



City Budget  
2013

Solid Waste Management  
Services  
Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pay's the day-to-day operating costs for the City.

# 2013 Operating Budget

## 2013 OPERATING BUDGET ANALYST NOTES BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 7, 2012

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## PART I: RECOMMENDATIONS

2013 Recommended Operating Budget  
(In \$000s)

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended		FY Incremental Outlook	
	Approved Budget	Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	Operating Budget v. 2012 Appvd. Budget		2014	2015
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	346,008.3	345,218.0	348,895.4	386.5	349,281.9	3,273.6	0.9%	10,841.0	10,350.9
REVENUE	346,008.3	345,872.2	349,281.9	0.0	349,281.9	3,273.6	0.9%	3,459.1	2,947.4
NET EXP.	0.0	(654.2)	(386.5)	386.5	0.0	0.0	0.0%	7,381.9	7,403.6
Approved Positions	1,110.0	1,110.0	1,102.2	3.5	1,105.7	(4.3)	(0.4%)		

## Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2013 Recommended Operating Budget for Solid Waste Management Services of \$349.282 million gross and \$0.0 million net, comprised of the following services:

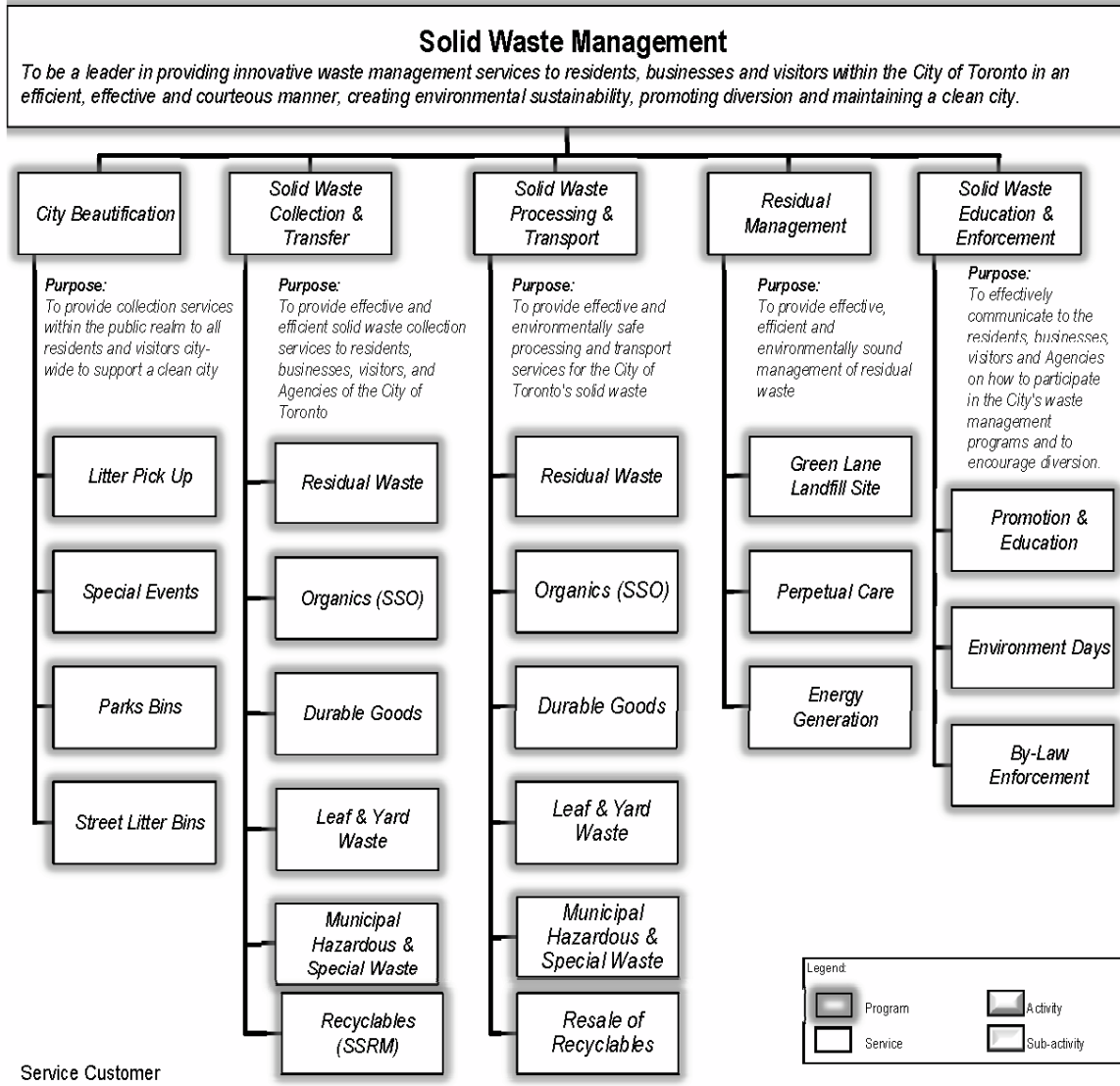
<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Program Support	67,441.1	(198,348.8)
Collection	112,857.8	108,205.6
Transfer	30,908.0	23,159.9
Processing	46,265.6	23,156.5
Disposal	91,809.4	43,826.8
Total Program Budget	<u>349,281.9</u>	<u>0.0</u>

2. Solid Waste Management Service's services and 2013 proposed service levels, as outlined on pages 5 and 6, and associated staff complement of 1,105.7 be approved;
3. the General Manager of Solid Waste Management Services and the Acting Deputy City Manager and Chief Financial Officer report to Budget Committee as part of the 2012 Year-End Variance Report on the actual net contribution to the Waste Management Reserve Fund;

4. the General Manager of Solid Waste Management in consultation with the Acting Deputy City Manager and Chief Financial Officer report to the Budget Committee as part of the 2014 Budget process with the results of an updated user fee review for City Divisions and Agencies, Schools and the Yellow Bag program;
5. the General Manager of Solid Waste Management in consultation with the Acting Deputy City Manager and Chief Financial Officer report to the Public Works and Infrastructure Committee and the Budget Committee early in 2013 to reconfirm City Council's commitment to continue with the 70% Waste Diversion Program and to recommend a supporting Multi-Year Rate Strategy; and,
6. this report be considered concurrently with the "Recommended 2013 Solid Waste Rates" (November 7, 2012) report from the Acting Deputy City Manager and Chief Financial Officer and General Manager of Solid Waste Management Services.

PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



**City Beautification**

- Public realm users
- Local businesses
- Local Communities

**Solid Waste Collection & Transfer**

- Property owners (residential households - single, semi, townhouse)
- Multi unit residences
- Small Commercial/ Industrial businesses
- institutional/ ABCDs
- Recyclable material purchasers
- Contracted municipalities/ private sector disposal (Green Lane landfill).

**Solid Waste Processing & Transport**

- Solid Waste Service Providers

**Residual Management**

- Solid Waste Service Providers

**Solid Waste Education & Enforcement**

- Property owners (residential households - single, semi, townhouse)
- Multi unit residences
- Small Commercial/ Industrial businesses
- Institutional/ ABCDs

2013 Recommended Service Levels

The 2013 proposed service levels for Solid Waste Management Services' activities are summarized in the table below:

Service	Activity	Sub-Activity	Type	Sub-Type	Approved 2012 Service Level	Proposed 2013 Service Levels
City Beautification	Litter Pick Up		Residual Waste		1x - 7x/wks	1x - 7x/wks
			Single Stream Recycling		1x - 7x/wks	1x - 7x/wks
	Special Events		Residual Waste		On Demand	On Demand
			Single Stream Recycling		On Demand	On Demand
			Organics		On Demand	On Demand
	Parks Bins		Residual Waste		1x - 7x/wks	1x - 7x/wks
			Single Stream Recycling		1x - 7x/wks	1x - 7x/wks
	Street Litter Bins		Residual Waste		1x - 7x/wks	1x - 7x/wks
		Recycling		1x - 7x/wks	1x - 7x/wks	
Solid Waste Collection and Transfer	Residual Waste		Single Residential		1x /2wks	1x /2wks
			Multi Residential		2x /wk	2x /wk
			Commercial		1x - 2x /wk	1x - 2x /wk
	Organics (SSO)		Single Residential		1x /wk	1x /wk
			Commercial		1x - 6x /wk	1x - 6x /wk
			Multi Residential		1x/wk (where provided)	1x/wk (where provided)
	Durable Goods		Single Residential		1x /2wks	1x /2wks
			Multi Residential		On Demand	On Demand
	Leaf & Yard Waste				1x /2wks (Seasonal)	1x /2wks (Seasonal)
	Municipal Hazardous & Special Waste		Single Residential		On Demand	On Demand
			Multi Residential		On Demand	On Demand
	Recyclables (SSRM)		Single Residential		1x /2wks	1x /2wks
		Commercial		1x - 2x /wk	1x - 2x /wk	
		Multi Residential		1x - 2x /wk	1x - 2x /wk	
Solid Waste Processing & Transport	Residual Waste				In compliance with Certificate of Approval	In compliance with Certificate of Approval
	Organics (SSO)				In compliance with Certificate of Approval	In compliance with Certificate of Approval
	Durable Goods				In compliance with Certificate of Approval	In compliance with Certificate of Approval
	Leaf & Yard Waste				In compliance with Certificate of Approval	In compliance with Certificate of Approval
	Municipal Hazardous & Special Waste				In compliance with Certificate of Approval	In compliance with Certificate of Approval
	Resale of Recyclables				In compliance with Certificate of Approval	In compliance with Certificate of Approval

Service	Activity	Sub-Activity	Type	Sub-Type	Approved 2012 Service Level	Proposed 2013 Service Levels	
Residual Management	Green Lane Landfill Site				In compliance with Certificate of Approval	In compliance with Certificate of Approval	
	Perpetual Care				In compliance with Certificate of Approval	In compliance with Certificate of Approval	
	Energy Generation				In compliance with Certificate of Approval	In compliance with Certificate of Approval	
Solid Waste Education & Enforcement	Promotion & Education		Calendars		Issue calendars to 100% of the household within 3 months	Issue calendars to 100% of the household within 3 months	
			Website		80% of information content updated in advance of a change to a program	80% of information content updated in advance of a change to a program	
			Advertised campaign		100% on schedule/ on budget for each campaign	100% on schedule/ on budget for each campaign	
			Printed material		100% on schedule/ on budget for each campaign	100% on schedule/ on budget for each campaign	
			3R Ambassadors		170 volunteers recruited	170 volunteers recruited	
	Environment Days	Household Hazardous Waste				44 Events	44 Events
		Electronic Waste				44 Events	44 Events
		Re-Use / Donations				44 Events	44 Events
	By-Law Enforcement	By-Law Amendments				Annually or as required	Annually or as required
		By-Law Complaints				Enforcement as required	Enforcement as required
		Pro-Active By-Law Enforcement				Daily	Daily

## Service Deliverables

Solid Waste Management Services has established service deliverables for 2013 to ensure the Program continues to providing innovative waste management services to residents, businesses and visitors within the City of Toronto in an efficient, effective and courteous manner, creating environmental sustainability, promoting diversion and maintaining a clean city.

## Strategic Directions

- Provide exceptional customer service.
- Ensure motivated and engaged employees.
- Operate a sustainable utility.
- Strive for operational excellence by encouraging innovation, efficiencies and continuous improvement.
- Provide leadership in research and education in the solid waste management industry.

## 2013 Service Deliverables

The 2013 Recommended Operating Budget of \$349.282 million gross for Solid Waste Management Services (SWMS) will provide funding to continue to move forward towards 70% overall waste diversion.

- The 2013 projected diversion rates are estimated as follows:
  - Overall residential diversion - 52%;
  - Single-family residential - 67%;
  - Multi-residential – 25%.
- Diversion rates are anticipated to increase as a result of the following actions:
  - Continue to implement SSO collection at multi residential locations;
  - Continue to implement a comprehensive multi-residential public education campaign including 3Rs Ambassador program, multi-residential collection calendar, property manager workshops and ad campaigns;
  - Expand recovery of household durable goods for reuse and recycling (mattresses and carpets);
  - Commission the Disco SSO facility that will provide the organic processing capacity required to meet the needs of our customers; and,
  - Complete procurement of "next generation" Green Bins.

The 2013 City Beautification service deliverables will include:

- Replacement of street litter bins with street furniture bins;
- Replacement of Park bins with new enhanced bins;
- Expansion of Litter Operations (to additional months/year); and,
- Amendment to the agreement with the Litter Mechanical Vacuum contractor to allow for additional months of service.

The 2013 Collection and Transfer service deliverables will include:

- Complete procurement process for the roll-out of the next generation green bin;
- Pursue procurement process for in-unit recycling and organic containers;
- Complete the implementation of the RFID system in bins for front-end multi-residential customers;
- Complete roll-out of single source organic collection in multi-residential, non-residential, schools and ABCDs; and,
- Continue the implementation of the Non-residential Special Category reduced rate program.



The 2013 Processing and Transport service deliverables will include:

- Continue MRF upgrades and repairs;
- Commence the new long term recycling processing contract with Canada Fibers Limited.

The 2013 Residual Management service deliverables will include:

- Proceed with the study of a MBT facility at Green Lane or other waste processing methods;
- Continue investigation into an alternate gas utilization project at Green Lane and the Dufferin SSO facility;
- Continue process of Green Lane landfill cell development;
- Continue development of the Green Lane landfill gas and leachate collection systems;
- Proceed with procurement process to select a contractor for capital construction projects at the Green Lane landfill;
- Continue process of acquiring buffer land properties surrounding the Green Lane landfill;

The 2013 Education and Enforcement service deliverables will include:

- Continue outreach and selection of multi-residential waste diversion ambassadors to promote the 3Rs;
- Implement Phase 2 promotion and education campaign for the collection of mixed rigid plastics;
- Develop and implement annual multi-residential workshop to encourage diversion by targeting superintendants, property managers and owners;
- Develop a targeted multi-media campaign to improve and/or correct participation;
- Continue waste audits to comprehend waste composition and participation behaviour.

## PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget**  
(In \$000s)

(In \$000s)	2012 Approved Budget	2013 Rec'd Base	Change 2013 Recommended Base vs. 2012 Appvd. Budget		FY Incremental Outlook	
			2014	2015		
	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	346,008.3	348,895.4	2,887.1	0.8%	10,841.0	10,350.9
<b>REVENUE</b>	346,008.3	349,281.9	3,273.6	0.9%	3,459.1	2,947.4
<b>NET EXP.</b>		(386.5)	(386.5)	0.0%	7,381.9	7,403.6
<b>Approved Positions</b>	1,110.0	1,102.2	(7.8)	(0.7%)		

### 2013 Recommended Base Budget

- The 2013 Recommended Base Operating Budget of \$348.895 million gross represents a \$2.887 million or 0.8% increase above the 2012 Approved Operating Budget. The base budget increase is fully offset by increased revenue of \$3.274 million resulting from the following:
  - Growth in units of single and multi-residential customers \$0.719 million;
  - Decreased Industry Stewardship funding of (\$0.453) million;
  - Other revenue increases of \$3.1 million arising from the sale of recyclables and the new residual disposal fee under the new recyclables processing contract for \$2.8 million, lower tonnes of paid commercial waste for (\$0.325) million and gas royalties, capital recoveries and non-residential collections implementation totaling \$0.600 million; and
  - Green Lane Operations revenue loss based on reduced volumes of residual waste of (\$1.127 million) offset by new revenue from tipping fees for Transportation street sweepings of \$1.219 million.
- SWMS (excluding Green Lane Operations which is fully self-funding) has achieved \$16.282 million in net savings, representing a 4.7% decrease over the 2012 approved gross expenditures. These savings have been achieved through a combination of base budget reductions of \$15.797 million and service efficiencies of \$0.5 million. The resulting 2013 Recommended Base Operating Budget Net Expenditures of (\$0.387) million will offset New / Enhanced Service Priorities (as detailed in Part IV).
- The total of base recommended positions for 2013 has decreased by 7.8 positions from the 2012 approved staffing complement and is highlighted below.

**2013 Recommended Staff Complement  
Base Budget Summary**

Changes	Staff Complement
<b>2012 Approved Complement</b>	1,111.0
- 2012 In-year Adjustments	(1.0)
<b>2012 Approved Staff Complement</b>	<b>1,110.0</b>
<b>2013 Recommended Staff Complement Changes</b>	
- 2013 Temporary Complement - Capital Project Delivery	
- 2013 Operating Impacts of Completed Capital Projects	
- 2013 Other Base Adjustments	
- 2013 Service Change Adjustments	(7.8)
<b>Total 2013 Recommended Complement</b>	<b>1,102.2</b>

- The 2013 Recommended Base Budget includes the reduction of 7.8 approved positions resulting from service efficiency changes which will eliminate funded vacant positions for 3 Customer Service Dispatchers, 2 Research Analysts and 2.8 Survey Assistants.

**2013 Recommended Service Change Summary**  
(In \$000s)

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Gross Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
<b>Base Changes:</b>								
<b>Base Expenditure Changes</b>								
Annualization of Contracting Out District 2		(5,046.5)	(5,046.5)	(1.5%)				
70% Diversion - City of Toronto waste tonnage and disposal		(471.4)	(471.4)	(0.1%)	796.3		301.3	
Line by Line Reduction Options Based on Experience		(1,450.4)	(1,450.4)	(0.4%)				
IDC Fleet Fuel Cost Reduction		(511.0)	(511.0)	(0.1%)				
Waste Bin Purchases Single Residential		(1,115.3)	(1,115.3)	(0.3%)				
Additional Reduction to Reserve Fund Contribution		(3,047.7)	(3,047.7)	(0.9%)	(2,240.0)		(3,290.0)	
<b>Base Expenditure Changes</b>		<b>(11,642.2)</b>	<b>(11,642.2)</b>	<b>(3.4%)</b>	<b>(1,443.7)</b>		<b>(2,988.7)</b>	
<b>Base Revenue Changes</b>								
Volume Based User Fee - Growth Changes			(719.1)	(0.2%)	(879.0)		(708.4)	
Sale of Recyclable Materials			(2,777.6)	(0.8%)	(961.2)		(799.3)	
Various Base Revenue Changes			(157.1)	(0.0%)	(1,189.3)		(1,010.1)	
Tipping & User Fees (CIRO) Implementation			(501.2)	(0.1%)	(429.6)		(429.6)	
<b>Base Revenue Changes</b>			<b>(4,155.0)</b>	<b>(1.2%)</b>	<b>(3,459.1)</b>		<b>(2,947.4)</b>	
<b>Sub-Total Base Budget Changes</b>		<b>(11,642.2)</b>	<b>(15,797.3)</b>	<b>(4.6%)</b>	<b>(4,902.8)</b>		<b>(5,936.0)</b>	
<b>Service Efficiencies</b>								
Service Efficiency Study for Collections Operations	(7.8)	(484.4)	(484.4)	(0.1%)				
<b>Sub-Total Service Efficiencies</b>	<b>(7.8)</b>	<b>(484.4)</b>	<b>(484.4)</b>	<b>(0.1%)</b>				
<b>Total Service Changes</b>	<b>(7.8)</b>	<b>(12,126.6)</b>	<b>(16,281.7)</b>	<b>(4.7%)</b>	<b>(4,902.8)</b>		<b>(5,936.0)</b>	

## 2013 Recommended Service Changes

The 2013 recommended service changes consist of base expenditure and revenue changes of \$15.797 million and service efficiency savings of \$0.484 million net. In total, the Program has achieved reductions of \$16.282 million net which represents a 4.7% decrease from the 2012 Approved Gross Budget.

### **Base Expenditure Changes: (\$11.642 million gross and net)**

#### *Annualization of Contracting Out District 2*

- As approved by Council on Oct. 24, 2011, daytime Residential Curbside Collection in District 2 was contracted out commencing in August 2012. The collection area is bounded by Yonge Street on the east and Etobicoke on the west. There are approximately 165,000 homes in District 2 which will have their curbside collection picked-up by Green for Life (GFL) Environmental East Corporation. Total savings indicated in the above table is \$11.172 million with \$6.125 million in 2012 with a further annualized amount of \$5.047 million in 2013.

#### *City of Toronto waste tonnage and disposal*

- Each year Solid Waste Management Services completes a detailed analysis of the generation of waste from all sources. The analysis calculates the estimated waste tonnes to be collected and disposed of through City of Toronto facilities. In 2013, SWMS is estimating reduced costs of \$0.471 million for disposal, based on actual experience in 2012.

#### *Line by Line Reduction Options Based on Experience*

- As a result of thorough review of actual expenditures compared to budget, it has been determined that a further \$1.451 million in net reductions can be made without impacting service levels.

#### *IDC Fleet Fuel Cost Reduction*

- A cost reduction of \$0.511 million will be realized on the budgeted volume of fuel as the price per litre has been adjusted from an estimated \$1.35 to \$1.20.

#### *Bin Purchases for Single Residential Curbside Collection*

- The source purchase of the bins (including residual waste and recycling) for single family has been re-allocated to capital expenditures. The operating cost reduction is \$1.115 million starting in 2013. Operating savings arising from this change will result in an offsetting capital contribution to fund the resulting capital expense.

#### *Reduction to Reserve Fund Contribution*

- The reduction to the contribution to the Waste Management Reserve of \$3.048 million from \$18.5 million in 2013 supports the proposed volume based rate increase of 0% for 2013 and will stabilize the operating budget to total zero net expenditure for 2013. As discussed in the Future Year Issues (Part V: ISSUES FOR DISCUSSION) if rate increases are not kept at a sustainable level, reserve fund contributions will be required to be reduced ultimately impacting the sustainability of the reserve fund and the capital works program for SWMS.

**Base Revenue Changes: (Revenue of \$4.155 million)***Volume Based User Fee - Growth Changes*

- It is estimated that the number of single family homes receiving the City's curbside collection services will increase from 445,000 units in 2012 to 446,113 units in 2013 and the number of multi-residential units receiving the City's front-end collection services will increase from 380,000 units in 2012 to 381,593 units in 2013. Accordingly, the revenue (i.e. volume based user fee) will grow by \$0.486 million from the single family homes and \$0.233 million from the multi-residential units in 2013.

*Sale of Recyclable Materials*

- SWMS estimates the sale of recyclable materials based on a general basket of recyclable goods that are recovered through single stream processing. In addition to this, costs are also recovered through the sale of scrap metal, white goods and old corrugated cardboard. The total revenue estimate for the sale of these materials is expected to increase in 2013 by \$2.778 million, including the new Residue Disposal Fee under the new recyclable processing contract.

*Various Base Revenue Changes*

- Increased revenues estimates include landfill gas royalties of \$0.063 million, capital recovery of \$0.036 million and allocation of revenue from DARP (Development Application Review Process) of \$0.052 million.

*Tipping & User Fees (CIRO) Implementation*

- SWMS provides collection and transfer station services to Charities, Institutions & Religious Organizations (CIROs). Based on a full cost recovery model, implementation of a volume based rate was effective July 1, 2012 and will be phased-in over 4 years. After adjusting for a Special Category for those organizations with larger volumes of donated items, the overall revenue from the on-going program implementation will increase by \$0.502 million in 2013 and incremental increases of \$0.430 million in both 2014 and 2015.

**Service Efficiencies: (\$0.484 million gross and net)***Service Efficiency Study for Collections Operations Management*

- As part of the Service Efficiency Study conducted in 2011, it was recommended that support staff within SWMS be reduced resulting in a reduction in operating costs. At present there are number of vacant staff that can be reduced in the Collections Operation Management area. These corresponding duties are either no longer required or can be absorbed into the responsibilities of remaining staff. As a result 3 permanent Customer Service Dispatch II positions, 2 permanent Research Analyst II positions and 2.8 temporary Survey Assistant vacant positions can be eliminated effective January 1, 2013.

## 2014 and 2015 Outlook

(In \$000s)

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% Net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Net Change from 2014	# Positions	
<b>Known Impacts</b>											
COLA & Fringe Benefits	509.8		509.8	0.1%		1,944.7		1,944.7	0.5%		0.7%
IDCFacilities Occupancy	(48.4)		(48.4)	(0.0%)							(0.0%)
Debt Charges (Non-Green Lane)	6,200.0		6,200.0	1.8%		8,367.9		8,367.9	2.3%		4.2%
Biogas Operating Impact of Capital		1,189.3	(1,189.3)	(0.3%)			1,010.1	(1,010.1)	(0.3%)		(0.6%)
Tipping & User Fees (DRO) Implement.		429.6	(429.6)	(0.1%)			429.6	(429.6)	(0.1%)		(0.2%)
Contracted Collection: Etobicoke	77.9		77.9	0.0%		357.5		357.5	0.1%		0.1%
Contracted Collection: Front-End Multi.	329.2		329.2	0.1%		288.6		288.6	0.1%		0.2%
<b>Sub-Total Known Impacts</b>	<b>7,068.6</b>	<b>1,618.9</b>	<b>5,449.7</b>	<b>1.6%</b>		<b>10,958.7</b>	<b>1,439.7</b>	<b>9,519.0</b>	<b>2.7%</b>		<b>12.9%</b>
<b>Anticipated Impacts</b>											
Contribution to SWM Reserve Fund	(2,240.0)		(2,240.0)	(0.6%)		(3,290.0)		(3,290.0)	(0.9%)		(1.6%)
Inflation Non-Labour	1,218.4		1,218.4	0.3%		1,242.7		1,242.7	0.3%		0.7%
Waste Volume	4,794.0		4,794.0	1.4%		1,439.5		1,439.5	0.4%		1.8%
Volume Based User Fee Growth		879.0	(879.0)	(0.3%)			708.4	(708.4)	(0.2%)		(0.5%)
Sale of Recyclable Materials		961.2	(961.2)	(0.3%)			799.3	(799.3)	(0.2%)		(0.5%)
<b>Sub-Total - Anticipated Additional Impacts</b>	<b>3,772.4</b>	<b>1,840.2</b>	<b>1,932.2</b>	<b>0.6%</b>		<b>(607.8)</b>	<b>1,507.7</b>	<b>(2,115.4)</b>	<b>(0.6%)</b>		<b>(0.1%)</b>
<b>Total Incremental Impacts</b>	<b>10,841.0</b>	<b>3,459.1</b>	<b>7,381.9</b>	<b>2.1%</b>		<b>10,350.9</b>	<b>2,947.4</b>	<b>7,403.6</b>	<b>2.1%</b>		<b>4.2%</b>

Approval of the 2013 Recommended Base Budget for Solid Waste Management Services will result in a 2014 incremental cost increase of \$7.382 million net and a 2015 incremental cost increase of \$7.404 million net to maintain 2013 service levels.

Future year incremental costs are primarily attributable to the following:

#### Known Pressures

- *COLA & Fringe Benefits:* Cost of Living Allowance for union and non-union positions as well as the cost of employee benefits will increase by a total of \$0.510 million in 2014 and a further \$1.945 million in 2015 in accordance with the recently adopted settlements and agreements.
- *Debt Charges (Non-Green Lane):* The estimated debt charges including principle and interest that the City will pay to investors on general capital debentures for project funding in the SWMS Capital Plan are forecasted to increase by \$6.2 million in 2014 and \$8.349 million in 2015. These debt charges are supported by volume based user fees for waste collection.
- *Biogas Operating Impact of Capital:* The net operating revenue estimated to be derived from the conversion of anaerobic digester gas (biogas) as a result of the capital project for biogas utilization is \$1.189 million in 2014 and \$1.010 million in 2015. Anticipated revenues arise from the sale of the generated energy or biogas.

*Anticipated Pressures*

- *Contribution to SWM Reserve Fund:* Given all known and anticipated operating pressures and project planning, and in the absence of expenditure reductions or future year rate increases, it is estimated that the operating contribution to the Waste Management Reserve Fund will be required to decrease by \$2.240 million in 2014 and \$3.290 million in 2015. These reductions assume a zero net operating program expenditure and associated volume based user fee increments of 3% per year.
- *Waste and Processing Volume:* Each year Solid Waste Management Services completes a detailed analysis of the generation of residual, organics and recyclables from single and multi-residential sources. The analysis includes a comparison of actual generation rates to estimates as well as year-end projections. This analysis is also utilized to calculate the estimated costs of residual waste collection and disposal and the organic and recycling tonnes to be processed for the upcoming year. SWMS is estimating higher costs of \$4.794 million in 2014 and \$1.440 million in 2015, primarily associated with single stream recyclables contracted processing.
- *Volume Based User Fee Growth:* Based on customer volume growth projections into 2014 and 2015, it is anticipated that revenue from user fees will increase by \$0.849 million in 2014 and \$0.708 million in 2015. The total number of customers receiving the City's curbside collection services and receiving the City's front-end collection services is anticipated to increase from 883,693 units in 2013 to 886,708 units in 2014 and 889,736 units in 2015.
- *Sale of Recyclable Materials:* Revenue from the sale of recyclable materials is anticipated to increase by \$0.961 million in 2014 and \$0.799 million in 2015 based on anticipated recovery in the economy estimates for single and multi-residential recyclable materials and includes the sale of scrap metal, white goods and old corrugated cardboard.



## PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

**2013 Recommended New/Enhanced Service Priority Actions  
(In \$000s)**

Description	2013 Recommended			Net Incremental Impact			
	Gross Expense	Net Expenditures	New Positions	2014		2015	
				Net Expenditures	# Positions	Net Expenditures	# Positions
<b>Enhanced Service Priorities</b>							
Additional Litter Cleaning (Afternoon Shift)	186.5	186.5	3.5				
Mechanical Litter Removal Contract Amendment (Winter Collection)	200.0	200.0	-				
<b>Sub-Total - Enhanced Service Priorities</b>	<b>386.5</b>	<b>386.5</b>	<b>3.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>New Service Priority Actions</b>							
- New Services							
- New Revenues							
<b>Sub-Total New Service Priorities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total New / Enhanced Service Priorities</b>	<b>386.5</b>	<b>386.5</b>	<b>3.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 2013 Recommended New / Enhanced Service Priority Actions

#### Enhanced Service Priorities

##### *Additional Litter Cleaning (Afternoon Shift)*

- This Enhanced Service Priority Action requiring \$0.187 million in increased funding levels with 3.5 additional staff will provide enhanced litter removal for high pedestrian traffic areas particularly in the downtown core. Past recent mild weather during spring and fall months has resulted in an increased awareness of litter accumulation on sidewalks which needs to be addressed. The period of afternoon litter cleaning will be extended two months from the existing period of May to September, to the extended period of April to October. Staff increases consist of 3.5 additional temporary, seasonal labourers.

##### *Mechanical Litter Removal Contract Amendment (Winter Collection)*

- This Enhanced Service Priority Action for \$0.200 million is required for extended the current cleaning service, which allows for mechanical litter removal annually from March 1 to December 31 from 2012 - 2016. Due to the changing nature of the weather and lower levels of snow, it is recommended that the contracts for mechanical litter removal be extended to retain services on standby from December 31 through to March 1. The future service level will allow for increased frequencies of litter removal throughout the winter months through to March when warm weather allows mechanical clean-up.

## Part V: ISSUES FOR DISCUSSION

**2013 and Future Year Issues****2013 Issues****User Fees**

As noted in the Program / Agency Specific Findings and Recommendations - Appendix 1 to the report EX14.1 (1ag) *Comprehensive User Fee Review (January 17, 2012)*, There were 129 user fee services and activities reviewed for Solid waste management Services, including 3 new opportunities for user fees which formed part of the 2012 Approved Operating Budget for SWMS. All fees are reviewed annually as part of the budget process. Solid Waste Management Services is self-sustained through user fees which include volume-based bin fees as well as tipping fees and other user fees as required.

The approved user fees are based on a combination of full cost recovery of direct and indirect (including capital) expenses and market competitiveness. Replacement of loss bins, downsizing of garbage bin and upsizing of recycling bins are exempt from fees as approved by Council.

Services recovered from user fees based on market competitiveness were reviewed and not considered for an increase in 2012 as it was determined that they are still valid based on detailed due diligence.

The user fees based on cost recovery include:

- 16 fees for receiving waste at transfer stations (tipping fees);
- 22 fees for small commercial waste collections;
- 8 fees for the one-time purchase of composters and containers;
- 8 fees related to services provided to ABCDs;
- 9 fees for services provided to school boards;
- 10 fees for waste collection for residential units above commercial establishments (RUAC);
- 3 fees for multi-residential curbside collection (Subscription);
- 3 fees for multi-residential bulk collection; and,
- 10 fees for residential curbside collection.
- 3 new user fees, resulting in total incremental revenue of \$0.266 million, were approved for 2012 as follows:
  - 1) The existing Commercial Collection Program was expanded to include previously excluded properties, such as, but not limited to, hospitals, libraries, places of worship, properties which provides community support services, profit and non-profit nursing/retirement homes and charitable organizations.
  - 2) A Twice Weekly Premium Organics service and fee for Commercial Properties on the Commercial Collection program; and,

- 3) A new transfer station load weighing service and fee to permit haulers to weigh their load.
- The following full cost recovery fees that have not been increased in recent years and may be eligible for inflationary increases include:
    - a. 16 tipping fees @ 2.54% = \$21,323.64
    - b. 22 fees for small commercial waste collection @ 2.54% = \$25,355.96
    - c. 9 fees for services provided to school boards @ 2.26% = \$41,754.49.
    - d. These increases for inflationary pressures on tipping fees and school boards had been deferred for review to the 2013 budget process. In addition, due to the requirement to maintain yellow bag fees at a consistent level with other bag fees, no inflation factor was applied to small commercial waste collection for 2012. SWMS is currently reviewing all these user fees.

The *Comprehensive User Fee Review* recommended that full cost determination and confirmation for all user fees will be undertaken and opportunities for new user fees will be investigated during 2012 and reported back, as appropriate, through the 2013 Budget process. It is recommended that the Program report back, as part of the 2014 Budget process with the results of a user fee review for City Divisions, Agencies, schools and the Yellow Bag program.

### Core Service Review and Efficiency Study Implementation Progress

On September 26, 27, 2011 City Council adopted a report that addressed the results of the detailed Core Service review conducted by KPMG. Council approved specific recommendations regarding SWMS and service levels; namely:

- *Solid Waste Management – that the 4 free garbage tag program be eliminated.*

**Status:** Completed. The 2012 Operating Budget included \$1.293 million in annual additional revenue to reflect the elimination of free waste tags and the expectation of purchased tags;
- *City Council request the City Manager to review the remaining efficiency related opportunities to determine whether and in what manner implementation is appropriate through the 2012, 2013 and 2014 Operating Budget.* Appendix E listed 5 opportunities for service efficiencies (#85 to 89) that were identified for SWMS:
  - (1) *Consider reducing the target rate for diversion and / or setting target rates by category of waste producer;*

**Status:** To form part of the fall 2012 Target 70 report.
  - (2) *Consider further contracting out of Collection Services.*

**Status:** To be determined.
  - (3) *Outsource facility security services.*

**Status:** Following the Service Review, SWMS has worked with Corporate Security and has agreed to charge-back reductions as opposed to outsourcing facility security services.

**(4) Outsource grass cutting.**

**Status:** Completed and transferred to Facilities in 2012.

**(5) Expansion of "drop and load" at transfer stations.**

**Status:** Completed. This proposal for 2012 resulted in a revenue adjustment totalling \$0.235 million in net revenue annually.

- *That the City Manager not consider the following KPMG opportunities for inclusion in broader service and organizational studies, as previously directed by the Executive Committee:*

**(1) Solid Waste Management – Eliminate Community Environment Days.**

**Status:** The decision by Council to continue providing Environment Days makes this recommendation redundant. As directed by Council, the proposal to Eliminate Environment Days was not recommended. However, the 2012 Operating Budget included a reduction to the budget for 44 environment days as a service change with a total net expenditure reduction of \$0.122 million.

**Future Year Issues****User Fee Rate Changes and Adequacy of Reserve Funds**

As part of the strategy to achieve the waste diversion target of 70%, Solid Waste Management was reorganized as a self sustaining utility that would be funded from volume based user fees that would fund both current operations and capital works necessary to achieve 70% diversion target. A reserve fund balance was established so budgeted contributions could be made annually to fund SWMS' Capital Program. Contributions are budgeted each year but whether the contribution occurs is dependent on the year-end fiscal position of the Program. For example, if the Program is projecting a year-end net deficit then the Waste Management Reserve Fund is used for stabilization and funds the projected shortfall. The contribution to the reserve for 2012 is \$55.700 million. This recommended contribution to the reserve fund, includes a 2011 operating surplus of \$37.623 million.

While 2009 and 2010 rates remained unchanged, the 2011 rate was increased by 3.0% (3.6% effective March 1, 2011) and generated revenue of \$6.730 million in 2011 and \$1.346 million in 2012. For 2012, no user fee increase was recommended, as savings such as contracting-out collections in District 2 and other service efficiencies offset the requirement for a user fee increase while still supporting a 70% diversion target. For 2013, no rate increase is recommended. However, a compensating reduction of \$2.9 million to reserve fund contributions is recommended for 2013. In the absence of any future year rate increases or efficiency savings an additional reduction of \$2.2 million for 2014 and \$3.3 million for 2015 would be required.

The overall funding strategy approved by Council in 2007 established that an annual rate increase of 3.5% was required to ensure that the reserve fund would have an adequate balance to fund all the Program's initiatives including capital expenditures. Limiting rate increases impacts the amount that is available to fund current and future capital projects required to meet the 70% Diversion Target, as an annual increase has a compounding effect over time.

Depending on the timing and funding required, the Program may be required to defer projects until there is sufficient funding in the reserve fund. The reserve balance cannot drop below a zero balance as there is no alternative funding source for Solid Waste Management expenditures. Given the pressures on the reserve, rates must grow at a sufficient pace to offset future growth in expenditures. The 2013 to 2022 Recommended Capital Budget and Plan is 33% funded by the reserve fund with 52% still funded by recoverable debt.

Different scenarios are being developed to project future funding requirements that take into account the impact of alternate service delivery methods, operating expense and revenue projections, reserve fund stabilization requirements, and capital project investments required to reach a 70% diversion target. In particular, assumptions related to building or not building the Mechanical and Biological Treatment (MBT) Facility at Green Lane required to divert more waste from landfill by more efficient separation of waste and recyclables are being considered.

The General Manager of Solid Waste Management in consultation with the Acting Deputy City Manager and Chief Financial Officer will report to the Public Works and Infrastructure Committee and the Budget Committee early in 2013 to reconfirm City Council's commitment to continue with the 70% Waste Diversion Program and to recommend a supporting Multi-Year Rate Strategy.

## Appendix 1

### 2012 Performance

#### 2012 Key Accomplishments

In 2012, Solid Waste Management Services achieved the following results as the Program moved towards 70% overall waste diversion.

The 2012 diversion rates expected to be achieved by year-end are:

- ✓ Overall residential diversion - 50%
- ✓ Single-family residential - 64%
- ✓ Multi-residential – 25%

Diversion rates in 2012 increased as a result of:

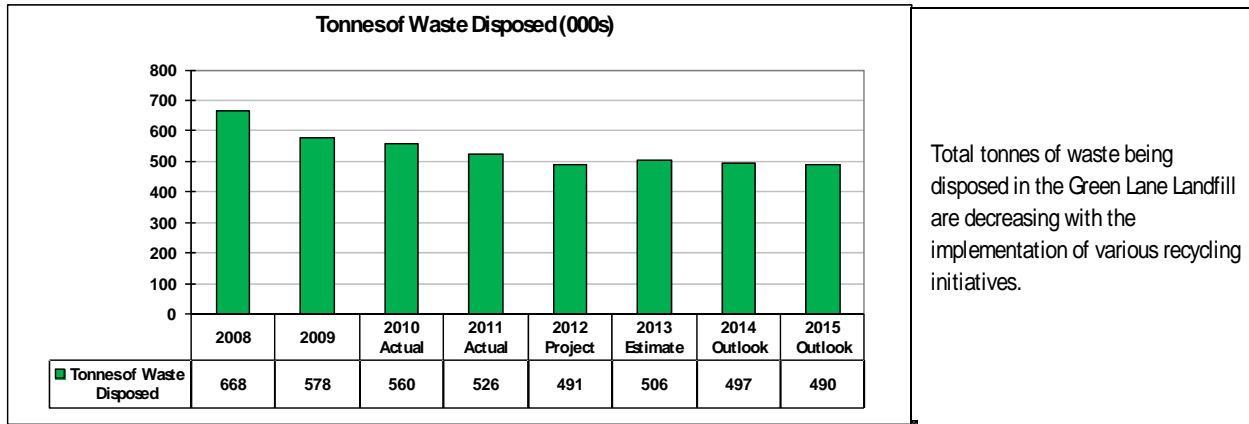
- ✓ Continued rollout of SSO collection services to multi-residential locations;
- ✓ Continued providing in-unit recycling containers to increase the recovery of recyclable material in multi-unit residences;
- ✓ Delivered curbside collection of household durable goods for reuse and recycling;
- ✓ Expanded the collection of mattresses for recycling;
- ✓ Issued an RFQ for a pilot to review the feasibility of recycling carpets;
- ✓ Included mixed rigid plastics in the City's recycling program that will result in approximately 825 additional diverted tonnes or 0.25% increase in the City's diversion rate; and
- ✓ Replaced and upgraded existing street litter / recycle bins.
- ✓ Conducted public consultation to ensure that the concerns of CIROs were considered and waste diversion strategies were recommended that would reduce overall fees charged and increase diversion;
- ✓ Implemented successful contracting out of residential curbside collection in D2 to achieve an equal split of 50% in-house and contracted services with no impact on service levels and standards. 2012 estimated savings of \$5 million (5 months)
- ✓ Implemented the service efficiency identified by E&Y as part of the Service Efficiency Study (SES) review;
- ✓ Completed Mixed Waste Processing (MBT) Financial Planning Study; and
- ✓ Processed the following tonnages of materials in 2012:
  - Source Separated Organics - 132,000 tonnes
  - Single Stream Recycling - 210,000 tonnes
  - Yardwaste – 102,000 tonnes
  - Residual waste sent to Green lane - 491,200 tonnes

2012 Performance

Service Activity Levels

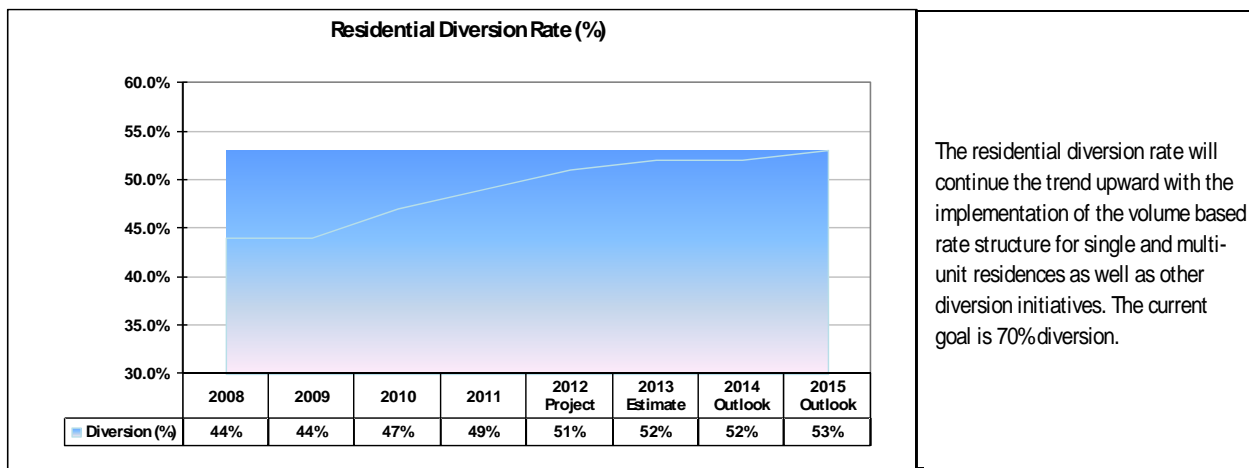
Residual Waste Disposal

- Annual Tonnes of Residual Waste Disposed in Landfill



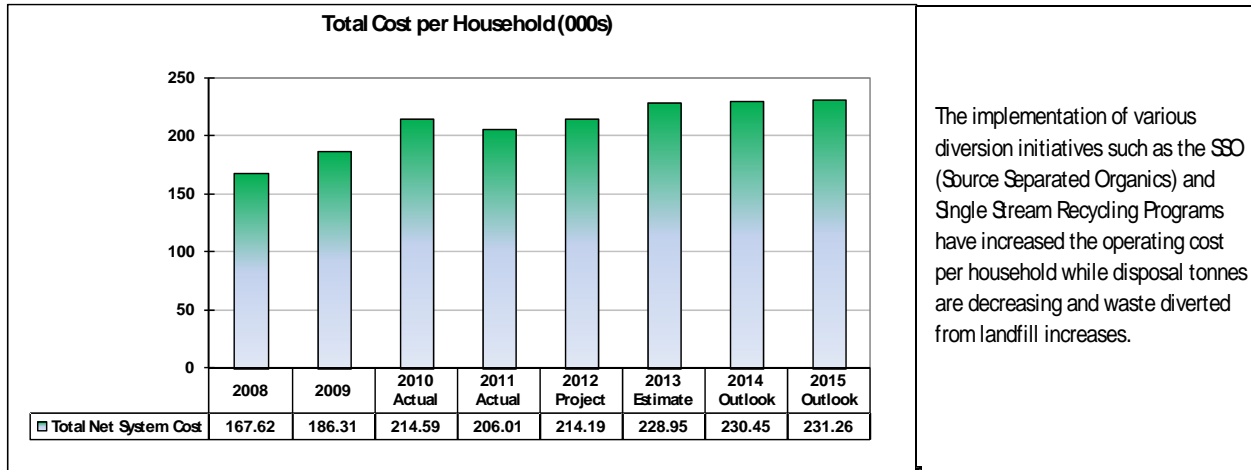
Total tonnes of waste being disposed in the Green Lane Landfill are decreasing with the implementation of various recycling initiatives.

- Annual Residential Diversion Rate (Tonnes Diverted vs. Tonnes Collected)



The residential diversion rate will continue the trend upward with the implementation of the volume based rate structure for single and multi-unit residences as well as other diversion initiatives. The current goal is 70% diversion.

- Annual Total Cost per Household (Net Operating Expense per Residence)





## 2012 Budget Variance Analysis

### 2012 Budget Variance Review (In \$000s)

(In \$000s)	2010	2011	2012	2012	2012 Approved Budget vs Projected Actual Variance	
	Actuals	Actuals	Approved Budget	Projected Actuals*	\$	%
	\$	\$	\$	\$	\$	%
<b>Gross Expenditures</b>	294,165.8	317,079.5	346,008.3	345,218.0	(790.3)	(0.2)
<b>Revenues</b>	312,430.7	354,315.8	346,008.3	345,872.2	(136.1)	(0.0)
<b>Net Expenditures</b>	(18,264.9)	(37,236.3)	-	(654.2)	(654.2)	0.0
<b>Approved Positions</b>	1,351.0	1,234.0	1,110.0	1,110.0	-	0.0

\* Based on the 3rd Quarter Operating Budget Variance Report.

### 2012 Experience

- The Third Quarter Variance report for Solid Waste Management Services' projects that the Program will be under budget on expenditures by \$0.790 million or 0.2% compared to the 2012 Approved Operating Budget of \$346.008 million by year-end. Projected revenues will be under-realized by \$0.136 million or less than 0.1% resulting in a year-end net favourable variance of \$0.654 million, representing a projected year-end net surplus.
- Savings in salaries and benefits are projected to be \$8.2 million by year-end offset by the increased cost of recyclables and SSO processing which is due to the delay of the Disco SSO facility work and an unexpected cost for bins for CIROs customers. Revenue projections at year-end result from lower revenue of sale of recyclable materials offset by tipping fees for commercial residual waste and one-time Provincial Stewardship funding for collection truck modification. Sales of recyclables and waste tonnages in 2012 are dependent on the volume of waste produced and the broader resale markets for commodities.
- Year-to-date variances include savings in salaries & benefits of \$8.6 million arising from unfilled positions and reductions of temporary seasonal staff in Collections in preparation for the contracting out District 2. As noted above the projected year-end salaries and benefits surplus is anticipated to decrease as additional seasonal temporary staff are hired in the fall for leaf and yard waste collection.
- Savings of \$0.7 million are also being reported in material and supplies; computer hardware, software and communication equipment. Savings as of the 3rd quarter are offset by higher costs of \$4.0 million for Source Separated Organics (SSO) processing due to the delayed commissioning of the Disco SSO Processing Facility. There were also unexpected higher expenditures of \$0.7 million for waste / recycling / organics bins for the new non-residential fee program. Lower revenue of \$2.5 million from sales of recyclable materials resulting from lower than forecasted commodity prices was offset by higher revenue of \$0.8

million for tipping fees at Transfer Stations and the Green Lane landfill for paid commercial waste. In addition, a one-time provincial grant of \$0.5 million was received for collection truck modifications.

**Impact of 2012 Operating Variance on the 2013 Recommended Budget**

- The 2012 Operating variance to date reflects the impact of vacancies for temporary employees offset by increased costs for processing organics and recyclables. The year-end position indicates continued pressure in the areas of processing of recyclables and organics. The 2013 Recommended Operating Budget will adjust collection, processing and disposal budgets to be re-aligned with actual costs, volume and market based revenue forecasts. The 2013 Recommended Operating Budget will balance these base budget adjustments and service efficiencies with projected user fee revenue to maintain a zero net expenditure while slowly building future reserve funds and maintaining volume based user rates at 2011/12 levels.

## Appendix 2

## 2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

### Program Summary by Expenditure Category (In \$000s)

Category of Expense	2010 Actual	2011 Actual	2012 Budget	2012 Projected Actual	2013 Recommended Budget	2013 Change from 2012 Approved Budget		2014 Outlook	2015 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	102,957.4	105,526.4	100,638.8	92,512.0	91,239.8	(9,399.0)	(9.3%)	91,773.8	93,718.5
Materials and Supplies	7,403.9	6,560.3	7,653.4	7,815.4	5,775.5	(1,877.9)	(24.5%)	6,054.4	6,344.9
Equipment	283.4	3,402.4	825.3	1,065.6	868.1	42.8	5.2%	889.6	911.9
Services & Rents	106,007.3	87,210.1	99,304.8	106,332.9	115,305.1	16,000.3	16.1%	119,968.6	122,047.6
Contributions to Capital							n/a		
Contributions to Reserve/Res Funds	28,129.1	33,885.2	38,591.1	38,455.0	34,866.3	(3,724.8)	(9.7%)	32,626.3	29,336.3
Other Expenditures	20,198.6	49,741.0	68,355.0	68,355.4	70,752.4	2,397.4	3.5%	77,748.7	86,418.0
Interdivisional Charges	29,186.1	30,754.2	30,639.9	30,679.7	30,474.7	(165.2)	(0.5%)	31,061.5	31,696.6
<b>TOTAL GROSS EXPENDITURES</b>	<b>294,165.8</b>	<b>317,079.5</b>	<b>346,008.3</b>	<b>345,218.0</b>	<b>349,281.9</b>	<b>3,273.6</b>	<b>0.9%</b>	<b>360,122.9</b>	<b>370,473.8</b>
Interdivisional Recoveries	4,341.1	4,244.4	4,534.3	4,407.8	6,626.4	2,092.1	46.1%	6,626.4	6,626.4
Provincial Subsidies	11,151.3	19,825.8	14,825.9	15,331.2	13,574.7	(1,251.3)	(8.4%)	13,574.7	13,574.7
Federal Subsidies	50.1						n/a		
Other Subsidies							n/a		
User Fees & Donations	258,035.1	258,742.0	262,818.6	262,813.4	262,196.8	(621.9)	(0.2%)	263,505.4	264,643.5
Transfers from Capital Fund	2,234.9	2,452.5	2,209.1	2,209.1	2,245.2	36.1	1.6%	2,245.2	2,245.2
Contribution from Reserve Funds	7,641.8						n/a		
Contribution from Reserve							n/a		
Sundry Revenues	28,976.3	69,051.3	61,620.4	61,110.7	64,638.8	3,018.5	4.9%	66,789.3	68,598.7
<b>TOTAL REVENUE</b>	<b>312,430.7</b>	<b>354,315.8</b>	<b>346,008.3</b>	<b>345,872.2</b>	<b>349,281.9</b>	<b>3,273.6</b>	<b>0.9%</b>	<b>352,741.0</b>	<b>355,688.4</b>
<b>TOTAL NET EXPENDITURES</b>	<b>(18,264.9)</b>	<b>(37,236.3)</b>		<b>(654.2)</b>				<b>7,381.9</b>	<b>14,785.4</b>
<b>APPROVED POSITIONS</b>	<b>1,351.0</b>	<b>1,234.0</b>	<b>1,110.0</b>	<b>1,110.0</b>	<b>1,105.7</b>	<b>(4.3)</b>	<b>(0.4%)</b>	<b>1,105.7</b>	<b>1,105.7</b>

Note the 2012 net surplus of \$0.654 million is subject to final year-end variance review. Please see Recommendation 2.

### 2013 Key Cost Drivers

- Starting in 2009, the Program has been fully supported by volume-based user fees and other revenue.
- Recommended adjustments to expenditures and revenues by category in 2013 total \$3.2 million respectively and reflect recommended service changes. The following highlights the main variances:
- Salary and Benefits decrease of \$9.399 million is due to savings of \$10.8 million for contracting-out collection in District 2 and service efficiencies of \$0.5 million offset by negotiated salary & benefits increases of \$1.8 million. This downward trend can be seen starting in 2012. Compared to salaries & benefits in 2011, this category is reduced for 2012 as contracting-out collections in District 2 was implemented in August 2012.

- Services & Rents increase of \$16 million mainly reflects the increased costs of contracting-out collection in District 2 at \$5.7 million with higher costs of \$6.1 million for residual disposal and processing costs for recyclables and organics as well as inflationary pressures of \$1.1 million. The trend from 2010 to 2013 shows that as processing costs tend to fluctuate with changing contract provisions a general upward trend is indicated. Costs for District 2 collection services were transferred to contracted services and the full annualized impact of this change is reflected in 2013.
- Contributions to Reserves/Reserve Funds mainly include a \$2.9 million decrease to the contribution to the Waste Management Reserve Fund to total \$15.545 million (excluding assumed interest) in 2013, a decrease of contribution of \$1.5 million to the Green Lane Reserve Fund and an increase to the vehicle reserve contribution of \$0.7 million. The trend for contributions to reserve funds tends to fluctuate primarily due to requirements of the Waste management Reserve Fund. While 2010 and 2011 include contribution of the year-end operating surplus, a decrease in contribution is budgeted for 2013 as an operating stabilization amount due to ongoing operating pressures, fixed user fees and a much smaller anticipated operating surplus for 2012.
- Interdivisional Recoveries will increase by \$1.3 million due to receipt of Transportation Services' street sweeping tonnage.
- Sundry (Other) Revenue increase of \$3.019 million is mainly due to projected increased sales of recyclables and new residual disposal fees of \$2.8 million and the CIROs fees of \$0.5 million offset by fewer tonnes of paid commercial waste (\$0.3) million.
- Approved positions for 2012 totaled 1,110. Recommended decreases to approved positions for 2013 total 4.3 positions. The net decrease consists of a decrease of 7.8 vacant positions due to service efficiencies offset by an increase of 3.5 positions for litter operations in 2013. Positions reductions between 2010 and 2012 are mainly due to contracting-out of collection in District 2 thereby reducing the requirement for temporary staff while reallocating permanent staff to other districts.
- 2013, 2014 and 2015 salaries include provision for cost of living adjustments for union and non-union employees in accordance with recent settlements.

The 2013 Recommended Base Budget also provides funding for the following:

#### *Economic Factors*

- \$1.807 million for cost of living (COLA) and fringe benefit increases for union staff based on the recent contract settlement of 0.5% with 1.5% lump sum payment. Also includes OMERS increase of 0.9% (total fringe for 2013 is 29.9% for permanent staff). Non-union staff are budgeted as per the direction adopted by Council in July 2012 for percentage increases;
- \$1.143 million for non-staff accounts general economic factors for inflation (includes fuel).

#### *Other Base Changes*

- \$0.471 million net reduction mainly due to lower costs for waste disposal;
- \$0.240 million for various inter-divisional net increased charges

- \$3.300 million for increased debt service charges;
- \$0.734 million for various net expenditure increase including Green Lane Operations, contributions to insurance and vehicle reserves, parks bins operations and transfer station operations.

*Revenue Changes*

- \$0.719 million for the growth in revenue from single-family and multi-residential bin fees;
- A reduction of \$0.453 million for reduced Ontario Stewardship funding including a downward adjustment for tonnes of electronics collected and for Provincial revision of items eligible for funding;

**Appendix 3**

**Summary of 2013 Recommended Service Changes**

**Appendix 4**  
**Summary of 2013 Recommended New**  
**/Enhanced Service Priority Actions**

## Appendix 5

Inflows / Outflows to / from Reserves & Reserve Funds  
(In \$000s)

## Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 2012	2013	2014	2015
				\$	\$	\$
Vehicle Reserve- Solid Waste	XQ1014	Beginning Balance	15,383.7	16,372.6	16,874.0	13,268.3
		Proposed				
		Contributions -Total	7,207.2	8,000.0	8,000.0	8,000.0
		Proceeds Sale of Vehicles & Equipment	782.6	652.1	1,009.2	986.8
		(Withdrawals)- Total	(7,001.0)	(8,150.7)	(12,614.9)	(12,335.3)
		Total Proposed Contributions (Withdrawals)	988.9	501.3	(3,605.7)	(3,348.5)
<b>(Vehicle Reserve - Solid Waste) BALANCE AT YEAR END</b>			<b>16,372.6</b>	<b>16,874.0</b>	<b>13,268.3</b>	<b>9,919.8</b>
Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 2012	2013	2014	2015
				\$	\$	\$
Perpetual Care of Landfills Reserve Fund-	XR1013	Beginning Balance	24,859.3	9,663.1	596.7	608.6
		Proposed				
		Contributions -Total	6,168.1	6,285.9	6,329.9	6,513.2
		(Withdrawals)- Total	(21,364.3)	(15,352.4)	(6,318.0)	(6,501.0)
		Total Proposed Contributions (Withdrawals)	(15,196.2)	(9,066.4)	11.9	12.2
<b>(Perpetual Care of Landfills) BALANCE AT YEAR END</b>			<b>9,663.1</b>	<b>596.7</b>	<b>608.6</b>	<b>620.8</b>
Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 2012	2013	2014	2015
				\$	\$	\$
Waste Management Reserve Fund-	XR1404	Beginning Balance	88,025.9	87,226.5	61,883.4	49,259.6
		Proposed				
		Contributions -Total	19,118.3	16,853.9	14,543.2	11,000.7
		(Withdrawals)- Total	(19,917.8)	(42,197.0)	(27,167.0)	(23,668.0)
		Total Proposed Contributions (Withdrawals)	(799.5)	(25,343.1)	(12,623.8)	(12,667.3)
<b>(Waste Management Reserve Fund) BALANCE AT YEAR END</b>			<b>87,226.5</b>	<b>61,883.4</b>	<b>49,259.6</b>	<b>36,592.3</b>
Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 2012	2013	2014	2015
				\$	\$	\$
Green Lane Reserve Fund-	XR1408	Beginning Balance	12,148.5	16,084.4	14,117.2	13,092.0
		Proposed				
		Contributions -Total	3,935.9	2,459.7	2,455.8	2,462.4
		(Withdrawals)- Total	0.0	(4,427.0)	(3,481.0)	(9,251.0)
		Total Proposed Contributions (Withdrawals)	3,935.9	(1,967.3)	(1,025.2)	(6,788.6)
<b>(Green Lane Reserve Fund) BALANCE AT YEAR END</b>			<b>16,084.4</b>	<b>14,117.2</b>	<b>13,092.0</b>	<b>6,303.4</b>



Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 2012	2013	2014	2015
				\$	\$	\$
Green Lane Perpetual Care Reserve Fund	XR1409	Beginning Balance	1,528.0	2,180.3	2,819.7	3,456.0
		Proposed Contributions -Total (Withdrawals)- Total	652.3	639.4	636.3	629.7
		Total Proposed Contributions (Withdrawals)	652.3	639.4	636.3	629.7
<b>(Green Lane Perpetual Care Reserve Fund) BALANCE AT YEAR END</b>			<b>2,180.3</b>	<b>2,819.7</b>	<b>3,456.0</b>	<b>4,085.7</b>
Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 2012	2012	2013	2014
				\$	\$	\$
Green Lane Liability Trust	XT6109	Beginning Balance	105.8	106.8	108.4	110.6
		Proposed Contributions -Total (Withdrawals)- Total	1.1	1.6	2.2	2.2
		Total Proposed Contributions (Withdrawals)	1.1	1.6	2.2	2.2
<b>(Green Lane Liability Trust) BALANCE AT YEAR END</b>			<b>106.8</b>	<b>108.4</b>	<b>110.6</b>	<b>112.8</b>

### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 2012	Proposed Withdrawals(-) / Contributions(+)		
			2013	2014	2015
			\$	\$	\$
Insurance Reserve Fund	XR1010 Proposed Contributions (Withdrawals)	70,020.9	2,053.6	2,053.6	2,053.6
Insurance Reserve Fund			2,053.6	2,053.6	2,053.6
<b>Total Reserve / Reserve Fund (Draws) / Contributions</b>			<b>2,053.6</b>	<b>2,053.6</b>	<b>2,053.6</b>