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## **2007 BUDGET BRIEFING NOTE**

### **Feasibility of Reducing the Costs Associated with the Production and Distribution of Collection Calendars**

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#### **Issue/Background:**

At its meeting on March 26, 2007, Budget Committee requested Solid Waste Management Services review the feasibility of reducing the costs associated with the production and distribution of the Solid Waste Management Services collection calendars.

Solid Waste Management produces 620,000 annual collection calendars and delivers them door-to-door to every household receiving daytime residential, curbside collection. In 2003, the City redesigned this essential household tool into an informative, multi-page calendar. The collection calendars now feature detailed, understandable and timely information about garbage, green bin, recycling and yard waste collection. The calendars carry critical program information, reminders, policies and guidelines in a useful and familiar layout that can be easily displayed and referred to regularly. It includes translations of the most important information for each month in Toronto's six most widely spoken languages.

More than ten percent of the space in the collection calendar has been dedicated to advertising in order to offset some of the City's costs (see chart on page 2) in producing the calendars.

To accommodate different collection schedules across the City, 16 versions of the calendar are normally produced. As a result of the recently approved collection boundary changes, the number of versions will be reduced to eight for 2007/2008.

#### **Questions & Answers:**

*What would be the difference in cost if we were to print 620,000 collection calendars in black and white instead of in colour?*

If 620,000 collection calendars were produced in black and white, the print savings would be about \$30,000; however advertising revenue would drop by more than this amount resulting in a higher overall cost to the City. Advertisers do not show the same interest in placing ads in a black and white collection calendar as they do in advertising in a four-colour version.

*Can costs be reduced with an increase in advertising?*

As per the current agreement with the supplier, the 2007/2008 collection calendar will reflect an advertising component of 10.9 per cent of the available space in the calendar and therefore it is not possible to increase revenues in 2007.

For the 2008/2009 calendar, it may be possible to increase the advertising component in to 11.6 per cent which would result in a cost savings of \$10,600. However, by increasing the percentage of advertising content greater than the current 10.9 percent, there is a risk that advertising will overshadow the critical solid waste program information, reminders, policies and guidelines. Increasing the advertising would limit our opportunities for education and ultimately lower the quality of the finished product. It may also be less appealing to residents. Secondly, there is also concern that overshadowing the solid waste information with increased advertising may deter high-quality advertisers from placing ads in the collection calendars and ultimately, decrease advertising revenue.

The current advertising content is in line with the average advertising content used in comparable calendars in Greater Vancouver, Vernon, Kelowna, Penticton, Medicine Hat, Timmins, North Bay, Windsor-Essex, Chatham, London, Brantford, York Region (northern 6) and Saint John (NB).

*How has the calendar format changed since 2003?*

The 2002/2003 and previous years' collection calendars (one-page, year-at-a-glance format):	Finished size of 5-1/2 by 10-1/2 inches folded with a "year-at-a-glance" calendar. 259 square inches of space available for City messages.
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The 2003/2004, 2004/2005, 2005/2006, 2006/2007 years' collection calendar (32-page, month by month format):	Finished size of 8-1/2 by 10-7/8 folded in half, resulting in a double-page, month-by-month calendar. 1,559 square inches of space available for City messages (more than six times the available space than in the previous format).
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*Are there cost saving with the one-page, year-at-a-glance format?*

As depicted in the table below there are no cost savings if the one-page, year-at-a-glance format was to be used.

<b>Format</b>	<b>Quantities</b>	<b>Net cost per unit incl. taxes</b>	<b>Total cost incl. taxes (after advertising revenue)</b>	<b>Advertising revenue (guaranteed by the supplier)</b>
One-page, year-at-a-glance	620,000	\$0.272	\$168,910	N/A
32-page, month by month	620,000	\$0.242*	\$150,142*	\$127,200

\*2007/2008 calendar to include 'tear out' recycling and green bin information cards. A cost of \$41,040 (\$0.066 per unit) is included in total.

*How is the collection calendar delivered?*

Each year, students are hired on a casual basis to deliver collection calendars door-to-door to residents receiving daytime residential curbside collection. The delivery is tightly synchronized with collection schedules and boundaries to ensure each household gets the correct calendar.

Canada Post is not an option for delivering collection calendars because postal "walks" (the area covered by a letter carrier) do not align with City collection boundaries. As a result, many residents would receive the incorrect collection calendar and/or multiple collection calendars.

Hiring a distribution company is not an option for delivering collection calendars because a single company would not be able to complete delivery of the collection calendars within the required timelines. Therefore, delivery would need to be split among multiple distribution companies, resulting in significant logistical challenges and supervisory problems.

**Conclusion:**

After reviewing the current design, advertising, production and distribution of the residential collection calendar, there are no cost savings that can be achieved at this time.

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**Date:** March 29, 2007