

October 19, 2009

Solid Waste Management budget launch for 2010

The 2010 proposed budget for Solid Waste Management Services, will be launched at a Budget Committee meeting on Monday, October 19. It outlines the operating and capital budgets and rates required to support the Council approved Getting to 70% Waste Diversion Plan to achieve 70% waste diversion from landfill by 2010.

The cost to provide services delivered by Solid Waste Management are no longer charged via the property tax base, but rather through a Utility Bill, which outlines separate charges for water usage and volume of garbage collected. The Solid Waste Management Fees, based on the volume-based rate structure, are applicable to residents living in multi-unit buildings (fees effective July 1, 2008) and to those living in single-family houses receiving curbside service (fees effective November 1, 2008).

The proposed 2010 budget proposes a 2% rate increase for Solid Waste Management Fees for curbside rates (single-family houses) and bulk rates (multi-unit buildings), which is significantly lower than the 3.5% annual increase originally projected when the volume-based rate structures were first introduced in 2008. Bag fees (cost per bag for eligible small business Yellow Bag Program customers) and the cost per residential Garbage Bag Tag for excessive curbside garbage remains unchanged at \$3.10. The proposed 2010 budget balances fiscal constraints with maintaining critical progress on waste diversion initiatives.

Budget request

Operating Budget:

- Gross expenditures of \$319.8 million (means a 0.3% increase from 2009)
- Waste Management Reserve Fund 2010 contribution of \$12.6 million
- Staffing levels reduced by 2.6% or 34.7 positions

Capital Budget:

- On target with approved Target70 Plan
- 2010-2019 Capital Budget, at \$549.1 million
- 2010 Capital Budget is \$75.1 million
- No significant state-of-good repair backlog
- Over \$335 million of new diversion facility infrastructure in plan

What does the 2010 budget include?

New infrastructure to support waste diversion and disposal security

- Landfill infrastructure improvements in preparation for the closure at the Michigan border at the end of 2010
- New Green Bin processing facility at the Disco Transfer Station
- Complete roll-out of in-suite recycle bins to all multi-residential units
- Request for Expressions of Interest for proposed mixed waste processing facility

Enhanced service levels

- Complete roll-out of door-to-door curbside service for townhomes
- Roll-out Blue Bin and Green Bin service for residents living above commercial properties
- Extend Municipal Hazardous and Special Waste (MHSW) (formerly called Household Hazardous Waste) depot operations to five days per week, in addition to piloting a multi-unit building mobile depot service for MHSW and electronics
- Replace and upgrade existing street litter/recycle bins
- Continue to introduce Green Bin Program to multi-residential buildings
- Continue to roll-out durable goods collection

What does the decision to increase the current annual fee mean for residents?

- Residents living in single-family homes receiving curbside collection service will continue to receive an annual rebate of \$209 which will appear as a pro-rated sum on their Utility Bill and is used to help pay their annual curbside collection rate.

- Recommended 2010 residential annual curbside collection rates:

	2009 rate	2010 rate	increase
• small bin	\$199	\$203	\$4
• medium bin	\$248	\$253	\$5
• large bin	\$342	\$349	\$7
• extra large bin	\$399	\$407	\$8

- The cost to purchase a Garbage Bag Tag for each standard-size bag of overflow garbage remains the same (\$3.10 per tag and is available in packages of five for \$15.50).
- The cost of a yellow bag for Toronto's eligible commercial and industrial customers will remain unchanged at \$3.10.
- Owners of multi-unit buildings will continue to receive an annual rebate of \$157 per unit which will be used to offset their Solid Waste Management Fee. The rates charged for collecting compacted waste increase from \$28.67 to \$29.24 per cubic yard and uncompacted waste increases 19 cents to \$9.75 per cubic yard.

Budget challenges resulting from proposed 2% fee increase

Extends the timeline of:

- Completing the roll-out of the Green Bin Program to multi-unit buildings to fall 2011
- Durable goods collection and recycling to end of 2010
- Achieving the achieve 70% waste diversion from landfill goal

General challenges

Solid waste system undergoing rapid, fundamental change:

- Impacts over 1 million customers
- Re-engineering all operational systems

Integration of Green Lane Landfill Business Unit:

- Maintain as a self-financing business unit
- Complete re-direction of waste from Michigan landfill in 2011 (preparing landfill to receive additional waste).

Volatile global economic factors:

- Fuel prices
- Commodity values/prices for recyclables
- Exchange rates
- Changing consumption patterns for packaging/printed paper

Program efficiencies

- In 2008, harmonization initiatives such as the re-routing of collection beats resulted in the elimination of a \$4.3 million cost related to the former Municipality of York's private collection contract
- In 2009, further collection efficiencies produced a savings of \$2 million
- In 2010, it is anticipated litter service, collection and transfer efficiencies will net an additional savings of \$4.7 million
- In total, over \$11 million of efficiency gains will have been realized over the three-year period.

Key accomplishments over the past several years

Solid Waste Management Services has transformed itself, moving from an operating division funded through the property tax base to a self-sufficient utility as it continues to make aggressive progress toward meeting Council approved environmental initiatives. Select accomplishments include:

- **Household Green Bin organics collection program** – available to approximately 500,000 single-family homes, each contributing on average approximately 200 kg of organic material per year for processing into finished compost, thereby diverting over 94,000 tonnes of waste annually from landfill. Currently rolling out the program to 510,000 multi-residential buildings.
- **Reduced dependence on cross border landfill disposal** – addition of new materials to city's recycling program; replacement and upgrading of street litter/recycle bins; expanded opportunities for safe household hazardous waste disposal are a few innovations resulting in 47% fewer trucks

hauling waste to a Michigan landfill, down from 142 per day in 2002 to 75/tractor trailer loads a day in 2009. On track to stop Michigan shipments by committed date of December 31, 2010.

- **Clean and Beautiful City Initiative** – Division's organization and implementation each year of the Spring Operational Clean-up blitz, the 20-Minute Makeover and Mayor's Community Clean-up Day and general litter operations efficiencies contributes significantly to the safety, well-being and greening of Toronto.
- **Multi-Year Business Plan** – approved by Council in 2005
- **Purchased Green Lane Landfill** – In 2006, Toronto secured city-owned long-term disposal capacity in Ontario and eliminated exposure of dependence on foreign disposal in Michigan.
- **Target70 Waste Diversion Plan** – Council's approval in 2007 resulted in the creation of a Solid Waste Utility with 100% rate supported operating and capital budgets; introduced a volume-based Solid Waste rate to further encourage waste diversion behaviour change designed to move city's rate from 42% to 70% diversion from landfill, thereby extending the lifespan of the Green Lane Landfill to 2034.

Customer Profile

Solid Waste Management delivers services to over one million customers, including 490,000 single-family homes; 510,000 multi-unit homes; 20,000 small businesses and for 6,000 litter/recycle bins; 1,000 special events per year; the City's Agencies, Boards, Commissions and Divisions, in addition to accepting private commercial and industrial waste at transfer stations and the City-owned landfill.

Solid Waste Assets

- 7 transfer stations
- 1 landfill
- 1 recycling centre – a Material Recovery Facility (MRF)
- 1 Green Bin processing facility
- 1 Pilot Reuse Centre
- 4 collection yards and 1 litter collection yard
- 161 former landfills
- 6 household special waste depots (formerly called Household Hazardous Waste depots)
- 734 vehicles

- 30 -