

## Budget Committee

BU35.3	ACTION	Amended		Ward: All
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### **2022 Rate Supported Budgets - Solid Waste Management Services and Recommended 2022 Solid Waste Rates and Fees**

#### **Committee Decision**

The Budget Committee recommends that:

#### Rates and Fees

1. City Council adopt, effective January 1, 2022, the Solid Waste Management Services Rates and Fees as set out in Appendix A to the report (November 1, 2021) from the Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services.
2. City Council authorize that the necessary amendments be made to the Municipal Code Chapter 441 (Fees and Charges) and any other necessary Municipal Code Chapters as may be required to give effect to these Recommendations.
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 General Manager Solid Waste Management Services.
4. City Council direct that all the rates, fees and charges set out in Appendix A to the report (November 1, 2021) from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services, adopted by Council in Recommendation 1 and 2 above, continue in full force and effect until such time as they are amended or repealed by City Council.
5. City Council authorize the General Manager, Solid Waste Management Services to negotiate and enter into amending agreements with the City's existing contractors providing the sale and distribution of garbage bag tags to extend the contracts for a term ending December 31, 2023, with one optional year to extend and with the provision that the City, in its sole discretion, may end the contract term earlier than the specified end date, and on any other terms satisfactory to the General Manager, Solid Waste Management Services, and each in a form satisfactory to the City Solicitor.

6. City Council extend the existing authority for the General Manager, Solid Waste Management Services or designate, from December 31, 2021 until December 31, 2026, to negotiate and enter into any agreements or related documents necessary to facilitate renewable energy projects from biogas/landfill gas, for the City, including without limitation non-competitive procurement agreements under Municipal Code Chapter 195 (Purchasing), agreements to receive funding, and related amending agreements, on such terms that are acceptable to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor.

7. City Council extend the existing authority for the General Manager, Solid Waste Management Services or designate, from December 31, 2021 until December 31, 2026, to negotiate and enter into any agreements or related documents necessary to produce, manage, market, distribute, use and sell renewable energy projects, from biogas/landfill gas, resulting from the implementation of Recommendation 6 above and/or the associated environmental attributes, including without limitation non-competitive procurement agreements under Municipal Code Chapter 195 (Purchasing), agreements to receive funding, and related amending agreements, on such terms that are acceptable to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor.

8. City Council extend the existing authority for the General Manager, Solid Waste Management Services to continue to administer the First Nations Engagement Grant Fund for the Green Lane Landfill Renewable Energy Study Project funded through the capital program for qualifying local First Nations to retain, on a verified basis, technical services such as energy, environmental and/or similar consultants to assist with the engagement process over the term of the Study, and to negotiate and enter into any necessary agreements for this grant fund on terms and conditions acceptable to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

9. City Council authorize the Deputy City Manager, Corporate Services, or designate, to negotiate and enter in to any lease agreement, license agreement, easements or similar instruments necessary to implement Recommendations 6 and 7 above where Municipal Code Chapter 213 (Real Property) does not otherwise apply, on terms acceptable to the Deputy City Manager, Corporate Services and the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor.

Operating and Capital Budgets

10. City Council approve the 2022 Operating Budget for Solid Waste Management Services of \$377.809 million gross, \$390.966 million revenue and \$13.157 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenue (\$000s)	Capital from Current Contribution (\$000s)
City Beautification	39,263.0	6,920.0	-32,343.0
Solid Waste Collection & Transfer	134,229.2	342,151.2	207,922.0

Solid Waste Processing & Transport	156,432.7	31,192.0	-125,240.7
Residual Management	40,821.7	10,702.4	-30,119.3
Solid Waste Education & Enforcement	7,061.9	0.3	-7,061.6
Total Program Budget	377,808.5	390.966.0	13,157.5

11. City Council approve the 2022 staff complement for Solid Waste Management Services of 1,139.3 positions comprised of 50.6 capital position and 1,088.7 operating positions.

12. City Council approve the 2022 new user fees, market rate user fee changes, and other fee changes above the inflationary adjusted rate for Solid Waste Management Services identified in Appendix 9 to the 2022 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services, for inclusion in the Municipal Code Chapter 441 (Fees and Charges).

13. City Council approve 2022 Capital Budget for Solid Waste Management Services with cash flows and future year commitments totaling \$625.585 million as detailed by project in Appendix 6a to the 2022 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services.

14. City Council approve the 2023-2031 Capital Plan for Solid Waste Management Services totalling \$223.535 million in project estimates as detailed by project in Appendix 6b to the 2022 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services.

#### Service Levels

15. City Council approve the 2022 service levels for Solid Waste Management Services as outlined in Appendix 1 to the report (October 20, 2021) from the General Manager, Solid Waste Management Services.

#### **Origin**

(November 1, 2021) Report from the Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services

#### **Summary**

This report outlines the recommended 2022 Solid Waste Management Services Rates and Fees arising from the adoption of the 2022 Solid Waste Management Services Operating and Capital Budgets. The recommended rate increase is consistent however fee increases will vary based on customer group and are highlighted in Table 1.

Table 1 highlights the recommended key Solid Waste Management Services Rates and Fees effective January 1, 2022.

Table 1 - 2022 Recommended Rates and Fees Increases (Effective January 1, 2022)

Customer Group	% Rate Increase	Comments
Multi-Residential	3.00%	Maintain service levels and fund Capital Program
Single Family and Residential Units Above Commercial (RUAC)	3.00%	Maintain service levels and fund Capital Program
Bag Tags, Bin Purchase	3.00%	Maintain service levels and fund Capital Program
Commercial, Divisions, Agencies and Corporations, Schools	3.00%	Maintain service levels and fund Capital Program
Blended Rate	3.00%	

The recommended three (3) per cent increase in Solid Waste Management Services Rates will provide and maintain Council Approved service levels unchanged from the prior year and fund the 2022 Capital Budget and 10-Year Capital Plan. The \$15.546 million increase in 2022 operating expenditures over prior year is attributable to the increase in organic collection and processing costs due to volume and contractual inflation adjustments, increase in the Fleet Reserve contribution as per the vehicle replacement plan, reinstatement of advertising and promotion budgets that were previously reduced due to the prior year's provincial pandemic shutdown, start-up of the Dufferin Renewable Natural Gas Facility and increase in debt principal and interest payments to fund the 10-Year Capital Budget and Plan.

The three (3) per cent utility rate increase for 2022 is recommended to maintain the contribution to Waste Management Reserve fund in line with last year's forecast to finance future capital investments, which include the construction of the third Anaerobic Digester, Landfill Gas Development or Energy from Waste initiatives and Dufferin Waste Facility Site Improvement.

The 2022 Operating Budget expenditure is \$390.966 million, representing an increase of \$11.651 million or 3.1 percent increase over the prior year approved budget including a \$13.157 million contribution to the Waste Management Reserve Fund, all of which are offset by total revenues of \$390.966 million.

The 2022 Capital Budget is \$69.729 million including carry-forwards, which is comprised of \$63.668 million in new 2022 funding and \$6.061 million in funding carried forward from 2021 into 2022. The 2022 Capital Budget and Plan remains generally unchanged from last year focusing on the following key capital objectives and priorities for Solid Waste Management Services:

- 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;

- To manage 900,000 plus tonnes of material in an environmentally and fiscally sustainable manner which includes constructing a 3rd Anaerobic Digester to help address organics processing capacity constraints;
- To continue investigating long-term disposal options including landfill capacity development and energy from waste and strategically using alternate landfill sites;
- To continue to develop and invest in renewable energy such as Renewable Natural Gas facilities.

## **Background Information**

(November 1, 2021) Report from the Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services on 2022 Rate Supported Budgets - Solid Waste Management Services and Recommended 2022 Solid Waste Rates and Fees

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172806.pdf>)

2022 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172821.pdf>)

2022 Report 7C - Solid Waste Management Services

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172822.pdf>)

(October 20, 2021) Revised Report and Appendix 1 from the General Manager, Solid Waste Management Services on Recommended 2022 Service Levels - Solid Waste Management Services

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172823.pdf>)

Briefing Note (BN2) - 2022 Capital Budget Briefing Note - Update on Circular Economy Partnerships Secured in 2021

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172836.pdf>)

Briefing Note (BN3) - 2022 Operating Budget Briefing Note Solid Waste Management Services - Education and Enforcement

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173302.pdf>)

Revised Briefing Note (BN4) - 2022 Operating Budget Briefing Note - Waste Diversion in City Parks

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173303.pdf>)

Briefing Note (BN5) - 2022 Operating Budget Briefing Note - Toronto Water and Solid Waste Management Services - Community Gardens and Urban Farms

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173304.pdf>)

Briefing Note (BN7) - 2022 Operating Budget Briefing Note - Solid Waste Management Services - Service Levels

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173281.pdf>)

(November 3, 2021) Notice of Public Meeting - 2022 Rate Supported Budgets - Solid Waste Management Services and Recommended 2022 Solid Waste Rates and Fees

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172824.pdf>)

Notice of Public Meeting - Appendix A - Toronto Municipal Code, Chapter 441, Fees and Charges

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172825.pdf>)