



To: Chair and Members
Engineering and Public Works Committee

From: Renee Recoskie
Director, Waste Management and Environmental Services

Date: June 18, 2025

Subject: Garbage Bag Tag Pilot Program Options

Report: PW-7-2025-1

Recommendation

WHEREAS the Township of Muskoka Lakes requested changes to the waste system to better support seasonal residents through additional garbage bag tags;

AND WHEREAS staff have reviewed options and recommend maintaining the current two-bag drop-off limit while exploring a “pay-as-you-throw” model through the Solid Waste Master Plan;

AND WHEREAS this approach supports consistency across The District Municipality of Muskoka’s solid waste management system and aligns with strategic goals for service and environmental sustainability;

NOW THEREFORE BE IT RESOLVED THAT staff **be directed** to implement Option 1 as outlined in Report PW-7-2025-1.

Origin

A resolution from the Township of Muskoka Lakes’ General/Finance Committee Meeting on March 12, 2025, requested that The District Municipality of Muskoka (District) modify the current waste system to provide free garbage bag tags, with the goal of improving equity for residents who do not use their properties year-round.

In response to discussions at the Engineering and Public Works (EPW) Committee meeting on April 23, 2025, this report presents options to address the request.

Background

The following are key points for consideration with respect to this report:

- Currently, both curbside collection and drop-off service for waste have limits that are monitored and enforced for garbage, in accordance with [Waste Management By-law 2025-04](#).
- With the completion of the green bin expansion project in early May 2025, residential curbside collection for garbage is limited to one bag per week (two bags every other week during winter collection). This limit has been approved given the availability of unlimited collection for divertible recycling and source-separated organics at the curb.
- The launch of the Clear Bag Program curbside in March 2025 reinforced the requirement for organics and food waste to be managed through the green bin rather than the garbage bag. This material is not acceptable as garbage per [Waste Management By-law 2025-04](#).
- All households across Muskoka are permitted to drop-off two bags of garbage per week, free of charge, at District waste drop-off facilities. Unlimited residential recycling and organics are also accepted at all District Transfer Stations.
- Starting January 1, 2026, the availability of recycling collection at District waste drop-off facilities will depend on service level decisions by Circular Materials as part of the new producer responsibility system.
- The garbage drop-off limit will be reduced to one bag of garbage per week effective, January 1, 2026, as part of the 2025 – 2026 Rate Supported Budget. This reduction was identified as an action item through the 2021 Waste Strategy and reflects the availability of diversion programs (organics, recycling, etc.) at waste facilities.
- The Clear Bag Program will also come into effect at District waste drop-off facilities January 1, 2026. At this time, divertible materials will not be accepted within the free weekly limits of garbage bags. Residents wishing to dispose of their garbage in opaque or black garbage bags will be charged the mixed waste disposal fee.
- For residents wishing to set out extra garbage at the curb, bag tags are available for purchase at \$8 per tag (or 5 for \$35) and up to 10 garbage bags per week per serviced unit can be collected.
- Drop-off limits for garbage at waste drop-off facilities are monitored by licence plate number. If a vehicle that has already disposed of two bags of garbage in the current week attempts to visit a site and dispose of more waste, they will be prompted to pay for the additional bags.
- With the current level of service and technology in place, it is not possible to record or monitor this information differently.
- The 2021 Waste Strategy included a recommendation to implement a Waste Pass system that would allow waste limits to be tracked and recorded differently than the current model. Preliminary work indicated the cost to implement such a program was prohibitive and the project was put on hold pending the outcome of the Solid Waste Master Plan. The project is considering alternative funding models (e.g., user pay model), which could eliminate the need for a Waste Pass.
- Questions regarding waste management services were included as part of the [2023 Second Home Study](#).

- Among respondents who receive curbside collection, 84% reported using the service.
- For second home residents who do not receive curbside collection, respondents were asked to identify their common methods of waste disposal (they could choose multiple answers). Over 80% reported bringing their waste to a local landfill or transfer station, nearly 28% reported taking their waste back to their permanent residence, and more than 18% reported using lakeside waste collection events.
- Correspondence was received from the Township of Georgian Bay ([resolution](#) from May 9, 2023, Township of Georgian Bay Committee of the Whole) requesting garbage bag tags be provided for households within the municipality.
- The District’s EPW Committee received a [resolution](#) from the Township of Muskoka Lakes to modify the current system for drop-off waste service so that additional garbage bag tags could be available for their use.
- Through discussion at the April 23, 2025, EPW Committee meeting, it was determined that the Township is interested in pursuing a pilot for an extra allotment of garbage bag tags geared especially towards second home residents without access to curbside collection. The challenges of implementing such a pilot were discussed, and it was agreed that a follow-up report on options and analysis would be prepared by staff and presented to a future EPW Committee meeting.

Analysis

Providing garbage bag tags to residents in selected area municipalities, rather than across the entire District waste management system, is a complex undertaking. To support the evaluation of potential options, this report outlines the current system, available data, and key assumptions.

Bag Tags Help Residents Manage Extra Garbage Curbside and at Waste Depots

Garbage bag tags were initially sold exclusively through the District’s administrative office in 2022. To improve accessibility and distribution, sales were expanded in 2023 to move away from the administrative office and instead offer for sale at all Transfer Stations. This change aimed to make it easier for residents to purchase tags locally. Table 1 below summarizes the actual revenue generated from garbage bag tag sales over the past three years.

Table 1: Garbage Bag Tag Sales Revenue

Year	Revenue
2024	\$25,155
2023	\$13,276
2022	\$3,200

In 2024, \$10,500 of the total revenue came from bulk sales to the Town of Huntsville. The town resells garbage bag tags to its residents. The remaining sales occurred directly at District Transfer Stations. These sales can be further broken down by location, as shown in Table 2, which focuses on the Township of Muskoka Lakes and the Township of Georgian Bay. Note that 2022 data is excluded from this breakdown, as tags were not sold at transfer stations that year.

Table 2: Garbage Bag Tags – Sales by Area Municipality

Area Municipality	2024 Tags Sold	2024 Revenue	2023 Tags Sold	2023 Revenue
Township of Muskoka Lakes	273	\$1,924	369	\$2,587
Township of Georgian Bay	22	\$161	25	\$185

Tables 1 and 2 provide context for the revenue generated through garbage bag tag sales and offer insight into the number of tags sold at specific transfer stations. These tags are primarily used by residents in the Township of Muskoka Lakes and the Township of Georgian Bay to dispose of garbage that exceeds the weekly curbside collection limit, and potentially residential waste depots (Township of Georgian Bay). The data may not fully reflect all tags purchased by residents of these area municipalities, as some individuals may obtain tags from transfer stations in neighbouring area municipalities.

Fees for Excess Garbage Support Waste Management and Diversion Goals

Fees charged for garbage that exceeds the weekly drop-off limit helps offset disposal costs, supports increased waste diversion, and aligns with Council’s strategic priorities.

Tracking the revenue the District receives from excess garbage by specific area municipality can be complex. When a resident brings more than the allowable two bags per week to a District Transfer Station, they are charged per additional bag. If they have four or more extra bags, the waste can be weighed at the scale and charged accordingly.

Assumptions were required to attribute certain waste entry codes that are believed to correspond to this type of garbage. It is not possible to determine whether individual transactions are associated with permanent or second home residents. Additionally, the data may not fully capture all transactions attributable to each area municipality, as some waste may be disposed of by commercial operators or through private waste providers and facilities.

Furthermore, findings from the 2023 Second Home Study indicate that some garbage, potentially in excess of weekly limits, may be transported out of the municipality and disposed of at permanent residences. This behaviour further complicates efforts to quantify the volume and origin of excess waste managed at these District facilities.

Table 3: Excess Residential Drop-off Garbage – Estimated Revenue

Area Municipality	2024 Est. Revenue	2023 Est. Revenue	2022 Est. Revenue
Township of Muskoka Lakes	\$32,000	\$22,000	\$21,000
Township of Georgian Bay	\$12,000	\$7,000	\$10,000
Combined	\$44,000	\$29,000	\$31,000

Understanding the Number of Residential Drop-off Only Units

The District categorizes properties in its waste management system based on the level of service they receive. Properties that are not eligible for curbside collection, either due to no access (water-access properties) or because the service is not available, are classified as "drop-off only" properties. The base dataset to classify serviced units, whether they receive curbside collection or drop-off only services, is from the Municipal Property Assessment Corporation (MPAC).

For the purposes of this report, staff estimate that there are 4,500 potential residential drop-off units in the Township of Muskoka Lakes and the Township of Georgian Bay combined. These units could be eligible to receive garbage bag tags through a pilot program initiative. Industrial, commercial, and institutional properties (ICI) units and vacant land units are not included in this estimate. Based on this information, drop-off only residential units make up an estimated 18% of the combined number of serviced units in Township of Muskoka Lakes and Township of Georgian Bay and an estimated 6% of the serviced units across the District's overall waste management system.

This information is intended to provide a general understanding of the potential scale of garbage bag tag distribution under a pilot program. It is not a replacement for the data used in the budget process or the Solid Waste Levy calculation. ICI and vacant land units are part of the Solid Waste Levy calculation. Further, these unit counts do not address the different behaviour and use patterns displayed by second home residents.

Challenges of Piloting a Fundamental Change to the Waste Management System in a Limited Area of the District

The District's waste services are designed to provide consistent and accessible service across all of Muskoka. Currently, residents from any area municipality can access any District waste facility, regardless of whether it is located within their own municipality. While this model offers maximum convenience and flexibility for users, it also presents challenges when considering pilot programs limited to specific municipalities.

The key advantage of the current system, from a waste drop-off perspective, is that it ensures a uniform level of service for all residents. However, implementing a pilot program that significantly alters service delivery within a specific area municipality would require additional resources and staffing to be effective.

Communicating changes that apply only to a portion of the District's waste system may also lead to confusion among residents in other areas. Clear, targeted communication will be essential to the success of any pilot initiative. This will require direct involvement from participating area municipalities to share information through their own channels and networks.

The current budgeting for the District's drop-off waste management system, including the allocation of the Solid Waste Levy, is tied to the actual amount of waste received and managed across the entire system. Operational costs are primarily driven by the amount of material that must be handled, whether that involves hauling garbage from drop-off sites to landfill or processing it on-site by Operations staff. As such, the financial planning for the system is based on the quantity of material requiring management, rather than on theoretical maximum service entitlements. The waste levy is based on expected volumes of waste managed (based on historical average volumes) it would be unreasonable to plan and budget based on resources required to support maximum entitlements per serviced unit.

An additional consideration is the perceived inequity experienced by second home residents. Waste limits are monitored and enforced weekly at the curb and at drop-off waste facilities. As a result, residents who are not present year-round may not receive the same level of service access as permanent residents. However, they may contribute similarly through property taxation, as the Solid Waste Levy is based on property assessment rather than actual service usage. This highlights a broader challenge tied to the property taxation model and its alignment with equitable service delivery.

If the waste management system begins to receive and manage additional waste without a corresponding increase in revenue, overall system costs will rise. Similarly, if the total volume of waste remains consistent but revenue from user fees decreases, the system will still face higher costs. In both cases, these additional expenses must be absorbed by the system, which may affect future budgeting and the allocation of the Solid Waste Levy.

It is important to note that the direct impacts of such changes cannot be fully predicted. Significant adjustments to one part of the system may lead to unforeseen consequences, including shifts in how residents and other users dispose of their waste. These behavioural changes could further influence system performance and financial sustainability.

Why a Full Bag Tag Pilot Program (Curbside and Drop-off) is Not Viable

Staff initially explored the feasibility of implementing a full bag tag system pilot for both the Township of Muskoka Lakes and the Township of Georgian Bay. In this model, all garbage, whether placed at the curb for collection or dropped-off at a waste facility, would require a bag tag or payment. This approach eliminates free garbage disposal and forms the foundation of a user pay or "pay-as-you-throw" waste management system. The degree to which the system is user pay depends on how tags are distributed, whether through a fixed annual allotment or through full cost recovery by

requiring residents to purchase each tag. While this model offers several benefits and is being actively explored through the Solid Waste Master Plan, it is not currently feasible to implement on a pilot basis.

The District's waste system operates across municipal boundaries, which presents significant challenges when attempting to pilot a full bag tag system in only a portion of the service area. Implementing such a pilot would require dedicated resources, changes to existing curbside collection and waste facility attendant contracts and would have substantial impacts on all solid waste ratepayers, including those outside the pilot participating municipalities. It would be equivalent to operating separate waste systems within each participating municipality, independent from the broader District system, losing the economies of scale realized when the provision of Solid Waste Management was uploaded to the District.

In addition, a change of this scale would require extensive planning, communication, and support to encourage changes in resident behaviour. These types of system-wide changes are typically evaluated through a comprehensive master planning process. Successful implementation would require a detailed program design, an updated funding model, coordinated planning, and a strong communications strategy, along with significant lead time.

Given these logistical and operational complexities, and in response to direction provided by Members of Council at the Engineering and Public Works Committee meeting on April 23, 2025, staff have developed two alternative options for consideration.

Option 1 – Restore Garbage Drop-off Limits and Consider “Pay-As-You-Throw” Model in the Solid Waste Master Plan (Recommended)

When there is no incentive to divert waste through available programs such as curbside collection and garbage drop-off limits, proper sorting behaviour tends to decline. This can lead to increased volumes of waste requiring landfill space or other long-term disposal solutions, which in turn places greater financial pressure on the overall waste management system. In addition to limits on garbage, a pricing model known as “pay-as-you-throw” can further encourage diversion. Residents are more likely to participate in recycling and composting programs when there is a direct financial incentive to avoid placing inappropriate materials in the garbage stream.

As part of the Solid Waste Master Plan project currently underway, it has been recognized that waste disposal in the District presents challenges from multiple perspectives. While acknowledging the difficulties faced by some system users, including second home residents, staff recommend restoring the drop-off limit of two garbage bags per week (set to drop to one garbage bag per week on January 1, 2026) until the feasibility of a “pay-as-you-throw” model can be fully explored through the Master Plan process.

Beginning January 1, 2026, all residential waste dropped off at District facilities must be placed in clear garbage bags. Under Option 1, the current drop-off limit of two bags per week would be maintained rather than reduced to one bag per week, which is the current curbside limit. This approach may help mitigate challenges experienced by certain users of the drop-off system.

An additional benefit of this option is that it would apply consistently across the District. This would provide support not only to residents of the Township of Muskoka Lakes and the Township of Georgian Bay, but also to second home residents in other area municipalities.

Option 2 - Pilot Bag Tag Allotment for Drop-off Only Residents in Township of Muskoka Lakes and Township of Georgian Bay

This option proposes a pilot initiative that shifts toward a waste management model based on annual waste entitlements rather than weekly limits. Without requiring a full transformation of the waste systems in the participating municipalities, a scaled pilot could be implemented to provide a set number of garbage bag tags to residential drop-off only properties in both the Township of Muskoka Lakes and the Township of Georgian Bay.

Staff recommend an allotment of 10 garbage bag tags per residential drop-off only unit to balance the need for flexibility among second home residents with the operational and financial sustainability of the District's waste management system. This limited allotment provides a manageable way to pilot this approach without fundamentally altering the existing service model. It also helps mitigate the risk of revenue loss and potential system abuse, while allowing the District to gather meaningful data on usage patterns and program impacts ahead of broader system changes being considered through the Solid Waste Master Plan. The allotment of tags can be used for garbage in excess of the weekly limit, the weekly limit for all site users will remain consistent across all District waste drop-off facilities.

If approved by the EPW Committee and Council, the following details and assumptions would guide implementation:

- **Bag Tag Supply:** An allotment of 10 garbage bag tags would be provided to each residential drop-off only property within the Township of Muskoka Lakes and the Township of Georgian Bay. This would apply to approximately 4,500 properties, resulting in the distribution of an estimated 45,000 tags.
- **Eligibility Responsibility:** District staff would prepare the list of eligible properties, in consultation with the area municipalities, and provide the corresponding total number of tags for each municipality.
- **Distribution Responsibility:** The Township of Muskoka Lakes and the Township of Georgian Bay would be responsible for managing the distribution of tags to residents. This would include customer service, communication on how tags can be used, and covering costs such as postage and administrative expenses.

- **District Support:** To ensure the success of the pilot, additional District resources would be required. This includes monitoring the program, training site attendant contractors, and overseeing and reporting on the initiative. This would require 0.5 temporary full-time (TFT) staff.
- **Availability and Duration:** The earliest the program could begin is the 2026 calendar year. Tags would be colour-coded and valid only within the municipality for the year in which they were issued. For example, tags issued by the Township of Georgian Bay would be accepted only at waste facilities within that township. Tags would be valid for one calendar year, allowing for monitoring of participation and evaluation of program costs. The pilot program is recommended to be for one-year, with further reporting through the EPW Committee to evaluate the program and determine whether it is continued.
- **Supporting Technology:** The scale software will be updated and programmed to track and record use for specific garbage bag tags associated with the pilot program, separately for each participating area municipality.
- **Curbside Collection:** Curbside collection services in both municipalities would remain unchanged.
- **Waste Drop-off Limits:** As outlined in the 2025 - 2026 Rate Supported Budget, waste drop-off limits at District facilities will be reduced to one bag per week starting January 1, 2026, as planned.

This pilot would allow the District to test a more flexible, user-focused approach to waste management while gathering valuable data on participation, cost, and operational impacts.

A mandatory requirement to proceed with this option would be for a Pilot Program Agreement to be executed between each participating area municipality and the District. Specific responsibilities and requirements could be developed between both parties based on their unique needs and plans for implementation within their municipality.

The options are summarized and compared in Schedule A.

Financial Considerations

Moving forward with the staff recommended Option 1 will not result in a direct financial impact for the District. Appropriate resources to move forward with considering a “pay-as-you-throw” funding model for the waste management system are already allocated and funded through Capital Project 450171. Restoring the waste drop-off limit and not moving forward with a planned reduction January 1, 2026, may prevent revenue from being realized for excess drop-off garbage. However, additional revenue specific to this limit reduction was not included as part of the 2026 Rate Supported Budget as the bag limit reduction is meant to encourage residents to use free diversion programs offered at the waste facilities.

Option 2 will result in financial impacts associated with appropriately resourcing the pilot program for it to be implemented successfully, starting in 2026. Costs for garbage bags tags and necessary staff resources to design, implement, monitor and report on the

program are required. The overall financial impacted associated with these costs is estimated at \$66,000. Additionally, as a result of this pilot program reduced revenue could be realized at the waste facilities associated with excess garbage. Based on the historical data available and presented in Table 4, if 50% of the revenue realized in 2024 is eliminated due to this pilot program, a further unfavourable variance of approximately \$22,000 could be encountered. Combining the reduced revenue, and anticipated operating costs, equate to an overall unfavourable financial impact of approximately \$88,000. Should this option be approved the operating costs associated could be incurred starting mid-2025 and reported through quarterly variance reporting, if applicable. The projected impact on revenue will be brought forward as part of the District's Fall 2025 Economic Update.

It is worth noting, however, that issuing up to 45,000 bag tags at no charge has an equivalent value of \$360,000. Given the equivalent value, there is a possibility that a secondary market could be established to re-sell the tags for their face value or less, further impacting budgeted revenues to offset the costs to manage and dispose of garbage, particularly for those who are not entitled to participate in the pilot (e.g., curbside properties or those outside of the participating area municipalities).

Climate Change Implications

The District assesses climate implications in all staff reports using the Clean Air Partnership's '[Municipal Climate Lens Tool](#)' to consider climate impacts or benefits associated with any project, program or initiative. While this particular report does not have a direct climate impact, it is important to recognize that waste management contributes to the Muskoka community's overall greenhouse gas (GHG) emissions.

To address this, the District's Community Energy and Emissions Reduction Plan outlines key actions within the waste system to help meet community GHG reduction targets, as shown in Figure 1 below.

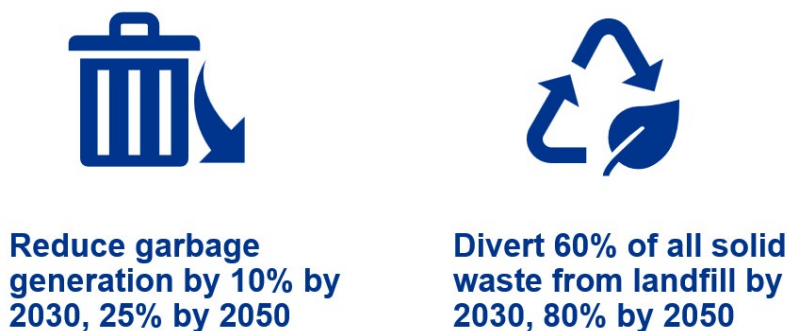


Figure 1: Community Energy and Emissions Reduction Plan – Key Actions for Waste Management

Thanks to the community's ongoing efforts to improve waste diversion, it is encouraging to note that in 2024, the amount of garbage sent to the Rosewarne Landfill decreased by 7% compared to 2022. This progress moves us closer to the 10% reduction target

set for 2030. Initiatives such as reducing the weekly bag limit, expanding access to organics diversion, and eliminating free, unmonitored disposal (e.g., dumpster bin sites) are all contributing to this positive trend.

The District is currently evaluating changes to the overall waste system through the Solid Waste Master Plan project. It is essential that any proposed changes are assessed holistically to ensure they support the system's overall effectiveness and do not result in unintended consequences that could hinder the achievement of strategic goals. This comprehensive approach is one of the reasons staff recommend proceeding with Option 1.

Communications

If Option 1 is approved, the EPW Committee and Council's support for exploring a "pay-as-you-throw" funding model for the District's waste management system will be referred to the Solid Waste Master Plan project. A comprehensive update and input session for all Members of Council is scheduled for the upcoming August District Council meeting. During this session, Members of Council will have the opportunity to ask questions, learn more about the model, and provide feedback and support.

Further feedback on a more detailed options analysis is planned for September 2025, during the next round of formal public engagement for the project.

If Option 2 is approved, a comprehensive communications plan and campaign will be required to support the implementation of the pilot garbage bag tag program by the Township of Muskoka Lakes and the Township of Georgian Bay. The focus of the campaign will need to be targeted to residential drop-off only waste system users in these communities. While the District will provide support, it is important to note that area municipalities will need to take the lead in engaging with local residents through their own communication channels and networks. This approach will help minimize confusion and ensure clarity regarding the program's impacts across the broader District waste system.

Strategic Plan

The District assesses the impact or influence of the information or recommendations included in staff reports toward achieving Council's [Strategic Plan objectives](#).

This report includes information or recommendations that impact or influence the following Strategic Plan Objectives:

- [Objective 1 Taking action together](#) – Preserve and protect our natural environment, take climate action and be more resilient to its impacts.
- [Objective 6 Service alignment](#) – Modernize municipal services and deliver them in the way that makes most sense – best value, efficiency, and outcomes for residents.

- [Objective 8 Future thinking](#) – Plan and invest so that we have the services and infrastructure our residents and communities need – now and in the future.

Respectfully submitted,

Renee Recoskie, P.Geo., PMP, Director, Waste Management and Environmental Services; and
James Steele, P.Eng., Commissioner of Engineering and Public Works

Report PW-7-2025-1 – Schedule A: Options Comparison

Option	Implementation Timeline	Geographic Scope	Financial Impact	Operational Complexity	Strategic Alignment
<p>Option 1 (Recommended)</p> <p>Restore current waste drop-off limit at waste facilities (2 bags per week).</p> <p>Refer consideration of a full system “pay-as-you-throw” model to the Solid Waste Master Plan project.</p>	<p>Immediate</p>	<p>District-wide</p>	<p>No direct financial impact; potential revenue for decreased waste drop-off limit in 2026 does not occur (unknown impact).</p>	<p>Low – maintains current operational systems.</p>	<p>High – aligns with long-term planning and consistent level of service across area municipalities.</p>
<p>Option 2</p> <p>Pilot program providing 10 bag tags to approximate 4,500 residential “drop-off only” units in Township of Muskoka Lakes and Township of Georgian Bay.</p> <p>Bag tags provided unique to municipality and valid only in issuing municipality</p>	<p>Bag tags to be distributed prior to 2026 – valid during the 2026 calendar year only.</p> <p>1 year pilot program.</p>	<p>Township of Muskoka Lakes and Township of Georgian Bay – residential drop-off units only (6% of District serviced waste units).</p>	<p>Estimated cost: \$88,000 (includes staffing, supplies, and an estimate for potential lost revenue).</p>	<p>Moderate (District) – requires dedicated resources and new program design (design, implementation, monitoring, and reporting).</p> <p>*Requires resources and support from Area Municipalities to implement (distribution tags, communications campaign, etc.). The pilot program cannot be implemented in its proposed state without the identified level of support.</p>	<p>Moderate – able to test a program with goal to improve equity for second home residents, limited to two area municipalities.</p>