

2016

Solid Waste Management Services

2016 Recommended Operating Budget
2016–2025 Recommended Capital Plan
2016 Recommended Solid Waste Rate

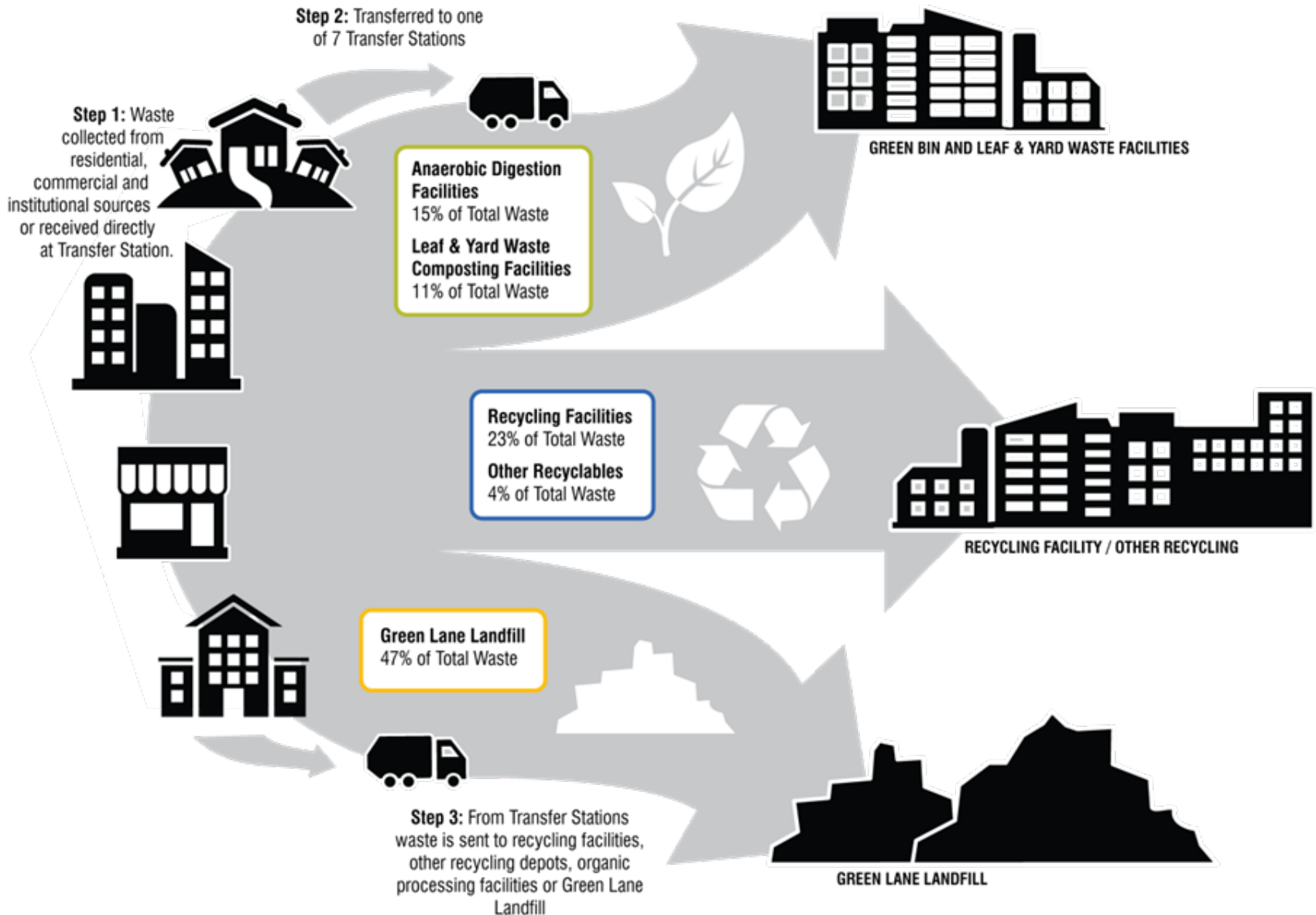
Budget Committee
November 6, 2015

Presentation Agenda

1. Program Overview
2. Waste Strategy
3. 2016 Recommended Operating Budget
4. 2016-2025 Recommended Capital Program
5. Service Performance
6. 2016 Recommended Solid Waste Rate

Program Overview

City of Toronto's Integrated Waste Management System



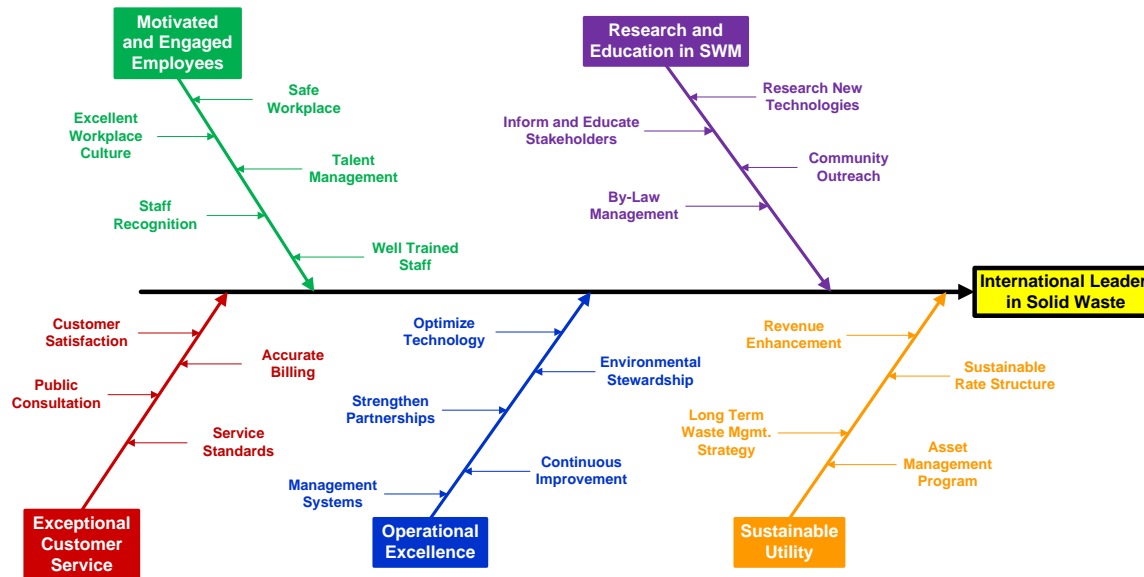
Program Overview

Strategic Plan Alignment

Council's Strategic Actions 2013-2018

- #6 Support Environmental Sustainability
- #7 Develop a Long-term Waste Management Strategy
- #10 Enhance the City's Quality of Life
- #19 Improve Customer Service
- #20 Enhance Performance Measurement
- #21 Improve Organizational Excellence

Solid Waste Management Strategic Plan



Program Overview

Program Map

Solid Waste Management Services Mission

To be a leader in providing innovative waste management services to residents, businesses and visitors within the City of Toronto in a safe, efficient, effective and courteous manner, creating environmental sustainability, promoting diversion and maintaining a clean city.

City Beautification

To provide collection services within the public realm to all residents and visitors city-wide to support a clean city.

- Litter Pick-up
- Park Bins
- Public Realm
- Special Events

Collection

To provide effective and efficient solid waste collection services to residents, businesses, visitors and ABCDs of the City of Toronto.

- Green Bin
- Bulky
- Garbage
- Municipal Hazardous & Special Waste
- Recyclables
- Leaf & Yard Waste

Transfer & Processing

To provide effective and environmentally safe processing and transport services for the City of Toronto's solid waste.

- Green Bin
- Bulky
- Garbage
- Municipal Hazardous & Special Waste
- Recyclables
- Leaf & Yard Waste
- Sale of Recyclables

Residual Management

To provide effective, efficient and environmentally sound management of residual waste.

- Green Lane Landfill
- Energy Generation
- Perpetual Care

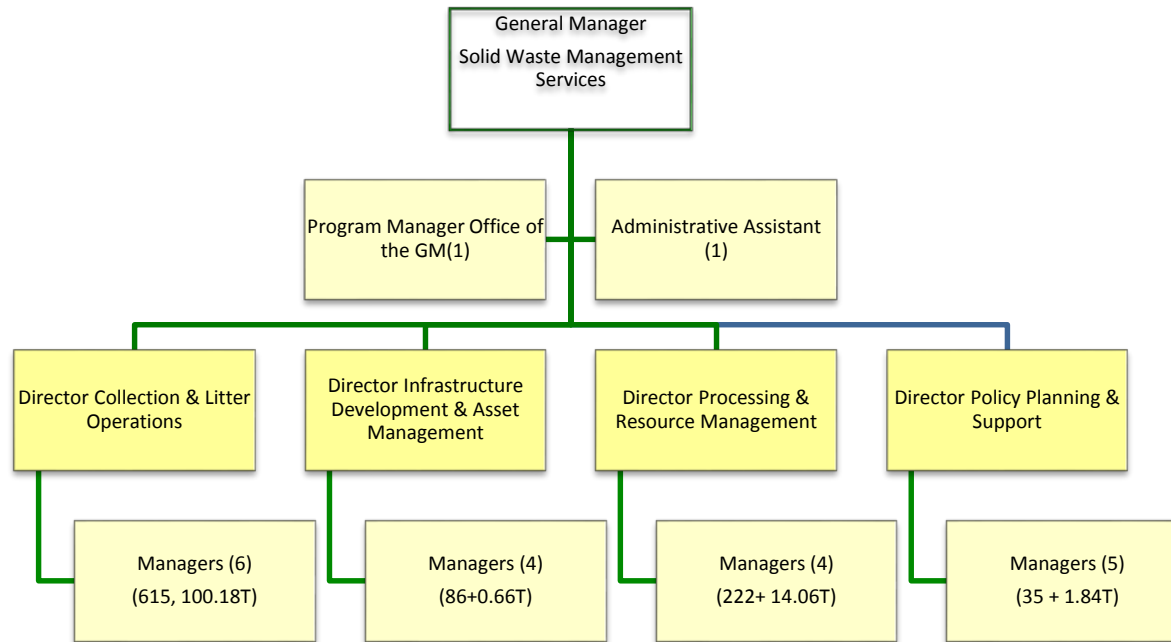
Education & Outreach

To effectively communicate to the residents, businesses, visitors and ABCDs on how to participate in the City's waste management programs and to encourage diversion.

- Bylaw Enforcement
- Environment Days
- Promotion & Education

Program Overview

Organizational Structure



2015 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent Position	1.0	98.0	45.0	848.0	992.0
Temporary Position				116.74	116.74
Total	1.0	98.0	45.0	964.74	1108.74

Program Overview

2015 Service Delivery Highlights

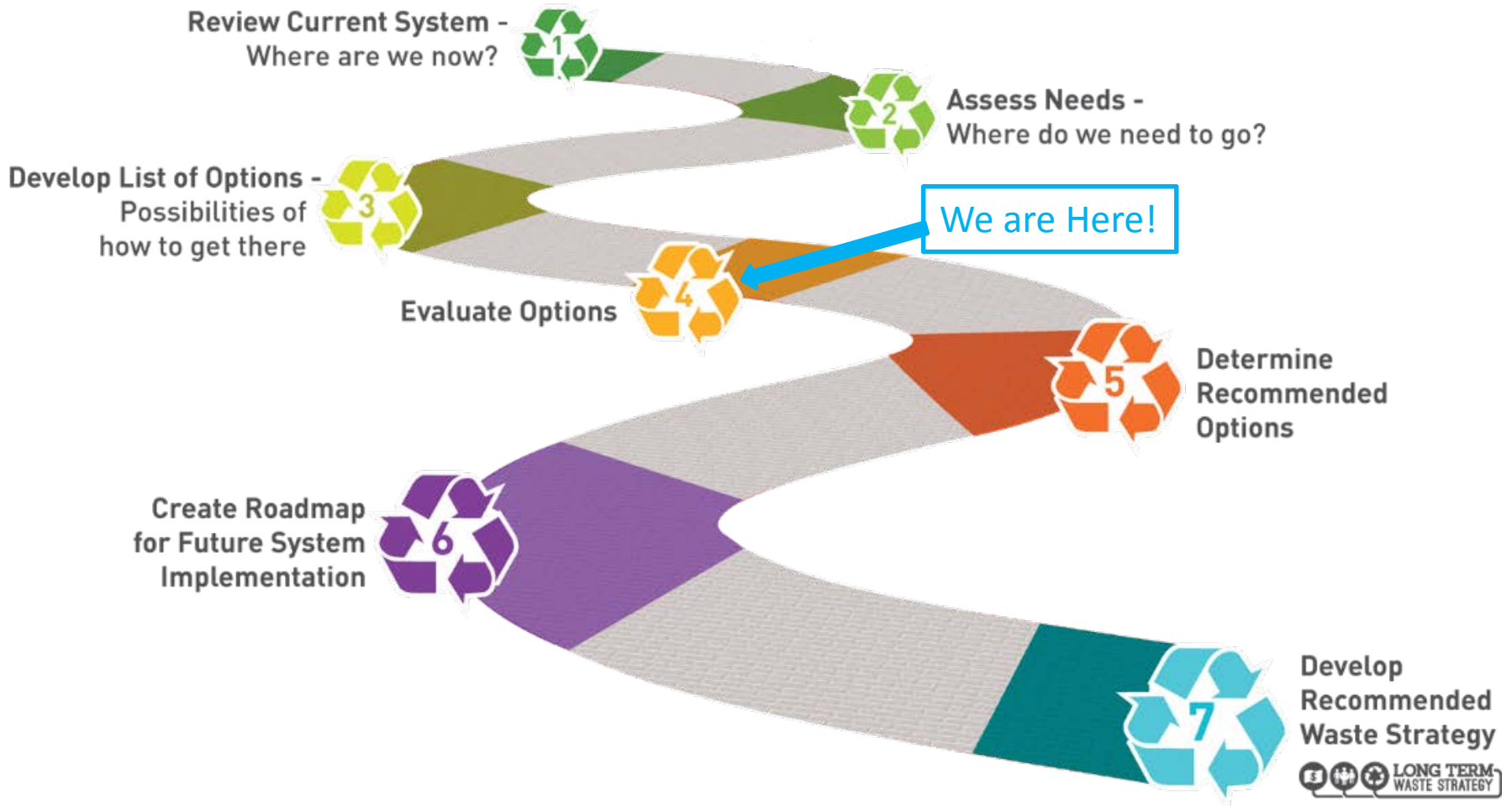
- Long Term Waste Management Strategy
- Asset Management Framework
- Contract Awards for:
 - Next Generation Green Bin
 - Dufferin Organic Processing Facility Expansion
- Waste Diversion Efforts
 - Roll Out of organics containers to all City-serviced multi-residential buildings
 - Toronto Community Housing Corporation diversion program
 - Addition of Plastic Film to Blue Bin
- Increase collection services to address continued expansion of public space litter and recycling bins along streets and parks
- Disco Road Biogas Utilization

Long Term Waste Management Strategy

- Limited landfill capacity
- Guide decision making for the next 30 to 50 years
- Council Strategic Action #7
- Incorporate all waste generators (not only residential)
- Develop sustainable utility



Long Term Waste Management Strategy



2015 Projected Year End Variance

(In \$Million's)	2013 Actuals	2014 Actuals	2015 Approved Budget	2015 Sept 30 YTD Actuals	2015 Projected Actuals*	2015 Approved Budget vs Projected Actuals	
	\$	\$	\$	\$	\$	\$	%
Contributions for Capital Projects	57.7	65.4	67.9	36.0	67.9	0.0	0.0%
Gross Expenditures Less Contributions for Capital Projects	282.2	280.8	302.9	176.7	298.3	-4.5	(1.5%)
Revenues	350.4	361.3	370.8	225.1	364.5	-6.3	(1.7%)
Net	-10.5	-15.0	0.0	-12.4	1.8	1.8	-
Positions	951	994	1,109	993	1,032	-77	(6.9%)

* Based on 2015 9-month Operating Variance Report

2016 Recommended Operating Budget

(In \$ Millions)	2015 Approved Budget	2016 Recommended Budget	\$ Change	% Change
General Operating Expenditures	263.7	267.2	3.5	1%
Contribution to Capital	67.9	78.6	10.7	16%
Total Expenditures*	331.7	345.7	14.0	4%
Base Rate Revenue	278.3	286.7	8.4	3%
Other Rate Related Changes	0	2.0	2.0	- -
Other Revenue Changes	53.4	57.0	3.6	7%
Total Revenues*	331.7	345.7	14.0	4%

*Excludes Net Zero Internal Transfer to Green Lane Landfill

2016 Reduction to Achieve Target

	Total Rec'd Service Changes			
	\$ Gross	\$ Net	# Positions	% Change Over 2015 Budget
Base Changes:				
Base Expenditure Changes				
- <i>Line by Line Review</i>	(367.1)	(367.1)		-0.1%
- <i>Contribution to Vehicle Reserve</i>	(4,760.0)	(4,760.0)		-1.3%
Base Expenditure Change	(5,127.1)	(5,127.1)		-1.4%
Base Revenue Changes				
- <i>SWMS Rate Increase @ 3%</i>		(8,410.3)		-2.3%
- <i>Misc. User Fee Adjustments</i>		(1,126.4)		-0.3%
- <i>Transfer Station Drop & Load Fee Adj.</i>		(99.3)		0.0%
Base Revenue Change		(9,636.0)		-2.6%
Sub-Total	(5,127.1)	(14,763.0)		-4.0%
Service Efficiencies				
- <i>Gapping Increase to 4%</i>	(1,820.7)	(1,820.7)		-0.5%
- <i>Line by Line Review (3 pos.)</i>	(232.7)	(232.7)	(3.0)	-0.1%
- <i>Communication Budget Efficiencies</i>	(300.0)	(300.0)		-0.1%
- <i>SWM Collection Efficiencies (5 pos.)</i>	(483.3)	(483.3)	(5.0)	-0.1%
Sub-Total	(2,836.7)	(2,836.7)	(8.0)	-0.8%
Total Changes	(7,963.8)	(17,599.8)	(8.0)	-4.7%

The \$2.8 M represents a 2% savings over controllable costs.

2016 Cost Drivers

	Financial Impacts (\$000s)				
	Gross Expenditures	Revenue	NET	% Increase / (Decrease) Over Net	FTE Positions
SOLID WASTE MANAGEMENT					
2015 APPROVED BUDGET	370,785.1	370,785.1	-	N/A	1,108.7
In-Year Adjustments					
Printing Cost Element Changes	-	-	-		
Increased Site Operation Hours at Bermondsey Transfer Station	-	-	-		
2015 In-year Position Re-alignments and Conversions	-	-	-		
Training Budget Adjustment	-	-	-		
Non-Union Salary & Benefit Reduction	-	-	-		
2015 APPROVED ADJUSTED BUDGET	370,785.1	370,785.1	-	N/A	1,108.7
Prior Year Impacts					
Reversal of Budget for 2015 Pan Am Games Impact on Litter Operations	- 100.0	-	- 100.0	N/A	
Phase-in of ABCD and School Rate Harmonization (from 50% to 75%)		1,218.1	- 1,218.1	N/A	
Subtotal	- 100.0	1,218.1		N/A	0.0
Operating Impacts of Capital					
Operating Impact of Capital Projects	619.8	619.8	-	N/A	8.0
Subtotal	619.8	619.8	-	N/A	8.0
Economic Factors					
Step, Merit/Progression, Re-earnable bonus, Salary Adjustment	705.2	-	705.2	N/A	
Reversal of Zero-Based Item - Furnishings	- 4.3	-	- 4.3	N/A	
Subtotal	700.9	-	700.9	N/A	0.0
2016 ADJUSTED BASE BUDGET	372,005.9	372,623.1	- 617.2	N/A	1,116.7
Change over 2015 Approved Adjusted Budget	1,220.7	1,837.9	- 617.2	N/A	8.0

2016 Cost Drivers

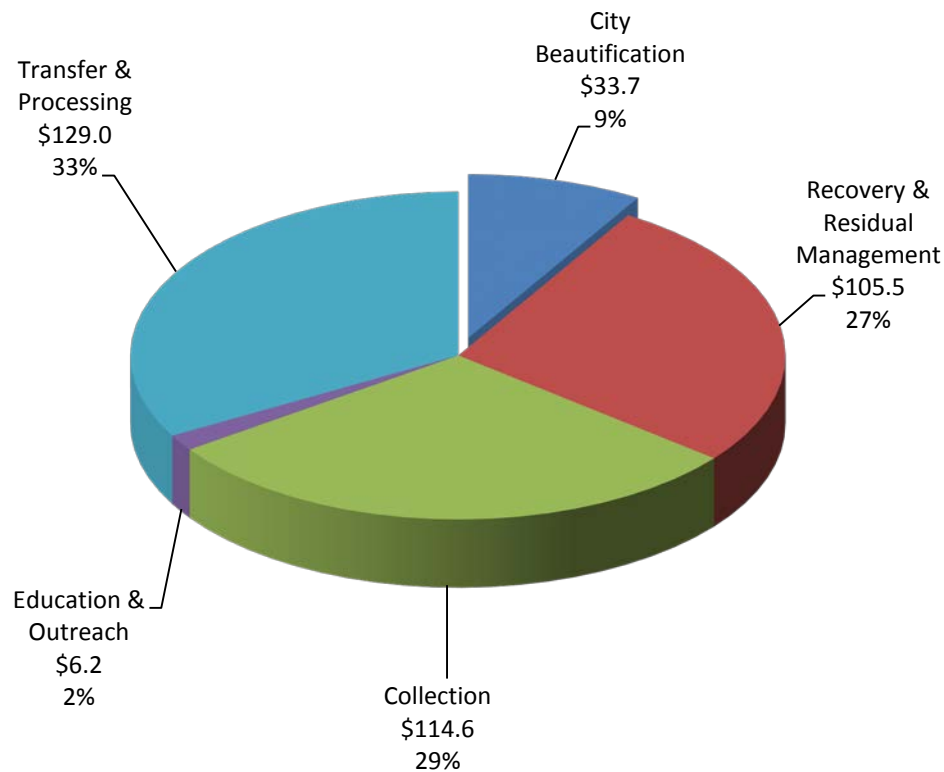
	Financial Impacts (\$000s)				
	Gross Expenditures	Revenue	NET	% Increase / (Decrease) Over Net	FTE Positions
SOLID WASTE MANAGEMENT					
2016 ADJUSTED BASE BUDGET	372,005.9	372,623.1	- 617.2	N/A	1,116.7
Other Base Changes					
Collection & Processing Contracts: Volume & Price Changes	3,649.3	-	3,649.3		
Green Lane Operations	1,839.2	1,790.4	48.9		
City of Toronto Waste Payment to Green Lane	4,143.7	-	4,143.7		
Contribution to Capital	10,104.5	-	10,104.5		
Line-by-Line Budget Reduction & Efficiencies	- 367.1	-	- 367.1		
Other Base Changes	477.3	628.6	- 151.3		
Subtotal	19,846.9	2,419.0	17,428.0	N/A	0.0
Revenue Changes					
Yellow Bag Enforcement		1,433.0	- 1,433.0		
Other Rates Revenue Adjustments		1,759.4	- 1,759.4		
Sale of Recyclable Materials		1,216.6	- 1,216.6		
3% Rate Increase		8,410.3	- 8,410.3		
Other Revenue Changes	- 6.7	1,148.1	- 1,154.8		
Subtotal	- 6.7	13,967.4	-13,974.1	N/A	0.0
2016 BASE BUDGET SUBMISSION	391,846.1	389,009.4	2,836.7	N/A	1,116.7
Change over 2015 Approved Adjusted Budget	21,061.0	18,224.3	2,836.7	N/A	8.0

2016 Cost Drivers

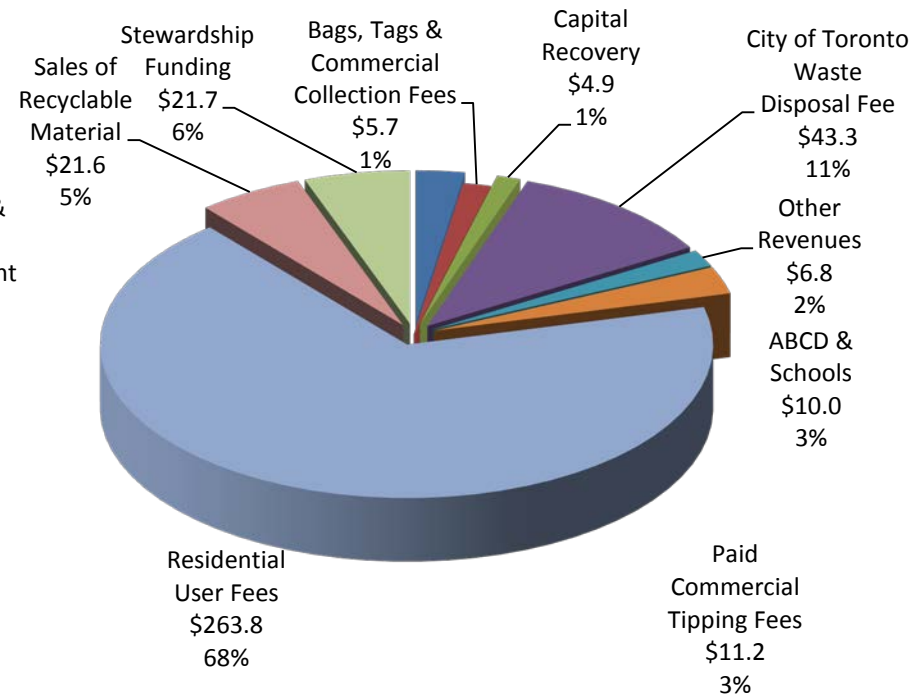
	Financial Impacts (\$000s)				
				% Increase / (Decrease) Over Net	FTE Positions
SOLID WASTE MANAGEMENT					
2016 BASE BUDGET SUBMISSION	391,846.1	389,009.4	2,836.7	N/A	1,116.7
Efficiencies			-		
In-house Collection Efficiencies	- 483.3	-	- 483.3		-5.0
Position Reductions through Line by Line Review	- 232.7	-	- 232.7		-3.0
Communication Budget Efficiencies	- 300.0	-	- 300.0		
Gapping Rate Adjustment (from -2% to -4%)	- 1,820.7	-	- 1,820.7		
Subtotal	- 2,836.7	-	- 2,836.7	N/A	- 8.0
2016 PRELIMINARY SUBMISSION	389,009.4	389,009.4	- 0.0	N/A	1,108.7
Change over 2015 Approved Adjusted Budget	18,224.3	18,224.3	- 0.0	N/A	-

2016 Gross Operating Expenditures by Service and Funding Sources (\$389.0 M)

2016 Operating Budget By Service (\$M)



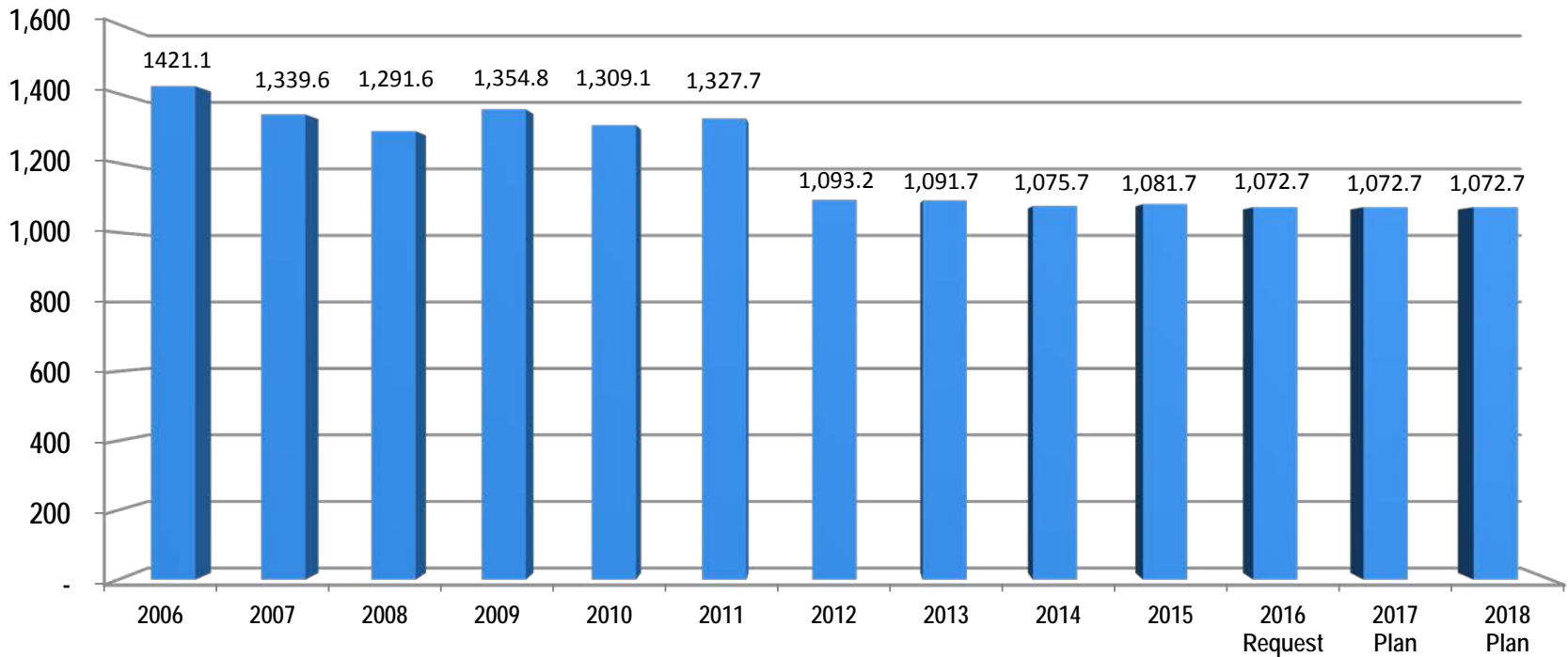
2016 Operating Budget by Funding Source (\$M)



Vacancy Analysis & Staffing Trend

Vacancy Analysis										
	2013			2014			2015 Year-End Projections			
	# of Vacancies	Vacancies % of Total Approved Positions	Approved Position Equivalent	# of Vacancies	Vacancies % of Total Approved Positions	Approved Position Equivalent	# of Vacancies as at June 30	# of Vacancies Projections to Dec 31	Vacancies % of Total Approved Positions	Approved Position Equivalent
Operating	160.2	14%	1091.7	103.0	9%	1075.7	92.0	71.0	6%	1081.7
Capital	7.5	1%	27.0	6.0	1%	27.0	5.0	6.0	1%	27.0
Total	167.7	15%	1118.7	109.0	10%	1102.7	97.0	77.0	7%	1108.7

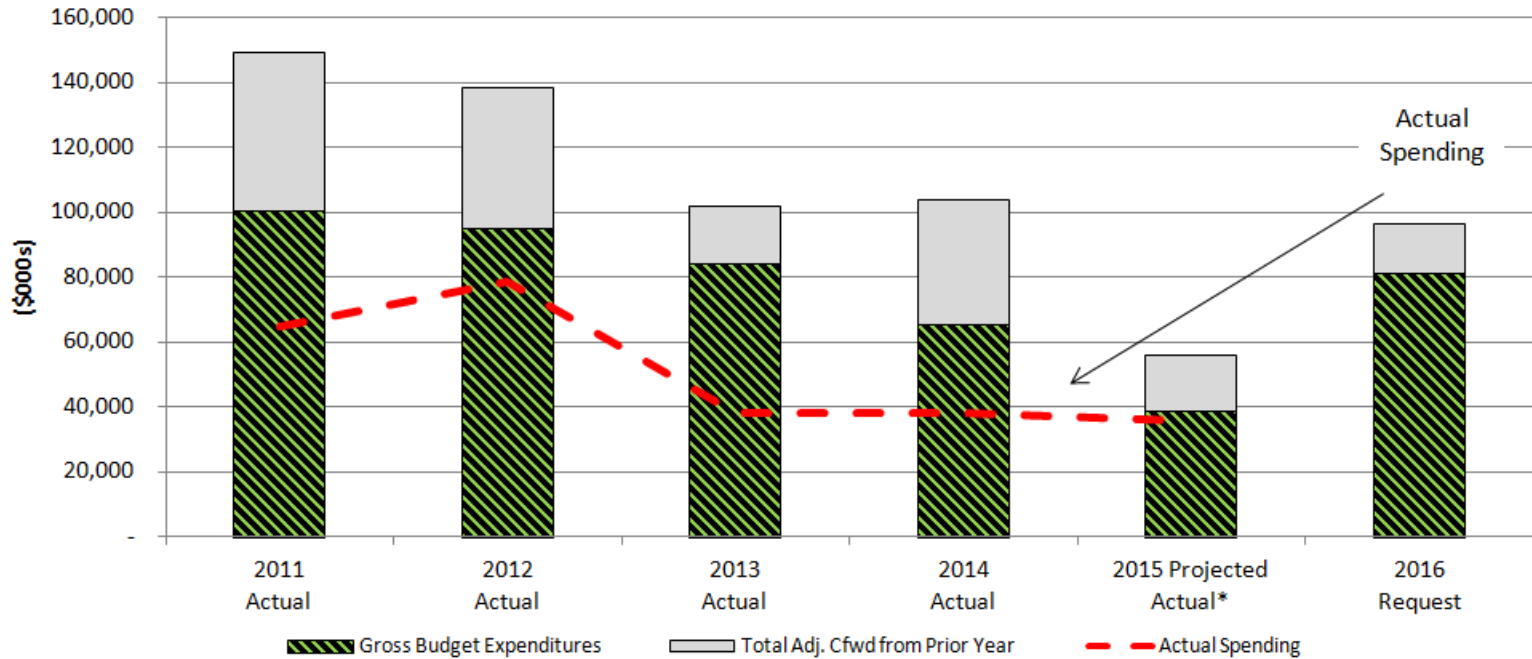
Staffing Trend (Excluding Capital Positions)



Capital Budget Summary

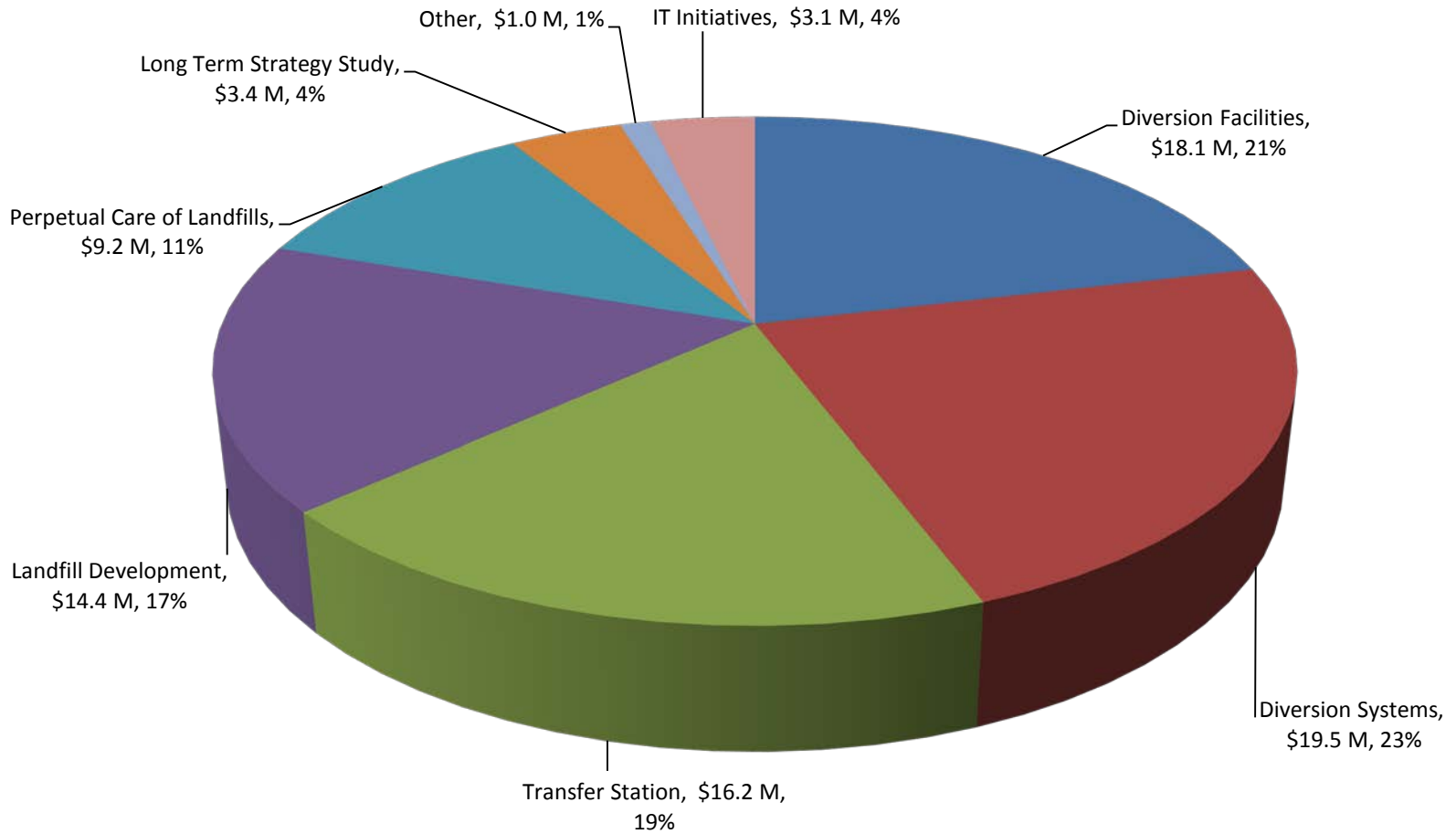
- Development of the Waste Strategy
- Asset Management Program
- Maintaining Facility State of Good Repair
- Escalating supplier/construction pricing

Capital Spending



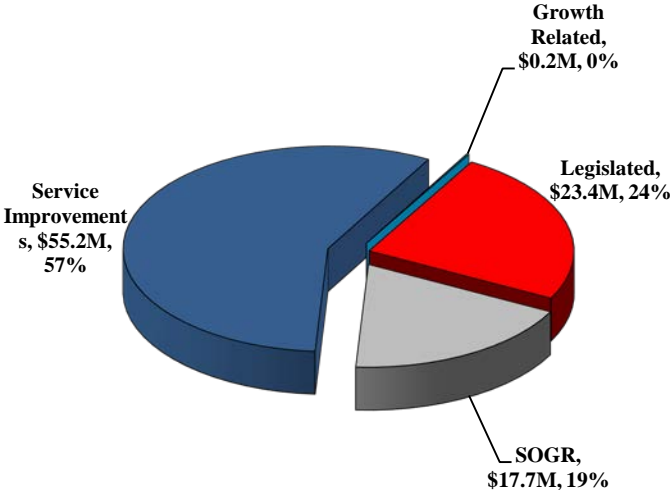
2015 Approved	2015 Actuals as of Sept 25		2015 Projected Actuals at Year End		2015 Projected Unspent Balance	
	\$000s	% Spent	\$000s	% Spent	\$000s	% Unspent
56,054	10,449	18.6%	35,727	63.7%	20,327	36.3%

2016 Capital Budget (\$96.5M)

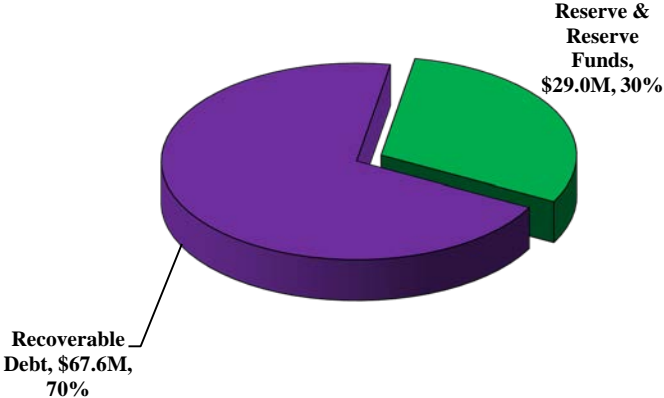


2016 Capital Budget by Project Category & Funding Source (\$96.5M)

**2016
Capital Budget by Project Category
(\$M)**

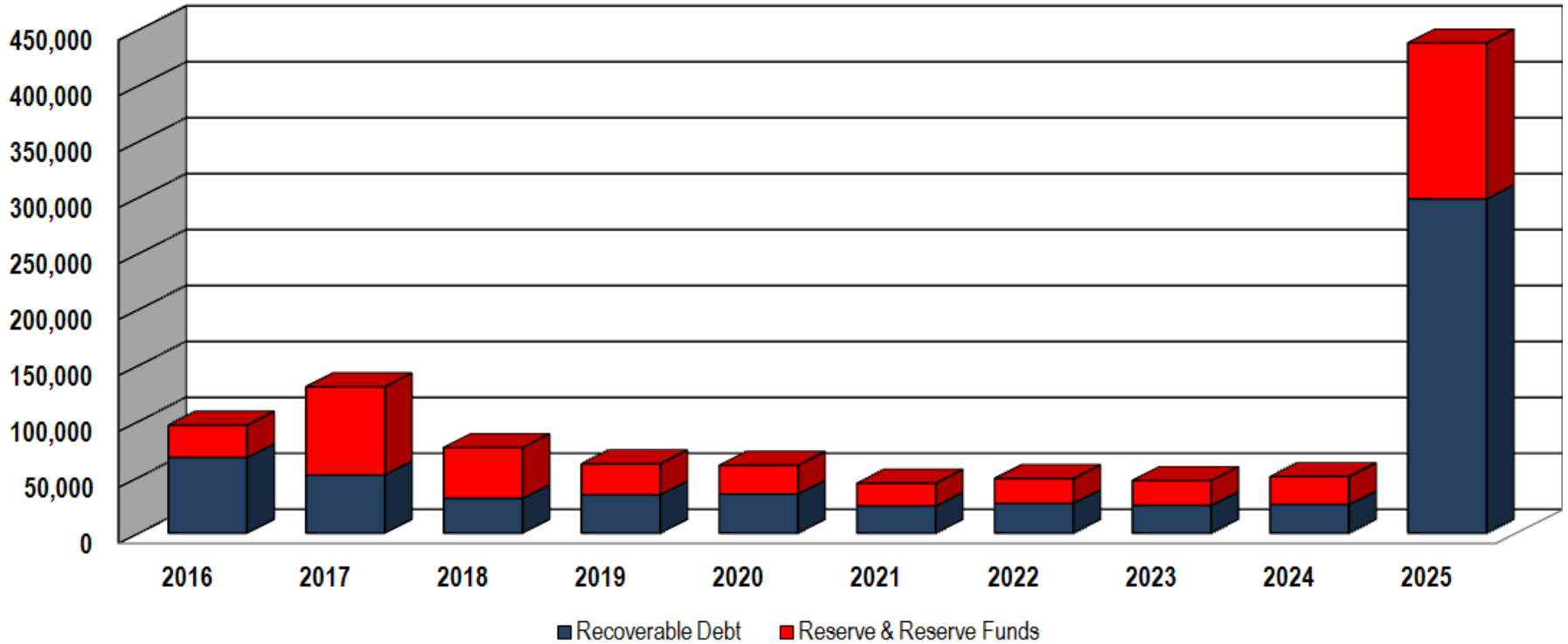


**2016
Capital Budget Funding Source
(\$M)**



2016 - 2025 Capital Budget and Plan by Funding Source (\$1.055 Billion)

(In \$000's)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Recoverable Debt	67,560.0	51,937.0	31,150.0	34,128.0	34,819.0	24,264.0	26,613.0	24,773.0	25,473.0	298,899.0
Reserve & Reserve Funds	28,952.0	78,831.0	45,384.0	27,830.0	25,760.0	20,350.0	22,170.0	22,238.0	25,028.0	139,356.0

Service Performance

Service Standards

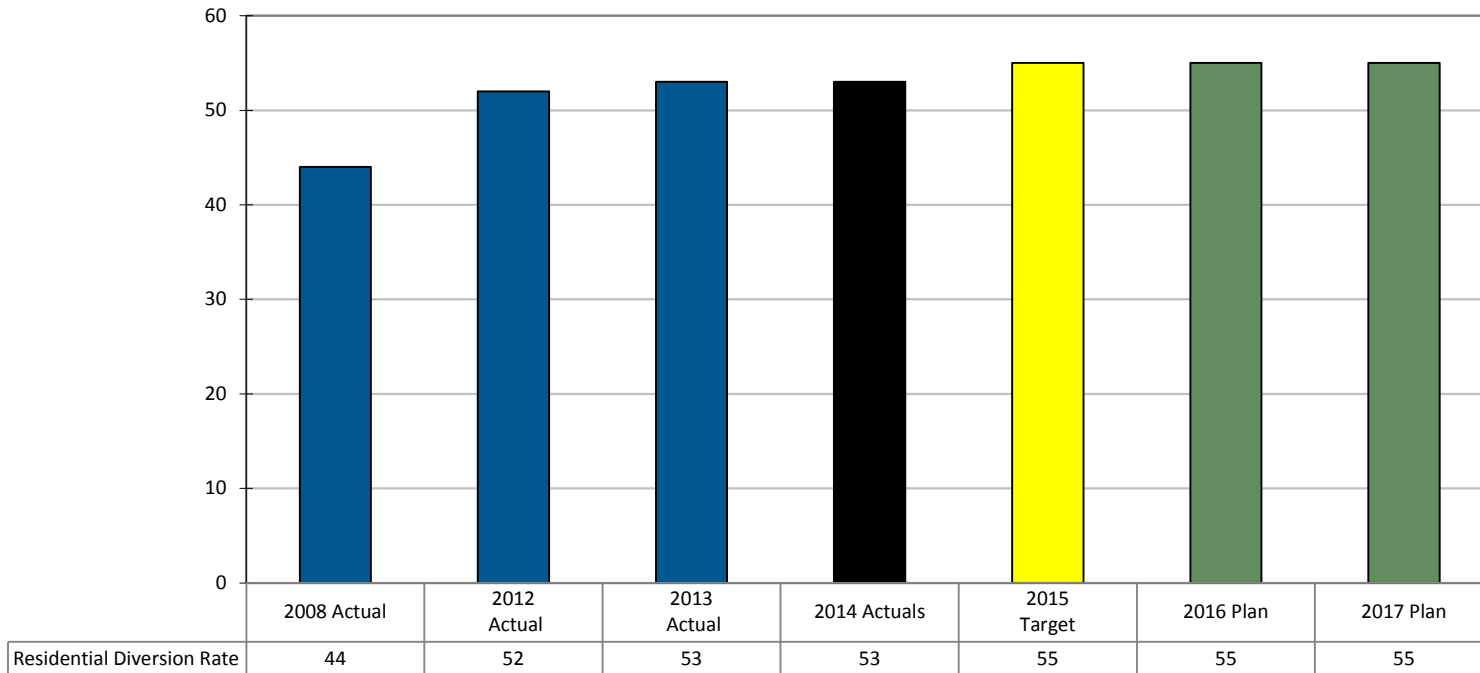
Service Standards measure response times to 311 Customer Service Requests. These measures are an indication of how we are able to respond to operational issues.

Activity Type	Service Levels	
	2013-2015	% Within Standard Q1/Q2 2015
Litter Bin Overflowing	24 hours	98.8%
Residential Curbside Garbage Bin Not Picked Up	2 Business Days	94.6%
Residential Curbside Green Bin Not Picked Up	2 Business Days	95.6%
Residential Curbside Recycling Not Picked Up	2 Business Days	95.2%
Multi-Residential Front-End Garbage Bin Not Picked Up	2 Business Days	98.2%
Residential Curbside Bin Repair	7 days	96.5%

For Q1 & Q2 2015 there were 100,972 Service Requests issued to Solid Waste Management Services of which timeliness of completing at standard was 95%

Service Performance

Residential Diversion Rate



Explanation of Performance Measurement Trend:

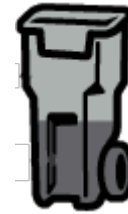
- Overall residential diversion - increase from 53% to 55% in 2015
- Single Family residential increase from 66% to 68% in 2015
- Multi-Residential – increase from 26% to 29% in 2015

Service Performance

Single Family Diversion



2015 Waste Audit Results (Divertible Material Found)



Small
48%



Medium
33%



Large
50%



Extra Large
77%

2016 Recommended Solid Waste Rate

Consistent Rate Increase Across all Customer Groups

- 2016: 3%
- 2017-forward: 3% (pending outcome of Waste Strategy)

Rate Increase will provide funding for:

- Current capital needs (Dufferin organics facility and New Green Bins)
- Waste Strategy implementation to extend the life of the Green Lane Landfill

Solid Waste Rebate

- Solid Waste Rebate reduction strategy that further supports financial incentives to reduce and divert waste should be considered as part of the City's Tax supported budget

Thank You

