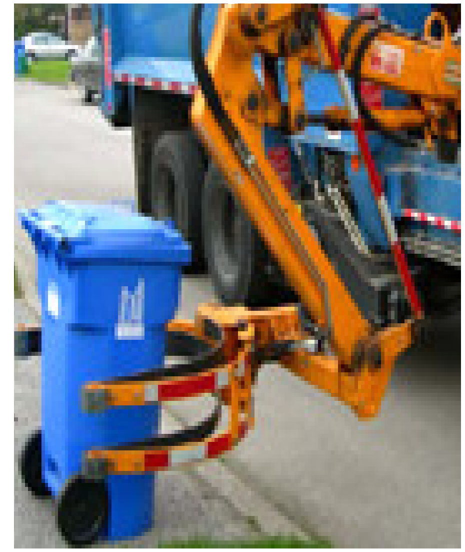
TARGET 70



Solid Waste Management Services

2009 Capital & Operating Budget

Council November 6, 2008

Solid Waste Management Services - Overview

- Serve over 1 million units
- 480,000 single unit homes
- 500,000 multi-unit homes
- 20,000 small commercial
- 6,000 litter/recycle bins / 1,000 Special Events Per Year
- City Agencies, Boards, Commissions & Divisions
- Private commercial and industrial waste accepted at transfer stations and Landfill

Solid Waste Management Services - Assets

- 7 Transfer Stations
- 1 Landfill
- 2 Material Recovery Facilities (MRF)
- 1 Green Bin Processing Facility
- 1 Temporary Reuse Centre
- 4 Collection Yards and 1 Litter Collection Yard
- 161 Former Landfills
- 6 Household Hazardous Waste (HHW) Depots
- 734 Vehicles



Michigan Disposal

- Currently shipping approx. 75/tractor trailer loads per day
  - Down from peak of 142 per day in 2002
- Border Closure Legislation ‘on hold’ subject to achievement of negotiated reduction targets
  - City of Toronto achieved 2007 reduction goals
  - On track to stop Michigan shipments December 31, 2010
    - Redirect all residual waste to Green Lane Landfill

Strategic Direction

- Multi-Year Business Plan approved by Council in 2005
- Target 70 approved by Council in 2007
  - Create Solid Waste Utility
    - 100% rate supported operating and capital budgets
  - Volume based Solid Waste Rate
    - Drives waste diversion behaviour change
    - Generates $54M incremental annual revenue to support new diversion initiatives
  - Detailed plan to move from 42% to 70% diversion
    - Extends volume based Green Lane Landfill life to 2034

Diversion Statistics

Diversion Rates - %	2007 Actual	2008 Projected	2009 Estimate
Single Unit Homes	59%	61%	63%
Mulit-Unit Residences	13%	18%	23%
City Facilities / Public Space	43%	45%	47%
Over-All	42%	44%	48%

Solid Waste 2009 Budget Provides

- New & Enhanced Diversion Programs
- Enhanced Service Levels
- New Infrastructure to Support Waste Diversion

New & Enhanced Diversion Programs

- Start-up of Green Bin program in multi-unit buildings at a rate of 300 complexes/month
- Curbside collection of household durable goods for reuse and recycling
- Add new items to Blue Bin recycling program
- Initiate enforcement of mandatory diversion by-laws
- In-store packaging reduction initiatives

Enhanced Service Levels

- Door-to-door curbside service for townhomes
- Full access to Blue Bin & Green Bin service for residential units above commercial
- Extend household special waste depot operations to 5 days per week
  - Pilot multi-unit mobile depot
- Replace and upgrade existing street litter/recycle bins
- Improved design of waste & diversion systems for special events

TARGET 70

New Infrastructure to Support Waste Diversion

- 2 new household durable goods reuse and recycle centres
- New Green Bin processing facility at Disco and Dufferin Transfer Stations
- Design of third recycling processing facility
- Provision of in-suite recycle bins to all multi-unit homes
- Decision on technology and location of mixed waste treatment facility



2009 Program Issues

- Solid waste system undergoing rapid, fundamental change
  - Impacting over 1 million customers
  - Re-engineering all operational systems
  - Very limited 2008 data

- Volatile Year 1 Rate Revenue
  - Resident bin selection changes
  - Re-design of multi-unit building processes and systems
  - Simultaneous introduction of new diversion initiatives

- Capacity of Division to deliver multiple service enhancements
  - Highly integrated and inter-dependent programs
  - Facility siting challenges

(continued)



2009 Program Issues

- Integration of Green Lane Landfill Business Unit
  - Cost neutral business unit
  - Complete re-direction of waste from Michigan in 2011
- Volatile Global Economic Factors
  - Fuel prices
  - Commodity values
  - Exchange rates

Solid Waste Management Services

2009 Operating Budget

2009 Operating Budget Overview

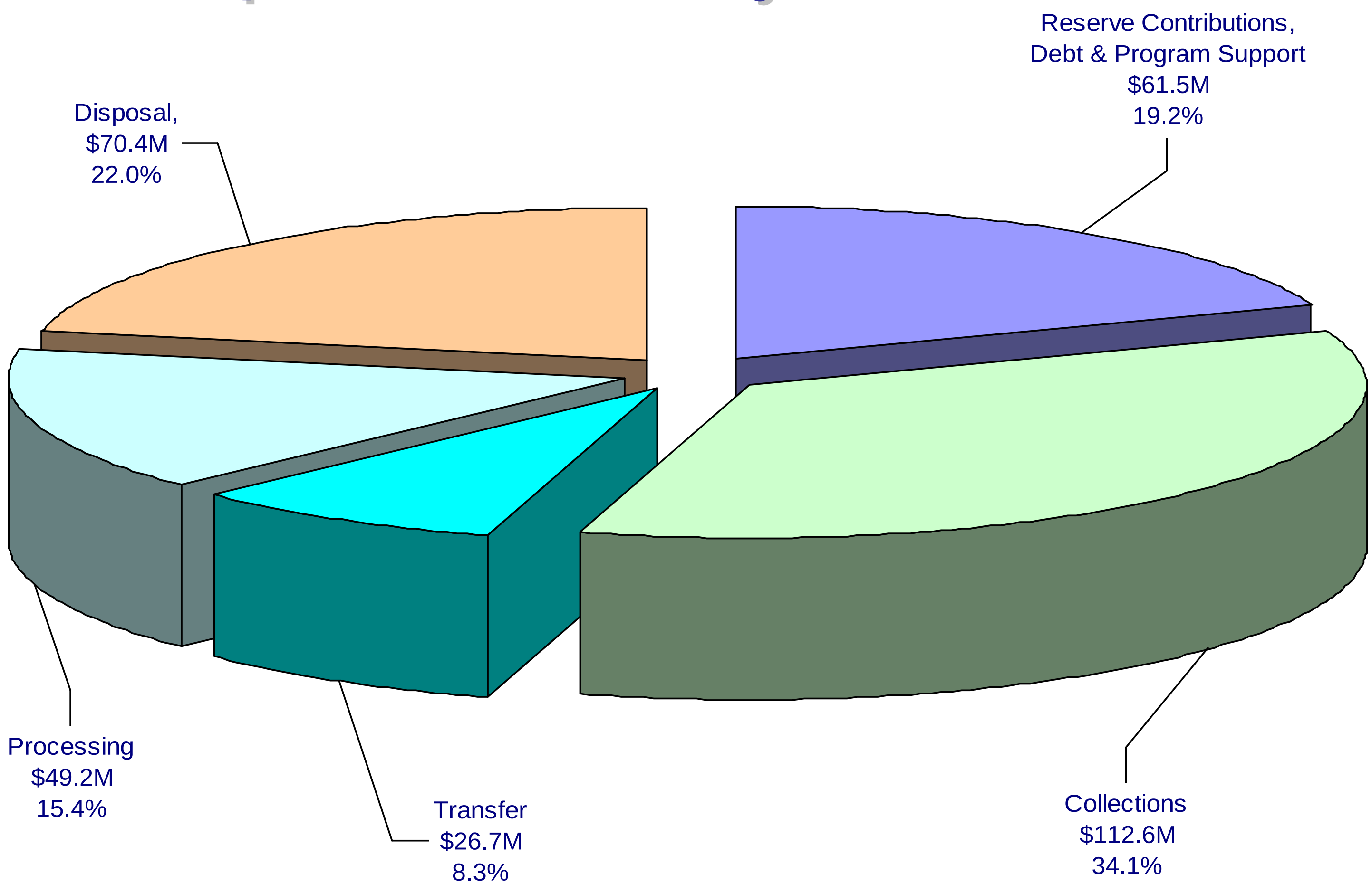
- Recommended 2009 Operating Budget Consistent With Target 70 Council Approved Plan

  - Gross Expenditures
    - Up $43.4M over 2008
    - 15.7% increase
  - Volume Based Rate Revenue
    - Annualization of 2008 partial year $164.5M
    - 0% increase in per unit rate
  - 2009 Reserve Contribution
    - $14.0M
  - Staffing Levels
    - 57 SWMS positions (4.3%)
    - Additional 2 PPFA positions

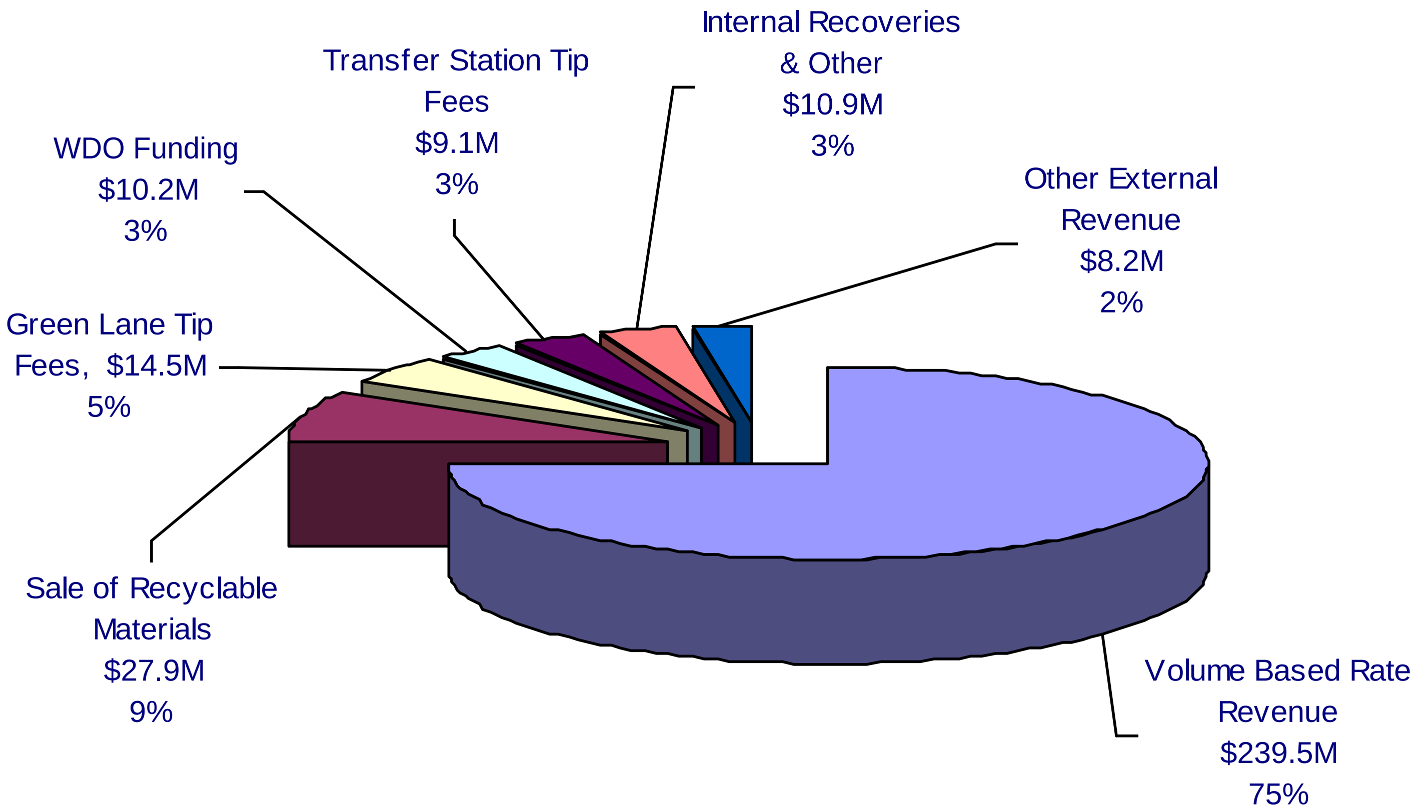
Staffing Changes Summary

Project / Initiative	New Staff
Target 70 Reuse Centre Additional Recycling Additional Green Bin Education / Outreach Volume Based Rate	41.1
Customer Service SWMS Call Centre (Temp Jan - June 2009)	3.0
HHW Extended Hours	2.1
Ambassador Project Co-ordinate 3R's Education Program	1.0
New Infrastructure & Contract Administration Co-ordination of New Capital Programs	1.0
Collection Contract Renewal Delivery of Recycled Materials to City's MRF	2.0
Emerald Ash Borer Additional Haulage/Grinding	3.0
Special Events Special Events Co-ordination	2.0
Street Furniture Rollout Plan/Review/Inspect installation of New Litter Bins	2.0
Total SMSM	**57.2**
PPFA - Increased Complexity & Demands for Service	**2.0**

2009 Expenditures By Service



2009 Revenue Sources





Year 1 Transition Issues – Revenue Volatility

+Single Unit Home Bin Selection	S	M	L	XL	2007 Revenue Per HH
Target 70 Estmate	30%	30%	30%	10%	$271/HH/YR
Actual Orders to Date	24%	37%	31%	8%	$277/HH/YR

+ Multi-Unit Waste Rate

- * Collection data indicates week 1 - 8 volume is higher than projected
- * First bills to be delivered through October and November

+ Extra Tag Sales

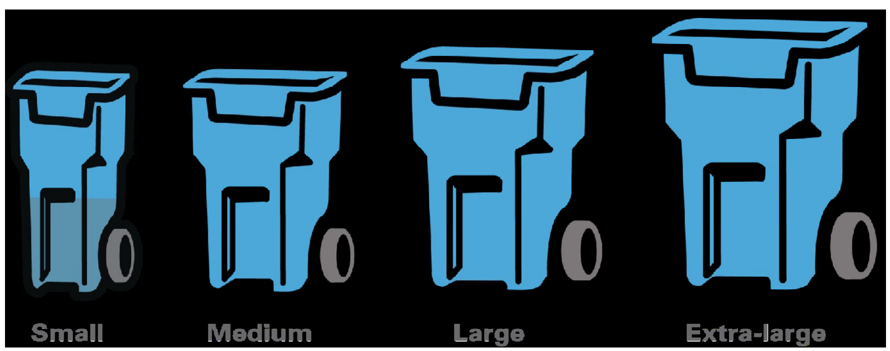
- * Five free tags provided to end of 2009

- SF & MF Households Count

- * Program roll-out is still underway
- * House counts are trending lower than Target 70 Plan

Solid Waste Management Services

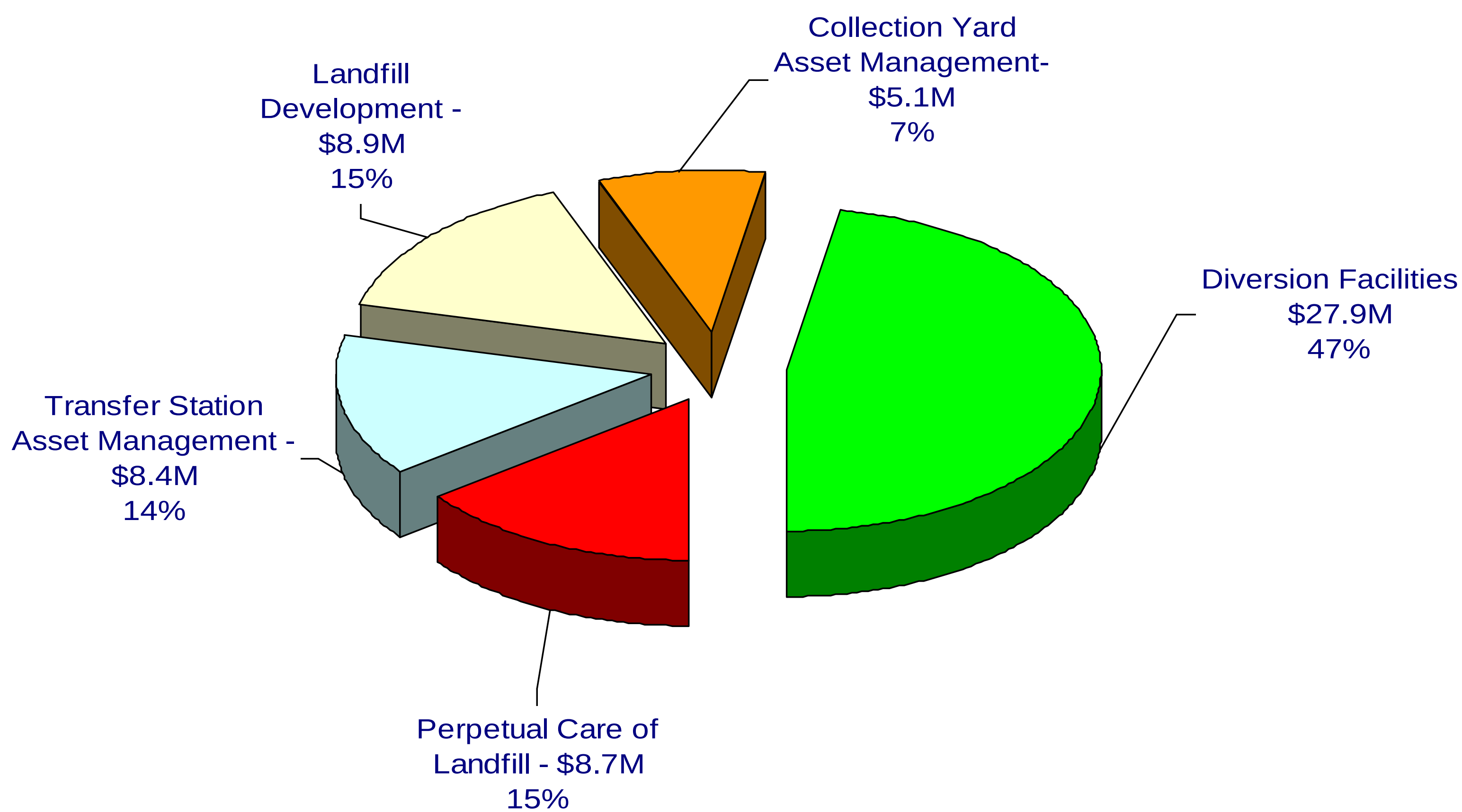
2009 – 2018 Capital Budget



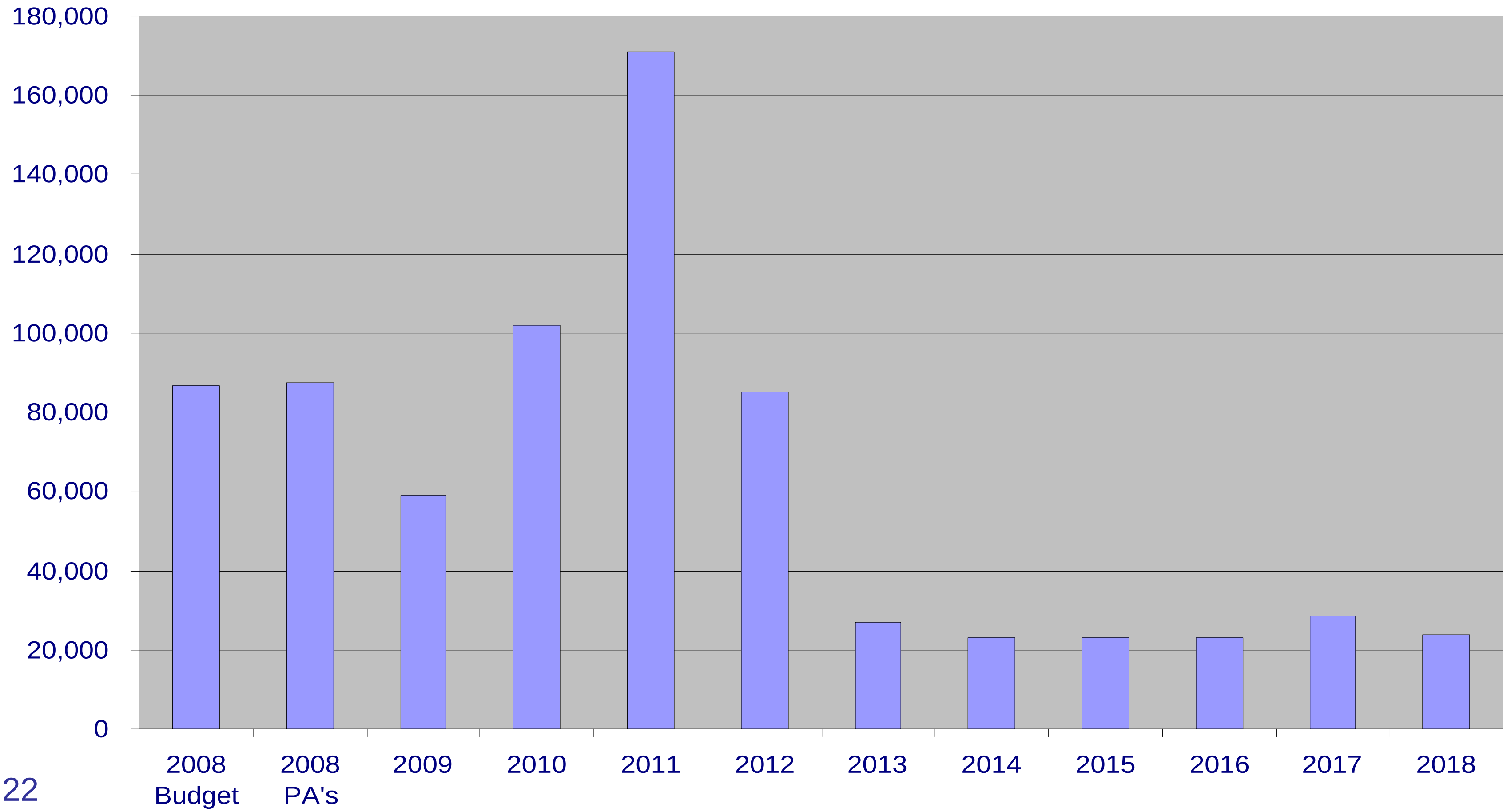
2009 Capital Budget Overview

- 2009 Capital Budget consistent with Target 70 Plan
  - 2009 - 2018 Capital Budget within 1% of the Target 70 Plan
  - 2009 Capital Budget is 24% lower than Target 70 Plan
  - No significant state of good repair backlog
  - Over $300 million of new diversion facility infrastructure in plan

Summary of 2009 Recommended Cash Flow by Project ($59.1M)



Projected Capital Expenditures: 2009 - 2018



Recommended 2009 Rate

- ➢ Recommend 0% increase for 2009
  - Rationale
    - Timing of 2008 program launch
    - Need longer term revenue trend information prior to any rate change
    - 10 Year projected reserve balance consistent with Target 70 Plan due to several unanticipated factors
      - – New WDO funding
      - – Lower borrowing costs

2009 Proposed Curb Side Rates

	2008	2009	Percent Increase
Solid Waste Fees per unit	S = $199 M = $248 L = $342 XL = $399	S = $199 M = $248 L = $342 XL = $399	0% 0% 0% 0%
Bin Exchange Fees	November 2008 – January 2009 = $10 February 2009 – December 2009 = $20		0% 0%
Bin Replacement Fees	S = $50 M = $55 L = $60 XL = $65	S = $50 M = $55 L = $60 XL = $65	0% 0% 0% 0%
Rebate per unit	$209	$209	0%

2009 Proposed Bulk Rates

Size	2008	2009	Percent Increase
Solid Waste Fees per unit	S = $150 M = $175 L = $205 XL = $235	S = $150 M = $175 L = $205 XL = $235	0% 0% 0% 0%
Cubic Yard Fees for excess waste	$9.56 uncompacted $28.67 compacted	$9.56 uncompacted $28.67 compacted	0%
Rebate per unit	$157	$157	0%

2009 Proposed Bag Fees

	2008	2009	Percent Increase
Fee Per Tag	$3.10	$3.10	0%