

Recommended 2009 Residential Solid Waste Rates

Date:	October 9, 2008
To:	Budget Committee
From:	General Manager, Solid Waste Management Services Acting Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	p:/2008/swms/Oct./015BA

SUMMARY

This report outlines the proposed 2009 Residential Solid Waste Rates. The proposed rates are unchanged from 2008.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services and the Acting Deputy City Manager and Chief Financial Officer recommend that:

1. the 2008 Residential Solid Waste Rate, adopted by Council for 2008, continue unchanged for 2009, as set out in Appendix A.

Financial Impact

The recommended 2009 Residential Solid Waste Rates are expected to generate \$239.5 million in volume-based rate revenue or \$164.1 million over the 2008 Approved Operating Budget.

This will remove Solid Waste Management Services from the property tax base in 2009 and provide full funding to support Solid Waste Management operations, capital work and the initiatives to achieve the 70% waste diversion goal. The recommended rates are reflected in the recommended 2009 Operating Budget for Solid Waste Management Services.

DECISION HISTORY

At its meeting of March 31, 2008, City Council adopted the recommendations in Executive Committee report EX18.1 entitled “2008 Budget Committee Recommended Operating Budget”, as amended. The report described the 2008 solid waste fees. The report and the council decision document can be viewed at:

- report
<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-11479.pdf>
- decision document (relevant pages 11 and 12)
<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-03-31-cc18-dd.pdf>

ISSUE BACKGROUND

In June 2007, City Council adopted a plan to achieve 70% diversion from landfill by 2010. The plan included principles for the new solid waste fees.

In March 2008, City Council adopted 2008 Residential Solid Waste Rates, to be implemented on July 1, 2008 for residential bulk collection customers and on November 1, 2008 for residential curbside collection customers.

The new rate structure was implemented on July 1, 2008 for residential bulk collection customers – primarily multi-residential units and will be implemented on November 1, 2008 for residential curbside collection customers – primarily single residential units. The recommended 2009 rates are in Appendix A.

COMMENTS

It is recommended that the rates set for 2008 remain the same for 2009. After a full year implementation, the rates will be reviewed and Solid Waste Management Services will bring forward in Fall 2009, a multi-year fee strategy to Budget Committee.

The recommended 2009 Solid Waste Management Services Operating and Capital Budgets will be publicly introduced on October 17, 2008 at Budget Committee.

Starting in 2009, the Solid Waste Management Services Capital program will be fully supported by user fee revenue, reserve funds and third party private funding. Debt charges are funded from user fees. Each year, the Solid Waste Management Services Operating Budget will include a contribution to capital to fund capital debt charges for Solid Waste Management capital projects. The recommended 2009 Operating Budget includes a contribution to capital repayment of \$7.8 million.

The recommended Capital Plan and Forecast provides new cash flow funding in 2009-2013 for Diversion Facilities (\$91.360 million), ongoing maintenance of Perpetual Care of Landfills (\$8.201 million), continue Transfer Station Asset Management (\$8.120 million), Collection Yard Asset Management (\$3.159 million), and Development of Green Lane Landfill (\$5.281 million).

Of the total \$328 million operating budget, the recommended 2009 Residential Solid Waste Rates are expected to generate \$239.5 million in volume-based rate revenue with recycling and other revenues funding the remaining. The user fees will fund new initiatives to assist with meeting the 70% waste diversion target such as:

- curbside collection of household durable goods for reuse and recycling;
- start-up of Green Bin program in multi-unit buildings;
- adding new items to the Blue Bin program
- initiate enforcement of mandatory diversion by-law;
- in-store packaging reductions initiatives;
- door-to-door curbside services in townhomes;
- full access to recycling and Green Bin services for residential above commercial;
- extend household special waste depot operations to 5 days per week; and
- replace and upgrade existing green bins.

CONTACT

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SIGNATURE

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Attachment

Appendix A - Proposed 2009 Residential Solid Waste Rates