

## Approved 2011 Service Rate Increase to provide solid waste management services

The Solid Waste Management approved rate increase for 2011 is 3.6% effective March 1, 2011 (or 3% annualized). The new rate increase is applicable to all Toronto residential customers.

### What does a 3.6% rate increase mean for residents?

- The approved rate will increase the single-family household curbside waste service charge by \$6 - \$12, depending on the size of bin used and represents less than \$1 per month for the average Toronto household (as per the table below).

| Bin Size    | Rate     | Annual Rebate | Net Bin Cost  |
|-------------|----------|---------------|---------------|
| Small       | \$221.16 | \$224.00      | \$2.84 credit |
| Medium      | \$271.93 | \$224.00      | \$47.93       |
| Large       | \$369.31 | \$224.00      | \$145.31      |
| Extra Large | \$428.36 | \$224.00      | \$204.36      |

- The cost to purchase a Garbage Bag Tag for each standard-size bag of overflow garbage remains the same at \$3.10 per tag (tags may be purchased at Toronto Canadian Tire stores).
- The cost of a yellow bag for Toronto's eligible commercial and industrial customers will remain unchanged at \$3.10.

### I'm confused whether the proposed rate increase is 3.6% or 3.0%, which is it?

- Technically, it is a 3% annualized rate increase for 2011. However, given the new rate is effective March 1, 2011, due to the Committee/Council approval schedule, a rate increase of 3.6% over the 10 months remaining in the year is required to result in an overall 3% increase over a 12-month period.

### When I calculate my rate increase, it seems to be more than 3.6% and the percentages vary across bin sizes. Why is that?

- The rates and rebate were both increased by the same value. However, the 3.6% increase was only added to the rates. Therefore, the net result is only a 3.6% increase on the rates (3% annualized).

#### Example:

|                       |                         |                    |          |
|-----------------------|-------------------------|--------------------|----------|
| Former Large bin fee: | \$342.00                | New Large bin fee: | \$369.31 |
| Rebate:               | \$209.00                | New Rebate:        | \$224.00 |
| Net:                  | \$133.00                | New Net:           | \$145.31 |
| Net Increase:         | \$12.31 (3.6% of \$342) |                    |          |

### How does this rate increase compare to past years?

- The 2011 rate increase is the first increase since the inception of the rate structure program in 2008. There were no rate increases in either 2009 or 2010 for any customers under the rate structure program.

### When will the new rate become effective?

- Following Council's approval at its February 23-25, 2011 meetings, the new 3.6% increase is effective March 1, 2011.

### How is the Rate and Rebate structured?

- The rate-based program charges residents based on the volume of garbage generated for collection. It provides residents a rebate equal to the average service cost per household. This rebate is calculated on the total annual cost to provide solid waste management services divided by the number of households served.
- The rebate for 2011 is \$224 (\$15 more than the \$209 rebate in 2010) for residential curbside collection customers. Owners of multi-unit buildings with bulk collection will receive an increased rebate of \$185 (up from \$175). There is also a corresponding upward adjustment of the Solid Waste rate. This is a **technical adjustment only**, and does not affect the rate paid by the customer in any way. The approved rate increase is in addition to this technical adjustment.
- As mentioned above, Toronto's bin fee is structured on a rate/rebate formula determined by the cost of garbage collection per household/unit. The household/unit count was re-accessed in 2010 and was determined to be 15% less than in 2007. Therefore, a one-time increase of \$15 for Single-Family and \$10 for Multi-Residential was applied to both the rates and rebate, which offset each other to the customer.

### How do the user fees paid by residents help fund the programs and services provided by the Solid Waste Management Services division?

- Solid Waste fees allow for unlimited collection and processing of recycling, yard waste, organics, bulky items, electronics, white goods/metal items and household hazardous waste at no additional charge to households.
- The fees also pay for much more than the provision of household waste services. They fund city-wide litter collection, Environment Days, drop-off-depots, perpetual care of closed landfills, etc.
- User fees are used to fund 70% of Solid Waste's operating budget, the remaining 30% is funded through tipping fees at transfer stations, revenue from recyclable material and producer responsibility programs.

### Given I rarely fill my Garbage Bin on a bi-weekly basis, can I trade in my bin for a smaller size considering the rate increase? Is there a charge for getting a smaller Garbage Bin?

The City of Toronto does not charge residents to downsize their Garbage Bins as an incentive for increasing their waste diversion. However, there is a \$20 charge to increase/upsized Garbage Bins. There is also no charge to increase/upsized your Blue Bins used for recycling.

## Questions and answers specific to Multi-unit buildings:

### What does the proposed 3.6% rate increase mean for multi-unit buildings?

- In 2011, owners of multi-unit buildings with **bulk collection** will have a base rate fee of \$191.30 with an increased rebate of \$185.00 (up from \$175.00) which will be used to offset their Solid Waste Management Fee.
- The base rate amount for Multi-unit buildings with **static collection** will vary depending on frequency of collection (weekly, twice weekly or bi-weekly). The annual rebate remains unchanged at \$157.00.
- The approved 3.6% increase is estimated to have an **average impact of approximately \$7 per unit per year**.

### What are the fees above the base rate and how are they applied?

- Multi-residential buildings with bulk collection are charged a nominal fee above the base rate.
- Fees for excess compacted waste are \$26.55 per cubic yard.
- Fees for excess uncompacted waste are \$13.27 per cubic yard.

### What is the benefit of this rate structure?

- In 2010, a new rate structure was introduced for multi-residential buildings which addressed concerns of the City's customers and the challenges associated with the previous billing system and rate structure.
- This system allows customers to see **immediate financial savings** for their waste diversion efforts and **more easily identify excess waste volume** (above the base rate) to readily attain financial savings and plan for increased diversion efforts.

### When does the new rate come into effect?

- The new rate is effective March 1, 2011 following Toronto City Council approval, which occurred at Council's February 23-25, 2011 meetings.

For more utility bill information, visit [www.toronto.ca/utilitybill/solidwaste\\_billing.htm#res](http://www.toronto.ca/utilitybill/solidwaste_billing.htm#res)