset some of the program costs, the level of compensation has not increased inline with the increased operating costs of the program, resulting in a higher net cost for the program.

Municipal Scan

Staff have conducted a municipal scan of 17 municipalities within Ontario to gauge services provided related to VLCP. Of the scanned municipalities, six provide a VLCP and of those, four are city-wide services and two are limited to specific areas. The information related to the benchmarking can be found in Appendix 3 – Municipal Scan Loose Leaf Collection Program. Notable results of the scan include the following:

- The City of Toronto cancelled their VLCP effective 2023, during the budget approval process, citing discontinuation of a legacy service with a savings of approximately \$1.6M annually.
- The City of Brampton reduced the criteria of their VLCP significantly in 2009 after facing growth challenges of the program. Due to rising program costs, overlap with the Region's bagged collection program and inclement weather challenges, the program was changed to only provide VLCP in the downtown core and recently adjusted to include the Churchville area. At the time, the revised program resulted in an estimated annual savings of approximately \$230,000 (equivalent to \$325,000 in 2024).

VLCP Costs

Due to the variability of the leaf drop, net program costs can vary significantly from year to year; however, there is an evident upward trend in net costs of the program over the last five years. Although the Region of Peel pays the City based on the weight of leaves collected under the VLCP, these revenues do not fully offset the City's expenditures for the program. An overview of the financials for the past five years of the VLCP are shown in Table 1 below:

Table 1: 2020 to 2024 VLCP Revenues and Costs

Program Year	Expenditures	Revenues	Net Cost
2024	\$2,655,000	\$1,650,000	\$1,005,000
2023	\$2,383,721	\$1,569,223	\$814,499
2022	\$2,661,313	\$1,876,526	\$784,787
2021	\$2,214,687	\$1,080,681	\$1,134,006
2020	\$2,272,719	\$1,692,603	\$580,116

The average net cost of the VLCP over the last five years is approximately \$864,000. Cited from the 2019 report, entitled "*Vacuum Leaf Collection Program Revised Criteria*" the average net cost of the program over the years of 2012 to 2018 was approximately \$350,000.

Current VLCP contract costs are based on pricing obtained in 2019 under substantially different market conditions. In September 2024, staff conducted a new procurement for pricing of the various options noted above for the 2025 season and beyond. This recent procurement has resulted in significantly higher contract costs due to increased costs of fuel, labour and equipment as well as changes to the contract terms; including the requirement that the contractor own and operate the leaf vacuums for use in the VLCP as well as the inclusion of Telematics in the VLCP equipment. As a result of this, the increased cost of the program is substantial. Savings in other areas of the program will be realized to partially offset these additional costs; it is anticipated that approximately \$294,000 annually will be saved from reduced fuel and maintenance expenditures of the leaf vacuums. An increase in revenue from the Region of Peel due to higher volumes of leaves collected is also expected. However, regardless of these savings and increased revenues, it is expected that the net cost of the program will continue to rise.

Future of the VLCP

Staff have explored various options for the future of the VLCP and present the following for Council's consideration:

Option 1: Maintain Existing VLCP Program Criteria

The existing criteria of the VLCP focuses on areas that have a mature tree canopy and justify the additional VLCP to supplement the Region of Peel's yard waste collection service. The criteria starts by looking at streets that have been assumed for 35 years and through visual inspection, confirms a mature City-owned tree canopy. In 2024, 2,117 streets are included in the program; with the existing criteria. Over the next 10 years an estimated 700 to 800 streets will be added to the program, continuing to put pressure on existing resources utilized in the program. It is anticipated that all residential streets will be included in the VLCP program within the next 15 to 20 years. If this option is selected for the VLCP, one additional staff member will be required to assist with the administration of this program. The cost for this staff member (Grade D) would be \$67,000 for 2025.

Option 2: Continue with Current Program with a Freeze on Additional Streets

This option freezes future growth of the program and continues the service for residents that are included as of the 2024 program year. Although this option mitigates the challenges on resources and reduces future years' increases in expenditures of the program, there are still significant expenditures related to a VLCP of this size and there are equity concerns to consider.

Option 3: Reduce Program to Include Only Residential Ditched Roadways

This option would include only streets that are ditched in order to prevent roadway flooding from the large amount of leaves that collect within the ditches. This option aligns with the original intent of the VLCP, which has grown over time into what it is today. This option is also the most sustainable for resources and expenditures in continuance of the program. The number of streets that would be included in this program would be 245. This would remove approximately 1,872 streets that were included in the 2024 program. A list of ditched roadways is found in Appendix 4 – List of Ditched Roadways.

Option 4: Discontinuation of the VLCP Program

This option would discontinue the VLCP in its entirety after the 2024 season. All leaf pickup service would be completed by the Region of Peel as part of their yard waste program. In addition, this option would eliminate the challenges of the VLCP program, most notably in freeing up space and resources, which can then be focused on the winter maintenance program. Also, timely collection by the Region during the leaf season is ensured regardless of the weather, whereas the City provides collection that is highly dependant on weather. Both operational and capital savings of equipment can be re-directed to other City initiatives.

Revisions to Schedule and Zones.

If any one of Options 1 through 3 are selected by Council for implementation, staff are proposing to revise the schedule order for when the leaves will be collected. Staff have found that the heavier areas are closer to the lake where the older subdivisions are located. This combined with the weather affects of Lake Ontario, provide the rationale to have the areas closer to the Lake Ontario collected in weeks 3 and 6 of the VLCP. The revised program would have the first week collection in the north sections of the city, second week in the middle and third week in the south portion of the city. Staff have provided a colour coded map showing the approximate areas for each week in the program. Green would be weeks 1 and 4, blue would be weeks 2 and 5 and yellow would be weeks 3 and 6. Once approved, staff will provide a detailed list of streets included in each week in advance of the 2025 VLCP. The areas must still be separated ensuring our crews have capacity to collect the leaves in each zone within the week. This map has been included as Appendix 5 – 2025 Revised Collection Zones.

Financial Impact

The financial impacts of each option can be found in Table 2 below.

Table 2: Operating Budget Impacts for 4 VLCP Options

	Actuals Estimate	Currently Proposed Operating Budget	Option 1 - Status Quo Criteria with New Delivery Model	Option 2 - Freeze Current Program (2024) ³	Option 3 - Ditched Roads	Option 4 - Discontinue VLCP
	2024	2025	2025	2025	2025	2025
Contract costs	\$2,100,000	\$1,000,000	\$3,400,000 ¹	\$3,400,000	\$1,300,000	\$0
Labour	\$235,000	\$394,000	\$167,000	\$100,000	\$30,000	\$0
Equipment/Fuel	\$250,000	\$232,000	\$20,000	\$20,000	\$5,000	\$0
Communication	\$70,000	\$0	\$70,000	\$70,000	\$10,000	\$0
Total Costs	\$2,655,000	\$1,626,000	\$3,657,000	\$3,590,000	\$1,345,000	\$0
Revenues	\$1,650,000	\$1,600,000	\$1,650,000 ²	\$1,650,000 ²	\$500,000	\$0
Net Costs	\$1,005,000	\$26,000	\$2,007,000	\$1,940,000	\$845,000	\$0

Impact to Tax-Funded Operating Budget \$	-	-	\$1,981,000 ¹	\$1,914,000	\$819,000	(\$26,000)
% Tax bill impact	-	-	0.11%	0.10%	0.04%	0.00%
Impact to Property Tax for Avg. Household			\$7.40	\$7.15	\$3.06	(\$0.10)

¹Operating budget will require an increase of \$125,000 per year to accommodate program expansion.

²Revenues are estimated to increase approximately \$50,000 per year.

³Future increase of expenditures will be limited to inflationary factors.

Note: Impact to tax rate is based on changes to 2025 Budget.

Option 1: Maintain Existing VLCP Program Criteria

This option will result in a 2025 net cost of \$2.0M. Future growth of the program would result in an estimated \$125,000 increase to the expenditures per year or \$1.25M in ten years, not adjusted for inflation. The cost will be partially offset by increased revenue, however, the revenue is estimated to cover only 40% of the cost to deliver the program.

Option 2: Continue with Current Program with Freeze on Additional Streets

This option will result in a 2025 net cost of \$1.94M. Future cost increases would be limited to inflationary factors affecting a static number of resources.

Option 3: Reduce Program to Include Only Residential Ditched Roadways

This option will result in a 2025 net cost of \$845K, a reduction of \$1.2M when compared to the estimated net cost of Option 1 in 2025.

Option 4: Discontinuation of the VLCP Program

This option will result in a 2025 net cost of \$0, a reduction of \$1M when compared with the 2024 estimated actuals and a reduction of \$1.94M when compared to the estimated net cost in 2025. The \$26,000 budget pressure in 2025 would be a one-time saving, as the budget would be adjusted in future years based on Council's direction.

Conclusion

The current VLCP contract expires at the end of the 2024 Fall season. As requested by Council in 2019, staff have identified 4 VLCP program options along with their corresponding costs for Council's consideration. Council direction is being requested on which of the four VLCP options to proceed with for 2025 and beyond.

Attachments

- Appendix 1: 2024 Vacuum Leaf Collection Program – Street Listing
- Appendix 2: June 18, 2019 Corporate Report - Vacuum Leaf Collection Program Revised Criteria
- Appendix 3: Municipal Scan – Loose Leaf Collection Program
- Appendix 4: List of Ditched Roadways
- Appendix 5: 2025 Revised Collection Zones



Sam Rogers, MBA, Acting Commissioner of Transportation and Works

Prepared by: Scott Holmes, C.E.T., Senior Manager, Works Administration, Operations and Maintenance