



BU31.1.2

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The Toronto Industry Network

DEPUTATION TO BUDGET COMMITTEE – NOVEMBER 12, 2012

Re: BU30.1 – Sewers By-law Administration

The Toronto Industry Network (TIN) accepts the recommendations from the Public Works and Infrastructure Committee regarding applying revised surcharge fees for overstrength parameters and adding TKN as a chargeable parameter and asks that you support these recommendations.

However, we cannot emphasize enough how very competitive the world has become regarding manufacturing. Every jurisdiction is scrambling to keep existing and attract new manufacturing. The loss of manufacturing from Toronto particularly to the United States and overseas is very troublesome. Witness the recent announcement by Mondelez (Kraft) regarding closing its Lakeshore plant that points to the fragility of some manufacturing in Toronto. The proliferation of conflicting land uses plus other issues convinced Mondelez not to re-invest in this plant. While some production is being re-directed to the Bermondsey plant, much is going to Montreal or the US.

Providing incentives sends an important signal to Toronto's industry that its investment and jobs are valued by the City. For example, Toronto does not levy development charges for new manufacturing construction and provides a Block 2 water rate for large industrial water users. However the City is not competitive regarding its huge property tax ratio imbalance, storm water and administrative charges to large water users, the continuing 9% annual water/sewer charges and the mounting cost of electricity. Eighty percent of Toronto Hydro's revenue comes from 12% of its customers many of whom are industries.

Manufacturers are bench-marked primarily on input costs and not sales. Anomalies in production costs are noted. It is important to provide an environment that encourages companies to re-invest in their Toronto-based facilities.

This proposal to increase the overstrength discharge fees is all about revenue. The 157 surcharged companies contributed only 8.04% (37,302,906 kg) of the total mass load (463,827,288 kg) to Toronto's waste treatment plants for the period of 2010 and 2011. All other water users contributed the remainder of 91.96% to the City's four wastewater treatment plants. It should be noted that in 2010 and 2011, Toronto's wastewater treatment plants collectively experienced a 14% decrease in BOD loadings which should

have the effect of lowering treatment costs. It is recognized that the waste treatment plants are very efficient in treating effluent received including the overstrength portion.

Toronto is facing an unprecedented growth in residential property assessment which will translate into greater demand for a variety of services and employment opportunities. Therefore, it is critical that Toronto protect its industrial and commercial assessment to help support the residential component and provide much needed employment.

A handwritten signature in black ink, reading "Paul Senneni". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.