

Q&As: 2012 Billing System & Rate Structure for Non-Residential customers

Who are these Non-Residential customers?

Examples of Non-Residential customers include, but are not limited to:

- Profit and non-profit nursing or retirement homes;
- Hospitals;
- Educational Facilities – properties that provide educational courses to the public but do not otherwise fall into the definition of Schools under Chapter 442 of the Toronto Municipal Code;
- Educational Residences;
- Places of Worship;
- City-owned property which is exempt from property taxation;
- Property owned and operated by a registered charity;
- Properties that provide community support services (social service organizations);
- Private and non-profit Day Cares;
- Non-profit cultural centres;
- Shelters and housing run by non-profit or charitable organizations;
- Properties operated by non-profit or charitable agencies as an arts organization, museums or archives;
- Properties operated by non-profit or charitable agencies as a thrift store or reuse centers; and
- Embassies.

These types of Non-Residential properties were receiving collection at no charge while other customers paid for service.

How will the fees be introduced to Non-Residential customers?

Beginning July 1, 2012, Non-Residential customers will pay 25% of the rate for year one and an additional 25% each year thereafter until 2015 (2012 - 2015).

Year	Per cent
July 1, 2012	25%
Jan. 1, 2013	50%
Jan. 1, 2014	75%
Jan. 1, 2015	100%

What sort of fee was approved?

Non-Residential customers will pay at the same rate as the current commercial customers and all customers will be called 'Non-Residential' customers from the effective date forward. The rates are as follows:

Curbside Bin Fees* (phased in)

Frequency	July 1, 2012 25%	Jan. 1, 2013 50%	Jan. 1, 2014 75%	Jan. 1, 2015 100%
Bi-Weekly	\$50.38	\$201.50	\$302.25	\$403.00
Weekly	\$100.75	\$403.00	\$604.50	\$806.00
Twice Weekly	\$201.50	\$806.00	\$1,209.00	\$1,612.00
Yellow Bag fee	**\$0.78 ea	**\$1.55 ea	**\$2.32 ea	** \$3.10 ea

*Rates quoted for 2013-2015 are based on 2012 approved rates; rates are subject to change based on annual Council decision

**Qualified customers will purchase tags at Canadian Tire at regular price and submit receipts for reimbursement of discount.

Tip Fees at City Transfer Stations (phased in)

Starting Date	End Date	% of Transfer Station Rate	Waste Loads*		Recycle Loads		Tire Loads	
			Transfer Station Base Rate	Charity Rate Per tonne **	Transfer Station Base Rate	Charity Rate Per tonne **	Transfer Station Base Rate	Charity Rate Per tonne **
1-Jul-12	31-Dec-12	25%	\$100.00	\$25.00	\$75.00	\$18.75	\$150.00	\$37.50
1-Jan-13	31-Dec-13	50%		\$50.00		\$37.50		\$75.00
1-Jan-14	31-Dec-14	75%		\$75.00		\$56.25		\$112.50
1-Jan-15	31-Dec-15	100%		\$100.00		\$75.00		\$150.00

*Note: All waste loads up to 100 kg will be subject to a minimum \$10.00 tip fee

**All Rates quoted for 2013-2015 are based on 2012 approved transfer station base rates; these rates are subject to change.

Front-End collection fees* (phased in)

The Non-Residential front-end rate structure was modified to a rate per cubic yard for actual lifts and volume collected rather than the former structure that charged an annual fee/ bin by size. Under the new definition of Non-Residential customers, all of these eligible properties will be charged according to the new fee structure as follows:

Waste	July 1, 2012 25%	January 1, 2013 50%	January 1, 2014 75%	January 1, 2015 100%
Uncompacted	\$2.77	\$5.55	\$8.32	\$11.09
Compacted	\$5.55	\$11.09	\$16.64	\$22.18

*Rates quoted for 2013-2015 are based on 2012 approved rates; rates are subject to change based on annual Council decision

Why is staff proposing to start charging a fee to these types of customers and when would that be effective?

An outcome of the Ernst and Young Efficiency Study was to further analyse the customer base that are not currently paying Solid Waste Management Services Volume-Based Rates and tip fees. Following analysis, it was determined that Solid Waste staff recommend extending participation in its current rate programs to these customers, effective July 1, 2012. These customers do pay for all other utilities they receive.

The inclusion of these customers in the rate program will:

- provide an incentive for these customers to improve their diversion rates, which will help to promote Solid Waste Management Services' plan to extend the life of the City-owned Green Lane Landfill;
- avoid increasing rates for those customers already on the program; and
- create consistency for this customer base across the former municipalities resulting in equity and fairness.

What is Solid Waste Management Services doing to ease the implementation process for the new Non-Residential customers?

- The rates will be phased in over four (4) years to provide opportunity for customers to manage their set-out and tipping patterns, improve diversion, and manage their budget constraints.
- Eligible non-residential customers, upon request may ask for staff to visit their site, receive literature and if appropriate make a presentation to help them through this transition.
- During the rate phase-in period, eligible Non-Residential customers will be able to purchase City issued bag tags at Toronto Canadian Tire stores for use beginning July 1, 2012 until the delivery of their curbside bins. Although Non-Residential customers will purchase these tags at the full price of \$3.10 each, the City will reimburse them on a bi-annual basis according to the phased-in fee percentage in place for that year.

Where can Non-Residential customers go to get help understanding the new fee structure?

City staff are available to help Non-Residential customers transition into the new phased in fee structure. Upon request, Non-Residential customers may ask for a site visit by City staff and where applicable receive a presentation and educational literature.

Curbside collection customers requesting a site visit and/or educational literature may call 416-392-7738.

Front-end collection customers requesting a site visit and/or educational literature may call 416-396-5200.

Will Non-Residential customers be able to participate in the City's Green Bin Program?

Yes, the City is expanding its organic Green Bin collection service to Non-Residential properties starting the spring through the summer of 2012. There is no fee for once-per-week organics collection. Organic material makes up approximately 30% of garbage, so by separating out such items as food waste and soiled paper food packaging, Non-Residential customers will reduce the volume of garbage requiring set out, thereby reducing the garbage volume-based fee. Those properties requiring the curbside premium organics collection (2x, 5x, 6x/week/year) will pay a phased-in fee based on the frequency of collection per week selected.

What is the eligibility criteria for these new Non-Residential customers?

- (a) have a ground floor area not exceeding 500 square metres and with fewer than four above-ground storeys; or
- (b) are located in mixed residential/commercial properties or in plazas and malls where the residential area of the plaza or mall is at least one-third of the total area, and with fewer than four above-ground storeys. A storey of a building is considered to be at ground level if its floor is not more than one metre below street level.
- (c) not industrial properties

What can Non-Residential customers do to minimize the fee charged?

Knowing how to sort your waste and what to divert from your garbage stream will help considerably in reducing the amount of garbage waste measured to calculate the fees due. Joining the City's free regular organic Green Bin collection program, which diverts this material away from garbage and landfill will help greatly reduce fees. Likewise, recycling collection is available for free. Participating fully in the City's recycling program is another way to reduce the amount of garbage generated and therefore your fees. City staff are available to help Non-Residential properties learn how to participate in both of these waste diversion programs. Multiple educational materials are available for posting or distribution. Detailed information is also available on the web site at www.toronto.ca/recycle

Is there sufficient time for Non-Residential customers to plan for this change in fees?

Yes, the plan for the fees will be phased in over time. These fees are effective July 1, 2012. All potential Non-Residential customers were notified of this new policy in early November 2011 following Council's approval. It was felt that this would provide sufficient time for organizations to implement the diversion programs required to keep fees low. City staff will help Non-residential customers understand the billing system and learn how best to divert waste.

If Toronto used to provide this service for free, is there any urgency to begin charging?

Yes, there is some urgency to start charging a fee now in order to make the system fair overall and to prompt those new to the fee system to improve their waste diversion efforts. Previously, Non-Residential customers were subsidized by paying customers (Single and Multi-Residential customers).

Do other municipalities provide service to Non-Residential customers for free?

No. Some other municipalities charge Non-Residential customers, while others restrict customers to the residential bag limit. One municipality does not offer them collection at all.

Historically, were all charities receiving free City collection?

No, some charities already pay a fee. Toronto's residential rates apply if a charity or religious organization is located within a residential property. This caused inconsistencies in how charities and religious organizations are treated in terms of fees for solid waste collection.

What will happen to current Non-Residential customers receiving collection that do not meet the new proposed eligibility criteria for future Non-Residential customers?

The currently serviced Non-Residential customers receiving City service will be grandfathered into the new system that is recommended for all future Non-Residential customers regardless of whether they meet the eligibility criteria. The only difference is now they too will be subject to the rate structure proposed for all Non-Residential customers and pay fees as of July 1, 2012.

How were affected new Non-Residential customers initially notified of this proposed change?

A letter from the Acting General Manager of Solid Waste was mailed on November 3, 2011 to the affected organizations. In addition, this information was included in the Public Notice issued by the City Clerk's office on November 3, 2011. This subject was discussed at various public Committee meetings as well as at Council. Detailed budget information, including a Q&A specific to the Non-Residential fee policy was posted on the City's website. Subsequently, additional letters were sent.

How much revenue will this change generate for Solid Waste?

It is anticipated that broadening the customer category to include the identified Non-Residential groups, will potentially result in approximately \$2.9M in revenue beginning in 2015.

Will there be any special consideration given to the Non-Residential properties that receive donated items for reuse? Sometimes not all of the material earmarked for reuse is actually suitable for that purpose and must be disposed of as garbage, which now will be charged a collection fee.

Once this scenario came to the attention of the City, staff began to work on investigating a series of options to mitigate any undue hardship resulting from an organization left saddled with additional material that must be disposed of as garbage. Further work and consultation is required to arrive at satisfactory solutions that will go to Council in 2012 for debate and direction as part of Solid Waste Management Services' 2013 budget submission. More information will be made available at that time.