



STAFF REPORT ACTION REQUIRED

Labour Disruption Savings Allocation to the Recommended 2010 Solid Waste Residential Rates

Date:	October 29, 2009
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2009\Internal Services\Fp\Ec09022Fp

SUMMARY

At its meeting on October 26 and 27, 2009 the City Council adopted the recommendation to allocate \$4.8 million from the 2009 labour disruption savings to the 2010 Solid Waste Management Services (SWMS) budget to offset the proposed 2% increase to the Residential Solid Waste Management Rates.

This report rescinds the Budget Committee's recommended rates for 2010 Solid Waste fees and replaces them with the rates that comply with City Council direction.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. the Budget Committee's recommendation in the report entitled "Recommended 2010 Solid Waste Rate" for single- residential curbside and multi-residential bulk collection be rescinded and be replaced as set out in Appendix A.

Financial Impact

When compounded over a 10 year period, the impact of the incremental difference between a 2.0% rate increase and a 0% rate increase is a \$60.3 million reduction in the projected 2020 Solid Waste Management Reserve Fund balance.

There is no net impact on the SWMS 2010 Operating Budget as a result of the one time \$4.8 million allocation from the 2009 labour disruption savings.

DECISION HISTORY

At its meeting on October 23, 2009 the Budget Committee recommend Item BU55.6 “Recommended 2010 Solid Waste Rates” to the Executive Committee.

The Budget Committee Decision document can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2009/bu/decisions/2009-10-23-bu55-dd.htm>

At its meeting on October 5, 2009 the Executive Committee, Item EX35.6 “2009 Labour Disruption Costs and Savings”, Recommended Items 1 to 5 to the City Council.

The Executive Committee Decision document can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2009/ex/decisions/2009-10-05-ex35-dd.htm>

At its meeting on October 26 and 27, 2009 the City Council adopted Item EX35.6 “2009 Labour Disruption Costs and Savings”, which sought approval for recommendations on the 2009 Labour Disruption Costs and Savings. City Council passed a motion, which amended the recommendations to allocate \$4.8 million to the 2010 SWMS Operating Budget to offset the proposed 2% increase to the Residential Solid Waste Management Rates.

The City Council Decision document can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-10-26-cc41-dd.htm>

ISSUE BACKGROUND

Budget Committee recommended to the Executive Committee that an increase of 2% to the 2010 Residential Solid Waste Rates over the 2009 City Council approved Residential Solid Waste Rates. The rate increase would have generated an additional \$4.8 million in volume-based revenue. These revenues would help fund Solid Waste Management operations, capital work and initiatives to achieve 70% waste diversion goal.

At its meeting on October 26 and 27, 2009 the City Council adopted Item EX35.6 “2009 Labour Disruption Costs and Savings”, which included the following recommendations:

1. City Council direct that the tax related net savings arising from the 2009 labour disruption be allocated as follows:
 - \$31.1 million be allocated to the 2009 surplus;
 - \$4.8 million be allocated to the 2010 Solid Waste Management budget to offset the proposed 2% fee increase to the Solid Waste Management fees.

2. Recommendation 5 of the Executive Committee be amended to read as follows:

5. City Council direct that a notice explaining the use of the savings resulting from the strike be either inserted in or printed on the 2010 Property Tax Bill.

Consequently, the aforementioned City Council resolution supersedes Budget Committee's recommendation to adopt a 2% increase in the Residential Solid Waste Rates for single-residential curbside and multi-residential bulk collection. Therefore, there will be no changes from the approved 2009 Residential Solid Waste Rates. Appendix A identifies the 2010 Solid Waste Rates for single residential curbside and multi-residential bulk waste collection.

COMMENTS

The \$4.8 million allocation from the 2009 labour disruption savings will provide the funding to ensure there is no disruption to existing operations as well as implementing new initiatives to move towards the 70% Diversion Target, and extend the lifespan of the City owned Green Lane Landfill Site to 2034.

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SIGNATURE

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Attachments

Appendix A - Recommended 2010 Residential Solid Waste Rates