



Solid Waste Management Services

2010 Capital & Operating Budget

Budget Committee - October 19, 2009





Solid Waste Management Services Overview

Serve over 1 million units

- 490,000 single-unit homes
- 510,000 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

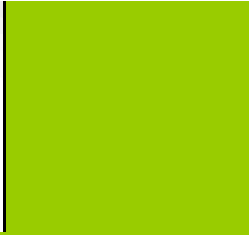




Solid Waste Management Services - Assets

- 7 Transfer Stations
- 1 Landfill
- 1 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 Hazardous Waste (HHW) Depots
- 734 Vehicles

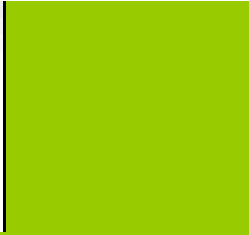




Michigan Disposal

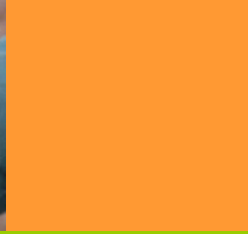
- Currently shipping approximately 75 tractor trailer loads per day
 - ❖ Down from peak of 142 per day in 2002 (47% Decrease)

- Border Closure Legislation ‘on hold’ subject to achievement of negotiated reduction targets
 - ❖ City of Toronto achieved 2008 cross border reduction goals
 - ❖ On track to stop Michigan shipments December 31, 2010
 - Redirect all residual waste to Green Lane Landfill



Long-Term 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 with a projected annual rate increase of 3.5%
 - ❖ Detailed plan to move from 42% to 70% diversion
 - Extends volume based Green Lane Landfill life to 2034



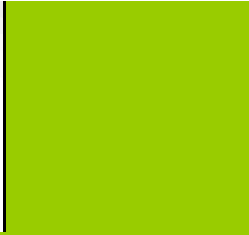
The 2010 Budget Provides:

- A balance of fiscal constraint with a continued commitment to the implementation of diversion initiatives.
- A continuing commitment to build infrastructure to support the long term diversion goals.
- Long term disposal capacity as waste transitions to the City's Green Lane Landfill and dependence on disposal in Michigan is eliminated.



Enhanced Service Levels

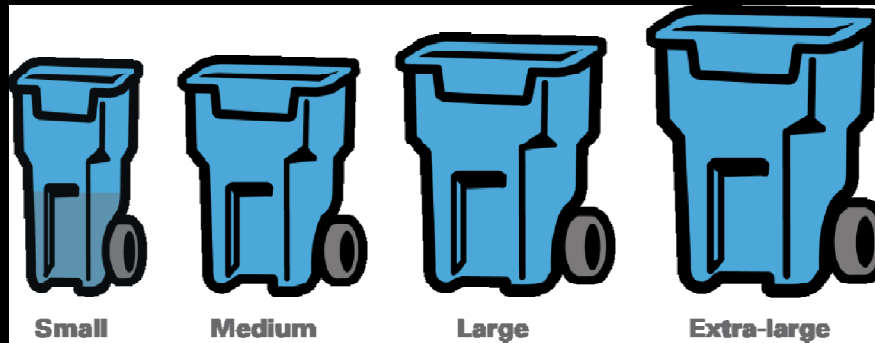
- Complete roll-out of door-to-door curbside service for townhomes
- Roll-out Blue Bin & Green Bin service for residential units above commercial
- Extend household special waste depot operations to 5 days per week
 - ❖ Pilot multi-unit mobile depot for MHSW and Electronics
- Replace and upgrade existing street litter/recycle bins



TARGET
70



Solid Waste Management Services 2010 – 2019 Capital Budget



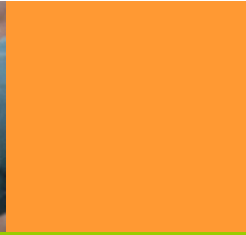


TARGET
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2010 Capital Budget Overview

- 2010 Capital Budget consistent with Target 70 Plan
 - ❖ No significant state of good repair backlog
 - ❖ Over \$335 million of new diversion facility infrastructure in plan

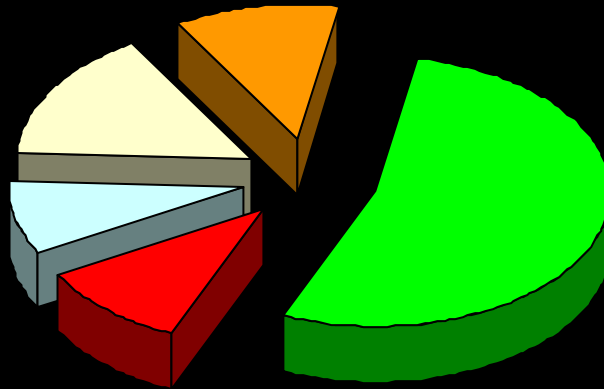


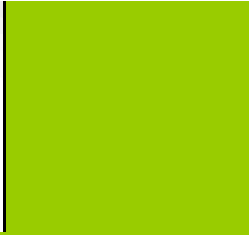
New Infrastructure to Support Waste Diversion & Disposal Security

- New Green Bin processing facility at the Disco Transfer Station
- Design of next generation recycling processing facility
- Complete roll-out of in-suite recycle bins to all multi-unit homes
- Consultation and REOI for proposed mixed waste treatment facility at land adjacent to the Green Lane Landfill
- Landfill infrastructure improvements in preparation for the closure at the Michigan Border at the end of 2010
 - ❖ New Cell Development
 - ❖ Leachate System Upgrades
 - ❖ Landfill Gas Recovery Systems



Summary of 2010 Recommended Cash Flow by Project (\$75.1M)





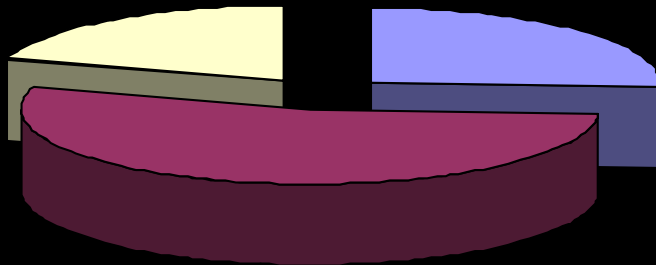
Projected Capital Expenditures: 2010-2019 - \$M



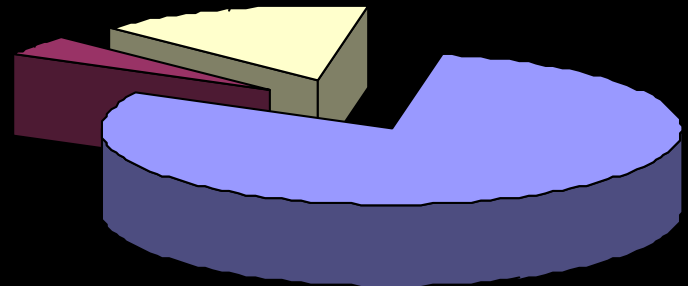


2010 Recommended Cash Flow By Category and Financing Source - \$75.1M

By Category



By Financing Source

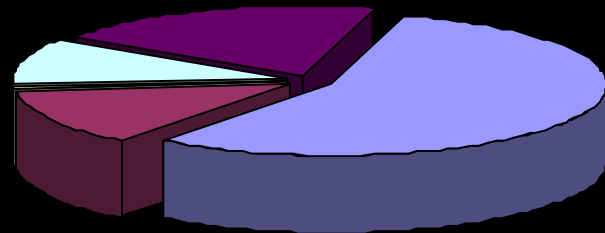
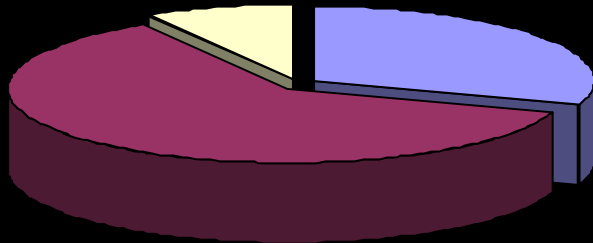


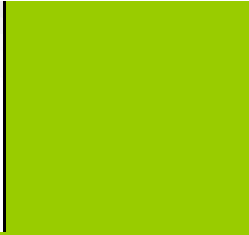


2010-2019 Recommended Cash Flow By Category and Financing

2010 - 2019 Recommended Capital Budget - Cash Flow By Category
\$549.1M

2010 - 2019 Recommended Capital Budget - Cash Flow By Financing Source





2010 Capital Budget Submission – Diversion Facilities & Systems (\$335.4 M)

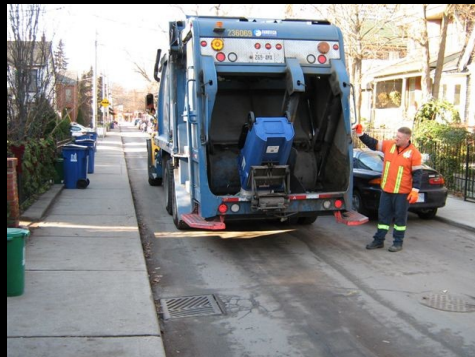
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2010-2014</u>	<u>2015-2019</u>	<u>2010-2019</u>
Additional Disco SSO Processing Facilities	32.3	42.0	3.5			77.8		77.8
RFID/GPS	0.2	0.2	0.2			0.6		0.6
Replacement SSO Containers		15.9	6.0			21.9		21.9
Reuse Centres - Future Sites	0.5	10.0	8.0	1.1		19.6		19.6
SSO Multi-Family Containers	1.4	0.5	0.1	0.1	0.1	2.2	0.5	2.7
Tractor Trailers	1.1					1.1		1.1
Mandatory Diversion Enforcement	0.6					0.6		0.6
Diversion Facilities Asset Management	0.2	0.3	0.3	0.3	0.3	1.4	1.3	2.7
Recycling Upgrades for Multi-Units	1.0	0.5				1.5		1.5
Dufferin Facilities :Additional Single Stream Processing Capacity**	2.4	32.0	32.0	10.5	2.5	79.4		79.4
Dufferin Facilities :Additional Single Stream Processing Capacity** - Reuse Centre				0.5	8.5	9.0		9.0
Dufferin Waste Management Facilities :Additional Single Stream Processing Capacity** - SSO Processing Facility			3.0			3.0		3.0
Mixed Waste Processing Facilities*	0.4	29.1	57.1	28.9		115.5		115.5
Total	\$40.1	\$130.5	\$110.2	\$41.4	\$11.4	\$333.6	\$1.8	\$335.4

* 50% probability of private funded

** Potential 100% funding from WDO



Solid Waste Management Services 2010 Operating Budget





2010 Major Base Pressures & Offsets

	\$M's
Single Stream Recycling (Expenditure & Revenue)	9.9
Debt Charges	5.2
COLA & Economic Factors	3.7
SSO In Multi-Res & Durable Goods	2.4
Other	0.2
Reduced Tonnage to Landfill	(5.5)
WDO Funding	(1.4)
Emerald Ash Borer	(0.9)
Fuel Price Adjustments	(0.9)
Total Pressures & Offsets	\$12.7
% Increase Pressure	5.3%



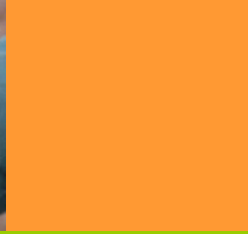
Efficiencies (Not Impacting Diversion)

	\$M's
Total Pressures & Offsets	12.7
Reduce Collection Operating Cost	(1.8)
Reduce Litter Operating Costs	(1.2)
Reduce Overtime	(0.6)
Reduce Transfer Station Operating Costs	(0.5)
Other	(0.3)
Total Efficiencies	(4.4)
Utility Revenue Increase Pressure	\$8.3
% Increase Pressure	3.5%



Extend Timeline for the Roll-Out of Major Diversion Initiatives

	\$M's
Net Pressures After Efficiencies	8.3
Extend Roll-out Timeline of SSO in Multi-Residential Buildings	(1.9)
Extend Roll-Out Timeline of Durable Goods Program	(1.6)
Total of Major Diversion Initiatives Deferred	(3.5)
Utility Revenue Increase Required	\$4.8
% Increase Recommended	2.0%



2010 Operating Budget Overview

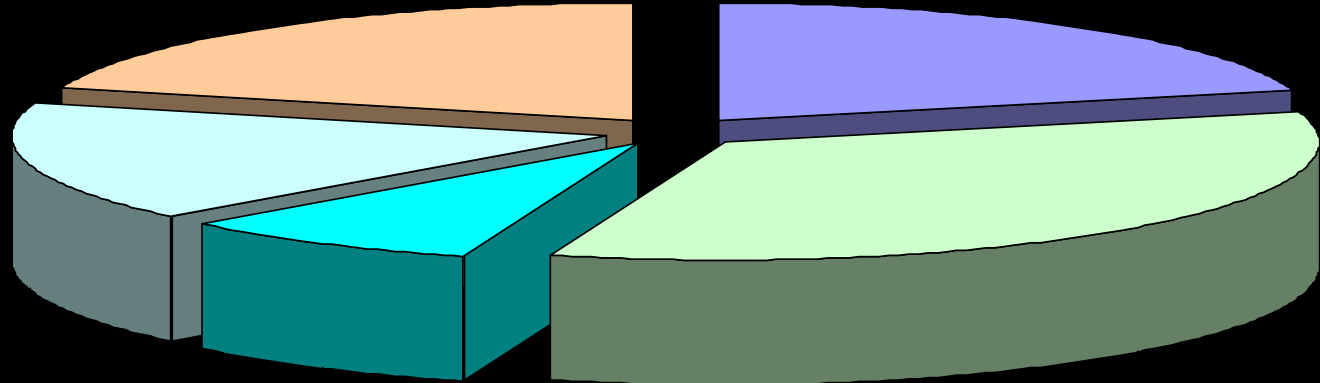
- Volume Based Rate Revenue
2.0% increase
- 2010 Reserve Contribution
❖ \$12.6M
- Staffing Levels
 - ❖ Net 34.7 SWMS position decrease (2.6%)
 - Attrition
 - Reduction of Seasonal/Temporary
 - Not hiring specified positions





2010 Expenditures By Service

Gross Expenditure - \$319.8M



	2009 Approved Budget	2010 Requested Budget	\$ Increase (Decrease)	% Incr. (Decr.)
Gross Expenditures	318,986.7	319,821.4	834.8	0.3%
Revenues	318,986.7	319,821.4	834.8	0.3%
Net	0.0	0.0	0.0	
No. of Positions	1,371.8	1,324.1	(47.7)	(3.5%)

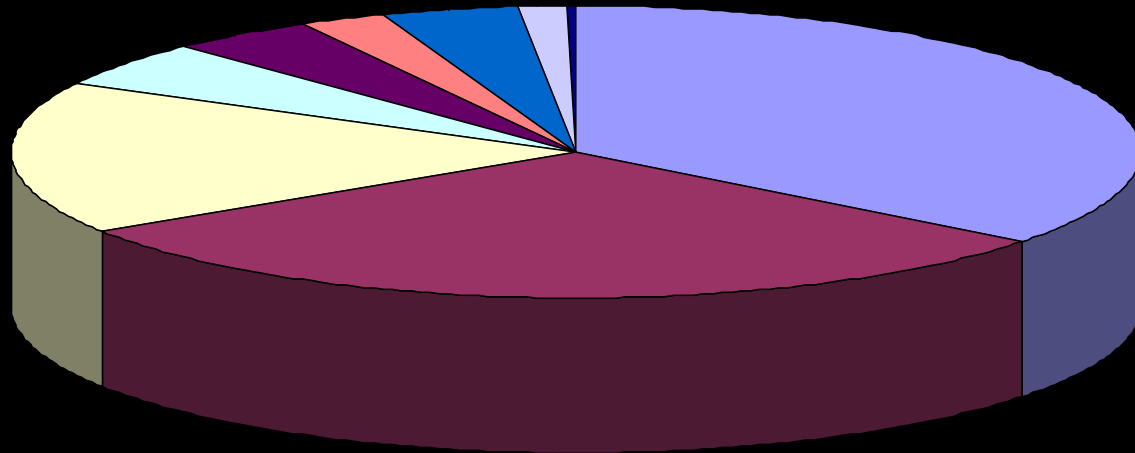


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2010 Expenditures By Category

Gross Expenditure - \$319.8M

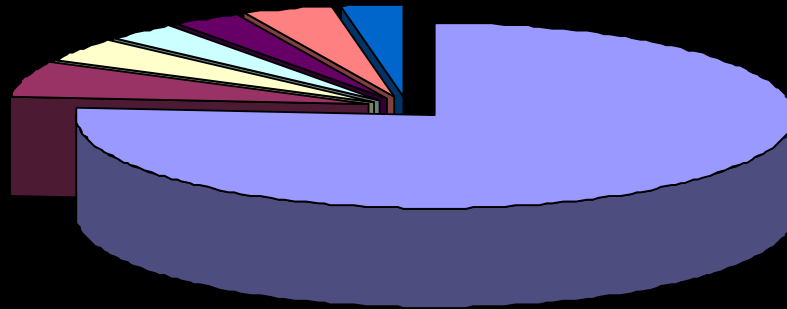


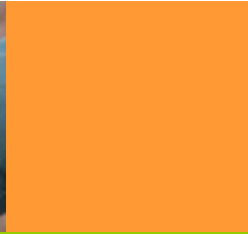
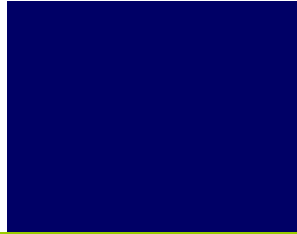


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2010 Revenue Sources (\$319.8M)





Staffing Changes Summary

Project / Initiative	Staffing Changes *
Target 70	
Increase Recovery of Recyclables	4.0
Target 70 Support Staff	(4.2)
Collections	
Efficiencies	(17.0)
Litter Operations	(11.5)
Transfer	
Efficiencies	(4.0)
New Infrastructure & Contract Administration	
Co-ordination of New Capital Programs	1.0
Emerald Ash Borer	
Additional Haulage/Grinding	(3.0)
Total SWMS	(34.7)

* The above does not include an additional 19 gapped positions intended for the roll-out of SSO in Multi-Residential Buildings and the Durable Goods Program, or the transfer of 13.0 positions to MLS.



Recent Program Efficiencies per PWI Request

- 2008
 - ❖ Harmonization / Re-routing resulting in the elimination of \$4.3M related to the former Municipality of York private collection contract
- 2009
 - ❖ Further collections efficiencies resulting in savings of \$2.0M
- 2010
 - ❖ Litter Service, Collection and Transfer efficiency savings of \$4.1M

Total 3 Year Efficiencies

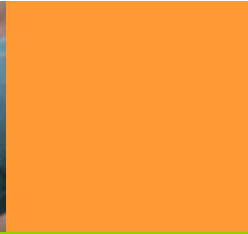
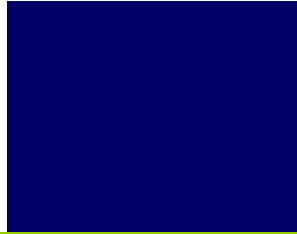
\$10.4M



Diversion Projections Based on 2.0% Rate Increase

	2008 Actual	2009 Projected	2010 Estimate *
Single-Unit Homes	59%	61%	65%
Multi-Unit Residences	15%	19%	22%
City Facilities / Public Space	43%	46%	50%
Over-All	44%	46%	50%

* The annual diversion percentages shown on this table are an average for the year. Expansion of diversion initiatives during the year will continue to increase diversion percentages. For 2010, in particular, single-B1family homes show a 65% annual diversion rate, while the actual number in the later months will be approaching 70% on a run rate basis.



2010 Proposed Curb Side Rates

	2009	2010	Percent Increase
Solid Waste Fees Per Unit	S = \$199	S = \$203	2.0%
	M = \$248	M = \$253	2.0%
	L = \$342	L = \$349	2.0%
	XL = \$399	XL = \$407	2.0%

2010 Proposed Bulk Rates

	2009	2010	Percent Increase
Solid Waste Fees Per Unit	S = \$150		
	M = \$175		
	L = \$205		
	XL = \$235		
Cubic Yard Fees for Excess Waste	\$9.56 uncompactd	Flat fee per cubic yard	2.0%
	\$28.67 compacted		

2010 Proposed Bag Fees

	2009	2010	Percent Increase
Fee Per Bag	\$3.10	\$3.10	0.0%



Summary Impacts of 2.0% Rate Increase

- Extends roll-out schedule of two diversion initiatives
 - ❖ SSO Multi-Residential to fall 2011
 - ❖ Durable goods collection and recycling to early 2011

- 2.0% Rate Increase
 - ❖ Annual impact ranges from \$4 - \$8 per year per household per year depending on bin size
 - Average Household - \$5 per year
 - Approximately \$0.10 per week