

October 24, 2008

To: Executive Committee
From: Budget Committee
Subject: Recommended 2009 Residential Solid Waste Rates

Recommendation:

The Budget Committee recommended to the Executive Committee and City Council that:

- 1. The 2008 Residential Solid Waste Rates, adopted by Council for 2008, continue unchanged for 2009, as set out in Appendix A of the report (October 9, 2008) from the General Manager, Solid Waste Management Services and the Acting Deputy City Manager and Chief Financial Officer.**

Decision Advice and Other Information:

The Budget Committee held a public meeting on October 23, 2008, and notice was given in accordance with the Municipal Code Chapter 441, Fees and Charges.

Background:

The Budget Committee on October 24, 2008, considered a report (October 9, 2008) from the General Manager, Solid Waste Management Services and the Acting Deputy City Manager and Chief Financial Officer, entitled "Recommended 2009 Residential Solid Waste Rates".

The following persons addressed the Budget Committee on October 23, 2008:

- Tim Macguire, First Vice President CUPE, Local 79
- Elaine LePage, Vice Chair, 3 R's Working Group
- David MacDonald, Open Shop Contractors Association
- Councillor Denzil Minnan-Wong, Ward 34 Don Valley East
- Councillor Janet Davis, Ward 31 Beaches-East York
- Councillor Karen Stintz, Ward 16 Eglinton-Lawrence

for City Clerk

Merle MacDonald/mb

G:\SEC\Legislative Docs\2008\Standing\Budget\Letters\20081024\BU36.6.doc



STAFF REPORT ACTION REQUIRED

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

Vincent Sferrazza, Director, Policy & Planning, Solid Waste Management Services, 25E, City Hall, Telephone: 416-392-9095, E-mail: vsferra@toronto.ca

Len Brittain, Director, Corporate Finance, 5E, City Hall, Telephone: 416-392-5380, E-mail: lbrittai@toronto.ca

Josie Lavita, Director, Financial Planning, 7E, City Hall, Telephone: 416-397-4229, E-mail: jlavita@toronto.ca

SIGNATURE

Geoff Rathbone
General Manager
Solid Waste Management Services

Cam Weldon
Acting Deputy City Manager and
Chief Financial Officer

Attachment

Appendix A - Proposed 2009 Residential Solid Waste Rates



City Clerk's Office

Secretariat
Merle MacDonald
Budget Committee
City Hall, 10th Floor, West
100 Queen Street West
Toronto, Ontario M5H 2N2

Ulli S. Watkiss
City Clerk

Tel: **416-392-7340**
Fax: **416-392-1879**
email: buc@toronto.ca
Web: www.toronto.ca

Appendix A – Proposed 2009 Residential Solid Waste Rates

Recommended 2009 Residential Curbside Collection Rates

Annual Garbage Fee (per Bin)	
- Small Bin	\$199
- Medium Bin	\$248
- Large Bin	\$342
- Extra Large Bin	\$399
Fee to replace lost or stolen Garbage Bin or Blue Bin (per Bin)	
- Small Bin	\$50
- Medium Bin	\$55
- Large Bin	\$60
- Extra Large Bin	\$65
Fee to exchange Garbage Bin for a smaller Garbage Bin (per Bin exchange)	\$0
Fee to exchange Garbage Bin or Blue Bin for different sized Garbage Bin or Blue Bin – excluding an exchange of a Garbage Bin for a smaller Garbage Bin (per Bin exchange)	Jan \$10 Feb to Dec \$20
Annual Rebate (per Account)	(\$209)

Recommended 2009 Residential Bulk Collection Rates

Annual Garbage Fee (per unit)	
- Small Bin Equivalent	\$150
- Medium Bin Equivalent	\$175
- Large Bin Equivalent	\$205
- Extra Large Bin Equivalent	\$235
Fee for excess waste: un-compacted (per yd ³)	\$9.56
Fee for excess waste: compacted (per yd ³)	\$28.67
Annual Rebate (per unit)	(\$157)

Recommended Residential Bag Tag Rates

Bag Tag Fee (per tag)	\$3.10
-----------------------	--------

Equivalent Bin Size Determination for Residential Bulk Collection

Equivalent Bin Size	Uncompacted Waste Set Out per Month (yd ³ /unit/month)	Compacted Waste Set Out per Month (yd ³ /unit/month)
Small	0.000 – 0.142	0.000 - 0.047
Medium	0.143 – 0.227	0.048 - 0.076
Large	0.228 – 0.453	0.077 – 0.151
Extra Large	0.454 – 0.680	0.152 - 0.227

