

EX11.3

Decision Letter

Budget Committee

Meeting No.	11	Contact	Julie Amoroso, Committee Administrator
Meeting Date	Monday, November 25, 2019	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 1, City Hall	Chair	Councillor Gary Crawford

BU11.2	ACTION	Amended		Ward: All
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2020 Rate Supported Budgets - Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees

Public Notice Given

Committee Decision

The Budget Committee recommends to Executive Committee that:

Rates and Fees

1. City Council adopt the 2020 Solid Waste Management Services Rates and Fees as set out in Appendix A to the report (November 12, 2019) from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services titled "2020 Rate Supported Budgets – Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees", all effective as of January 1, 2020.
2. City Council authorize that the necessary amendments be made to Municipal Code Chapter 441 – Fees and Charges, and any other necessary Municipal Code Chapters as may be required to give effect to Council's decision.
3. City Council authorize the City Solicitor to introduce any necessary Bills required to give effect to Council's decision and authorize the City Solicitor to make any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Chief Financial Officer and Treasurer, and the General Manager, Solid Waste Management Services.
4. City Council request the General Manager, Solid Waste Management Services and/or designate to continue consulting and negotiating with provincial officials to ensure inclusion of the City's priorities in any new anticipated waste diversion regulations or policy statements that implement the Resource Recovery and Circular Economy Act, 2016, and the Waste Diversion Transition Act, 2016.
5. City Council authorize the General Manager, Solid Waste Management Services and/or designate until the end of 2025, to negotiate and enter into any new agreements, amendments of existing agreements, or acknowledgements - including on the basis of a non-competitive procurement under Municipal Code, Chapter 195, Purchasing necessary in connection with the

efforts indicated in Recommendation 4 above - including advocacy, business transformation, financial analysis, or receipt of funding on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor.

6. City Council authorize the General Manager, Solid Waste Management Services and/or designate, to negotiate and enter into a contract extension agreement with CRA Landfill Operations Limited to provide landfill operations, management and construction services for a term not to exceed 10 years, with the specific requirements that landfill compaction ratio be increased, a lower annual guaranteed minimum tonnage be implemented and efficiencies be developed to reduce site costs on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

7. City Council authorize the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services and/or designate, to negotiate and enter into any new agreements, amendments of existing agreements, or acknowledgements - including on the basis of a non-competitive procurement under Municipal Code Chapter 195, Purchasing - necessary in connection with the efforts to produce, manage, market, distribute, use and sell Renewable Natural Gas and other environmental attributes associated with Renewable Natural Gas production on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor and the Executive Director, Corporate Real Estate Management.

8. City Council direct that all the rates, fees and charges set out in Appendix A to the report (November 12, 2019) from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services titled "2020 Rate Supported Budgets – Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees", adopted by Council in Recommendation 1 above, continue in full force and effect until such time as they are amended or repealed by City Council.

Operating Budget

9. City Council approve the 2020 Staff Recommended Operating Budget for Solid Waste Management Services of \$360.1 million gross, \$18.8 million net for the following services:

Service:	Gross	Revenue	Capital from-current Contribution
	(\$000s)	(\$000s)	(\$000s)
City Beautification	38,123.1	1,564.9	-36,558.2
Residual Management	39,562.3	8,843.3	-30,719.0
Solid Waste Collection & Transfer	126,904.9	322,156.9	195,252.0
Solid Waste Education & Enforcement	5,655.2	3.5	-5,651.7
Solid Waste Processing & Transport	149,858.1	46,335.3	-103,522.8
Total Program Budget	360,103.6	378,903.9	18,800.2

10. City Council approve the 2020 staff complement for Solid Waste Management Services of 1,128.3 positions, comprising 50.4 capital positions and 1,077.9 operating positions.

11. City Council approve the 2020 new user fees, technical adjustments to user fees, market rate user fee changes, rationalized user fees, and other fee changes above the inflationary

adjusted rate for Solid Waste Management Services identified in Appendix 8 to the 2020 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".

Capital Budget

12. City Council approve 2020 Staff Recommended Capital Budget for Solid Waste Management Services with cash flows and future year commitments totaling \$584.980 million as detailed by project in Appendix 5a to the 2020 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services.

13. City Council approve the 2021-2029 Staff Recommended Capital Plan for Solid Waste Management Services totalling \$183.131 million in project estimates as detailed by project in Appendix 5b to the 2020 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services.

Service Levels

14. City Council approve the 2020 service levels for Solid Waste Management Services as outlined in Appendix 1 to the report (November 15, 2019) from the General Manager, Solid Waste Management Services titled "Recommended 2020 Service Levels – Solid Waste Management Services".

Decision Advice and Other Information

The Budget Committee requested the General Manager, Solid Waste Management Services to provide a budget briefing note directly to City Council on what options exist for incentives to increase diversion.

Origin

(November 12, 2019) Report from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services

Summary

This report outlines the recommended 2020 Solid Waste Management Services Rates and Fees arising from the adoption of the recommended 2020 Solid Waste Management Services Operating and Capital Budgets. The recommended rate and fee increases will vary based on customer group and are highlighted in Table 1.

Table 1 - 2020 Recommended Rates and Fees Increases (Effective Jan. 1, 2020)

Customer Group	Percent Rate Increase	Comments
Multi-Residential	1.50 percent	Below Rate of Inflation
Single Family and Residential Units Above Commercial	2.50 percent	Rate of Inflation
Bag Tags, Bin Purchase	6.00 percent	Same as Commercial
Commercial, Divisions, Agencies and Corporations, Schools	6.00 percent	Equivalent increase to 2019

Blended Rate	2.45 percent	Rate of Inflation
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The 2020 Recommended Operating Budget is \$360.104 million, an increase of \$10.169 million or 2.9 percent over 2019 plus \$18.800 million contribution to the Waste Management Reserve Fund all of which are offset by total revenues of \$378.904 million. The increase in operating expenditures is attributable to the increase in organic collection and processing costs due to volume and contractual inflation adjustments, start-up of the Dufferin Renewable Natural Gas and Ingram Compressed Natural Gas facilities, increase in debt principal and interest payments to fund the 10-Year Capital Budget and Plan.

The 2020 Recommended Capital Budget is \$81.335 million which is comprised of \$59.404 million in new 2020 funding and \$21.931 million in funding carried forward from 2019 into 2020. Key capital objectives and priorities for Solid Waste Management Services in the 2020 Capital Program are:

To safely and efficiently collect materials from 875,000 homes, business and public spaces by implementing Council's direction on health and safety by installing telematics solutions on vehicles in support of Vision Zero 2.0; In addition, a cornerstone of the Program is to manage 900,000 plus tonnes of material in an environmentally and fiscally sustainable manner by accelerating the development of the 3rd Anaerobic Digester; and

To continue to develop and invest in Renewable Natural Gas facilities and the purchase of Natural Gas Vehicles.

The proposed 2.45 percent blended rate increase in Solid Waste Management Services Rates and Fees is in line with inflation and will generate \$7.124 million in additional revenues necessary to maintain Council Approved service levels as well as improved and enhanced services in many areas, and fund the 2020 Recommended Capital Budget and 10-Year Capital Plan.

Background Information

(November 12, 2019) Revised Report and Appendix A and B from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services on 2020 Rate Supported Budgets - Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140018.pdf>

2020 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140016.pdf>

Attachment 1 to 2020 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services - 10 Year Capital Budget and Plan

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140022.pdf>

Attachment 2 to 2020 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services - 10 Year Capital Budget and Plan

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140023.pdf>

(November 15, 2019) Report and Appendix A from the General Manager, Solid Waste Management Services on Recommended 2020 Service Levels - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-140020.pdf>

(November 15, 2019) Notice of Public Meeting - 2020 Rate Supported Budgets - 2020 Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139936.pdf>

Notice of Public Meeting - 2020 Rate Supported Budgets - Appendix A -2020 Solid Waste

Management Services and Recommended 2020 Solid Waste Rates and Fees
(<http://www.toronto.ca/legdocs/mmis/2019/bu/bgrd/backgroundfile-139937.pdf>)

Communications

(November 16, 2019) E-mail from Steve Russell (BU.New.BU11.2.1)

(November 21, 2019) E-mail from Anthony Usher (BU.New.BU11.2.2)

Speakers

Rob Dysiewicz, Enbridge Gas Inc.

Emily Alfred, Toronto Environmental Alliance