



Budget Committee

Meeting No. 16 (Special) **Contact** Merle MacDonald, Committee Administrator
Meeting Date Thursday, November 10, 2011 **Phone** 416-392-7340
Start Time 9:30 AM **E-mail** buc@toronto.ca
Location Committee Room 1, City Hall **Chair** Councillor Mike Del Grande

BU16.2	ACTION	Amended		Ward:All
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Recommended 2012 Solid Waste Rates

Committee Decision

The Budget Committee recommends to the Executive Committee that:

1. City Council consider the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, respecting the Recommended 2012 Solid Waste Rates concurrently with the 2012-2021 Capital Plan and the 2012 Operating Budget.
2. City Council adopt the 2012 Solid Waste Rates as set out in Appendix A attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, to become effective on January 1, 2012.
3. City Council adopt the new Multi-Residential Billing System and Solid Waste Rate/Rebate Structure for Multi-Residential Curbside Collection (Subscription) customers as set out in Appendix B attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, with the rate structure to become effective on January 1, 2012.
4. City Council adopt the expansion of Solid Waste Management Services' Commercial Collection Program to include Non-Residential Properties based on the eligibility criteria and principles as described in Appendix C attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General

Manager, Solid Waste Management Services, effective July 1, 2012.

5. Subject to the adoption of Recommendation 4, City Council adopt the rate structure and the billing system for the eligible Non-Residential Properties as set out in Appendix D attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, on a phase in schedule as follows:
 - a. Beginning on July 1, 2012 - 25 percent of the applicable fees set out in Appendix D attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, will be charged to the eligible Non-Residential Properties.
 - b. Beginning on January 1, 2013 - 50 percent of the applicable fees set out in Appendix D attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, will be charged to the eligible Non-Residential Properties.
 - c. Beginning on January 1, 2014 - 75 percent of the applicable fees set out in Appendix D attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, will be charged to the eligible Non-Residential Properties.
 - d. Beginning on January 1, 2015 - 100 percent of the applicable fees for the year fees set out in Appendix D will be charged to the eligible Non-Residential Properties.
6. City Council direct the General Manager, Solid Waste Management Services, to charge the tip fees at City Transfer Stations, as set out in Appendix F attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, to the charitable organizations listed in Appendix F, effective July 1, 2012 on the same phase in schedule as set out in Recommendation 5.
7. City Council direct the General Manager, Solid Waste Management Services to offer a twice weekly premium organics collection service, effective January 1, 2012, to those eligible commercial properties on the Commercial Collection Program based on the rate set out in Appendix A attached to the report (November 4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services.
8. City Council adopt the proposed modifications to the Commercial, ABCD and School Board Front-End Bulk Rates as set out in Appendix E attached to the report (November

4, 2011) from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services, and application of these charges to the customer's Utility Bill be approved effective July 1, 2012.

9. City Council direct the City Solicitor to submit the necessary bills to Council required to implement the above recommendations.

Solid Waste Management - 2012 Recommended Operating Budget

10. City Council approve the 2012 Recommended Operating Budget for Solid Waste Management Services (SWMS) of \$345.836 million gross and \$0.0 million net, comprised of the following services:

<u>Services</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Program Support	65,378.1	(199,921.9)
Collection	116,705.5	112,867.9
Transfer	29,840.6	22,555.3
Processing	40,397.9	20,066.5
Disposal	93,513.9	44,432.1
Total Program Budget	<u>345,836.1</u>	<u>0.0</u>

11. City Council request the Acting General Manager Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer to report to the Budget Committee as part of the 2011 Year-End Variance Report on the actual net contribution to the Waste Management Reserve Fund;
12. City Council request the Acting General Manager of Solid Waste Management in consultation with the Deputy City Manager and Chief Financial Officer to report to the Public Works and Infrastructure Committee and the Budget Committee prior to the 2013 Budget Process to reconfirm City Council's commitment to continue with the 70 percent Waste Diversion Program and to recommend a supporting Multi-Year Rate Strategy;
13. City Council maintain the information contained in Confidential Attachment 1 as confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.

Solid Waste Management - 2012 Recommended Capital Budget & 2013-2021 Capital Plan

14. City Council approve the 2012 Recommended Capital Budget for Solid Waste

Management Services with a total project cost of \$85.681 million, and 2012 cash flow of \$103.272 million and future year commitments of \$100.486 million comprised of the following:

- a) New Cash Flow Funding for:
 - i) 16 new sub-projects with a 2012 total project cost of \$85.681 million that requires cash flow of \$43.603 million in 2012, \$4.479 million in 2013, \$7.630 million in 2014, \$3.179 million in 2015, \$3.046 million in 2016, \$2.258 million in 2017, \$4.939 million in 2018, \$5.379 million in 2019, \$5.584 million in 2020 and \$5.584 million in 2021;
 - ii) 24 previously approved sub-projects that require cash flow of \$16.047 million in 2012, \$28.752 million in 2013, \$23.856 million in 2014 and \$5.800 million in 2015;
 - b) 2012 approved cash flow for 15 previously approved sub-projects with carry forward funding from 2011 into 2012 totalling \$43.622 million
15. City Council approve new recoverable debt service costs of \$0.620 million in 2012 and incremental debt costs of \$3.401 million in 2013, \$0.579 million in 2014, \$0.882 million in 2015, \$0.402 million in 2016, \$0.372 million in 2017, \$0.341 million in 2018, \$0.637 million in 2019, \$0.689 million in 2020 and \$0.711 million in 2021 resulting from the approval of the 2012 Recommended Capital Budget, to be included in the 2012 and future year operating budgets
 16. City Council approve the 2013-2021 Recommended Capital Plan for Solid Waste Management Services totalling \$456.098 million in project estimates, comprised of \$75.949 million in 2013; \$156.502 million in 2014; \$107.374 million in 2015; \$16.239 million in 2016; \$16.724 million in 2017; \$19.343 million in 2018; \$19.447 million in 2019; \$22.152 million in 2020; and, \$22.368 million in 2021; and,
 17. City Council consider operating savings of \$1.156 million in 2012, \$1.309 million in 2013 (including an 7 additional positions); and incremental costs of \$4.229 million in 2014 (including an 12 additional positions) and \$4.386 million in 2015 (including an 18 additional positions), savings of \$0.333 million in 2016 (including deletion of 10 positions) as well as incremental costs of \$0.047 million per year from 2017 to 2021 emanating from the approval of the 2012 Recommended Capital Budget for inclusion in the 2012 and future year operating budgets.
 18. City Council approve that all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding and if such financing is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
 19. City Council request the Acting General Manager of Solid Waste Management

Services, and the Deputy City Manager and Chief Financial Officer to report on a complete financial assessment regarding the viability of proceeding with the Mechanical and Biological Treatment Facility to the Budget Committee prior to the 2013 Budget Process including how this facility will impact the Multi-Year Strategic Plan for Solid Waste Management Services.

20. City Council request the Deputy City Manager and Chief Financial Officer, and the Acting General Manager, Solid Waste Management Services, to report with recommendations to the appropriate committee as soon as possible on a fair and equitable means by which solid waste service fees can be calculated and charged without resort to the mathematical process of applying charges and crediting rebates on each invoice.

Decision Advice and Other Information

The Budget Committee:

1. Held a public meeting on November 10, 2011, and notice was given in accordance with the Municipal Code, Chapter 441, Fees.
2. Requested the Deputy City Manager and Chief Financial Officer, and the Acting General Manager, Solid Waste Management Services, to provide Briefing Notes to the Executive Committee meeting on November 21, 2011 on the following:
 - a. The multi-year fee strategy for solid waste that was requested by City Council in July 2011;
 - b. The impact of the implementation of the green bin program in multi-unit buildings as a result of the proposed budget;
 - c. interruption of recycling contracts; and
 - d. the original intent of the 70 percent Diversion Program regarding being debt-free and pay-as-you-go;
4. Received the presentation from the Acting General Manager, Solid Waste Management Services, entitled "2012 Recommended Operating & Capital Budget & 2013 - 2021 Capital Plan."

Origin

(November 4, 2011) Report from the Deputy City Manager and Chief Financial Officer and the Acting General Manager, Solid Waste Management

Background Information

(November 10, 2011) Presentation from the Acting General Manager, Solid Waste Management Services on the Solid Waste Management Services 2012 Recommended Operating and Capital Budget and 2013 - 2021 Capital Plan

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42272.pdf>
(November 4, 2011) Report from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management Services on the Recommended 2012 Solid Waste Rates

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42221.pdf>
(November 4, 2011) Appendix A - Recommended 2012 Solid Waste Rates

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42222.pdf>
(November 4, 2011) Appendix B - Proposed New Multi-Residential Billing System and Rate Structure for Multi-Residential Curbside Collection (Subscription) Customers

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42225.pdf>
(November 4, 2011) Appendix C - Proposed Expansion of Commercial Collection Program to Eligible Non-Residential Properties

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42226.pdf>
(November 4, 2011) Appendix D - Proposed Non-Residential Customers Properties Billing System and Rate Structure

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42227.pdf>
(November 4, 2011) Appendix E - Proposed Modifications to Commercial, ABCD and School Board Bulk Rates

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42228.pdf>
(November 4, 2011) Appendix F - List of Charitable Organizations who currently do not pay tipping fees at City Transfer Stations and Proposed Fee

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42229.pdf>
(November 4, 2011) Report from the Deputy City Manager and Chief Financial Officer and Acting General Manager, Solid Waste Management on the Recommended 2012 Residential Solid Waste Rates - Notice of Pending Report

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42155.pdf>
(November 2, 2011) Public Notice: Proposed 2012 Solid Waste Rates

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42151.pdf>
(November 4, 2011) City Budget 2012 - Solid Waste Management Services Capital Budget Analyst Notes

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42262.pdf>
(November 4, 2011) City Budget 2012 - Solid Waste Management Services Operating Budget Analyst Notes

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42263.pdf>
(November 10, 2011) Appendices 3, 4 and 5 - Solid Waste Management Capital Program

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42303.pdf>
(November 10, 2011) Appendices 3 and 4 - Solid Waste Management Operating Program

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42304.pdf>

Communications

(November 3, 2011) E-mail from Paul Lewkowicz (BU.New.BU16.2.1)
(November 8, 2011) E-mail from Rob Elbertsen (BU.Supp.BU16.2.2)
(November 9, 2011) E-mail from Betty Karsh (BU.Supp.BU16.2.3)
(November 9, 2011) E-mail from Victoria Schei (BU.Supp.BU16.2.4)
(November 10, 2011) E-mail from Patricia Heikkila (BU.New.BU16.2.5)
(November 10, 2011) E-mail from Clarence Dias, President, Cargo Dynamics Canada (BU.New.BU16.2.6)
(November 10, 2011) E-mail from Bill Hall (BU.New.BU16.2.7)

(November 10, 2011) Submission from Samuel Lewkowicz (BU.New.BU16.2.8)

(November 10, 2011) E-mail from Anna Schaefer, President, Markland Wood Homeowners Association (BU.New.BU16.2.9)

Speakers

Daryl Chong, President and CEO, Greater Toronto Apartment Association

Samuel Lewkowicz

Emily J. Alfred, Waste Campaigner, Toronto Environmental Alliance

Ted Thomsson, Director of Facilities and Recreation, University Settlement

Karen Buck

Councillor Janet Davis

Councillor Gord Perks

Councillor Mike Layton

Councillor Mary-Margaret McMahon

Councillor Shelley Carroll

Councillor Denzil Minnan-Wong