



CITY OF TORONTO
Solid Waste Management Services
2011 Recommended Operating Budget &
2011 – 2020 Capital Plan

January 10, 2011

Agenda

1. Program Overview
2. 2010 Service Performance
3. 2011 Recommended Operating Budget
4. 2011 Recommended Capital Budget and Plan
5. 2010 Capital Performance
6. 2011 Key Budget Issues
7. 2011 Recommended Capital Budget
8. 2011 SWM Rates & User Fees

Program Overview

Introduction

Solid Waste Management Services is responsible for:

- Collecting, transfer, process and dispose of municipal waste;
- Managing waste diversion programs
- Managing household hazardous waste programs
- Providing transfer station loading services to private sector customers and the Regional Municipality of Peel;
- Collecting litter from public right-of-ways; and
- Perpetual care of 161 closed landfill sites

SWMS – Customer/Client Base

- 450,000 single unit homes
- 400,000 multi-unit homes
- 20,000 small commercial/institutional
- 6,000 litter/recycle bins / 1,000 Special Events Per Year
- City Agencies, Boards, Commissions & Divisions
- Private commercial and industrial waste accepted at Transfer Stations and Landfill



Solid Waste Management Services - Assets

Total Value of Managed Assets: \$500 Million

- 7 Transfer Stations
 - 6 with Household Hazardous Waste (HHW) Depots
- Green Lane Landfill
- 1 Material Recovery Facility (MRF)
- 1 SSO (Green Bin) Processing Facility
- 1 Durable Goods Reuse/Recycle Centre
- 4 Collection Yards and 1 Litter Collection Yard
- 161 Former Landfills
- 780 Vehicles/Heavy Equipment



Program Mission

Mission Statement:

- ✓ To be a leader in 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.

Key Strategic Directions:

- ✓ to achieve a residential diversion rate of 70%
- ✓ to secure long term waste disposal capacity
- ✓ to ensure sustainable, self-funding of operating and capital requirements for existing and new diversion programs

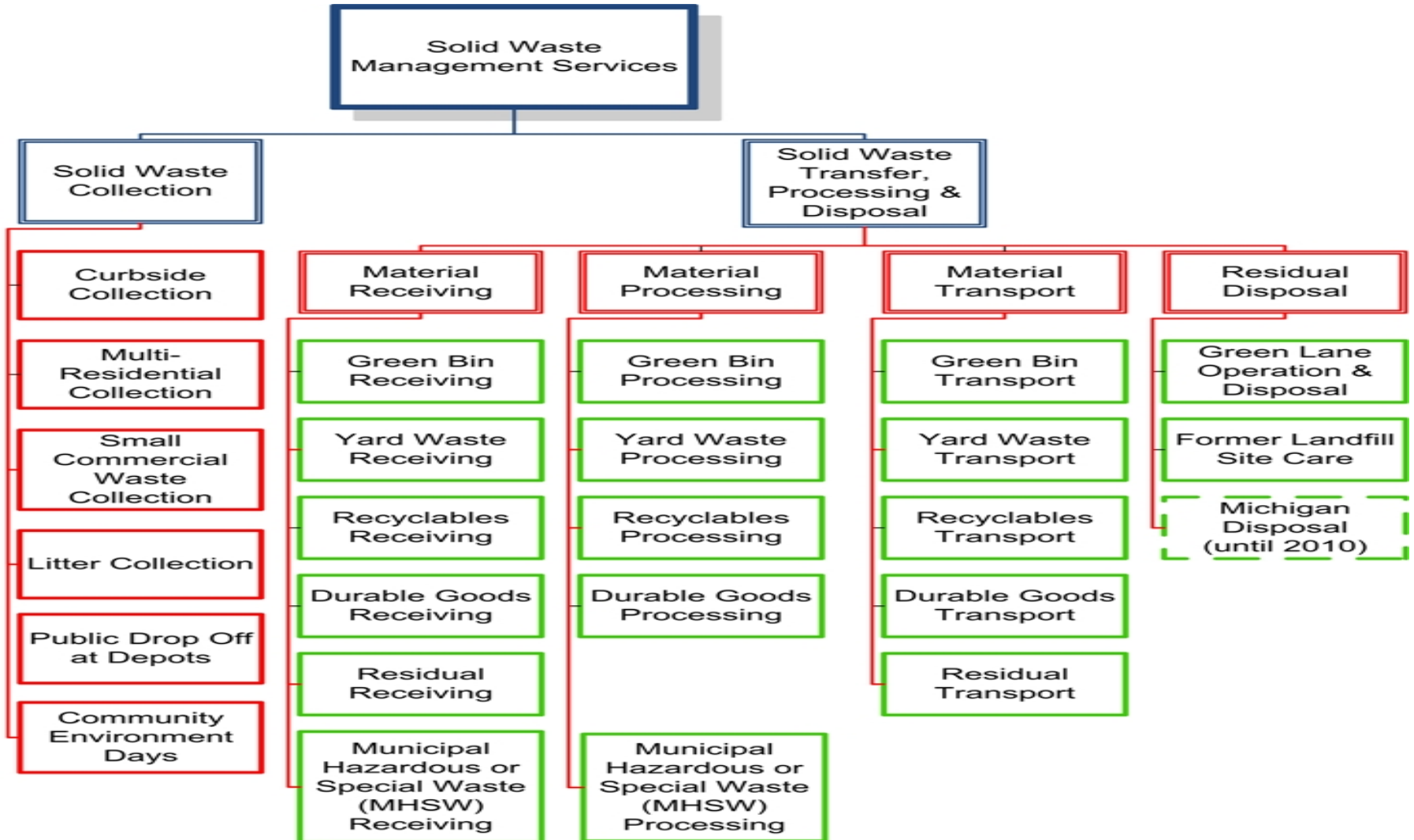
Program Opportunities & Challenges

- Achieving the Target 70 milestones
 - Continued roll-out of SSO in apartments & condominiums
 - Expand the Blue Bin Program
 - Expand Durable Goods Recycling
- Environmental Legislation
 - Waste Diversion Act / “Eco Fees”
 - Provincial Compost Standards
 - Co-composting of Solid Waste/ Biosolids
- Transition from Michigan to Ontario-based disposal
 - Redirect all waste to Green Lane Landfill (began January 1, 2011)
- Customer Service Demands
 - Public education and outreach
 - By-Law enforcement
 - Manage billing inquires
- Lifestyle Impacts on Waste Composition
 - less newspaper, more plastic

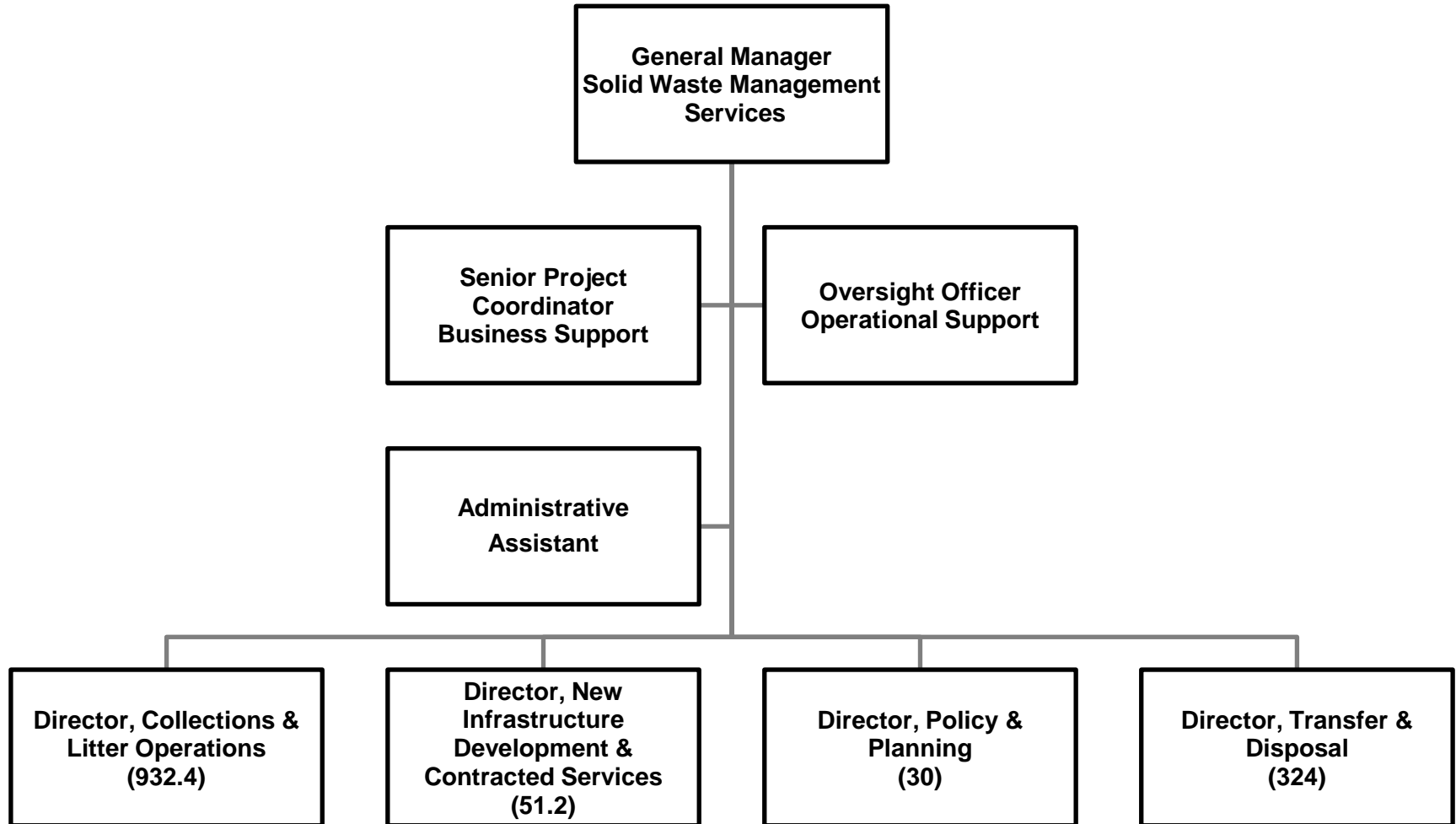
Service Objectives

- Implement programs in an efficient and effective manner
- encourage and implement programs to increase diversion
- Continual upgrade and improved litter operations
- Ensure long term system capacity for waste transfer and processing, diversion and disposal
- Measure and Improve Customer Service – Contract Oversight/Billing Systems

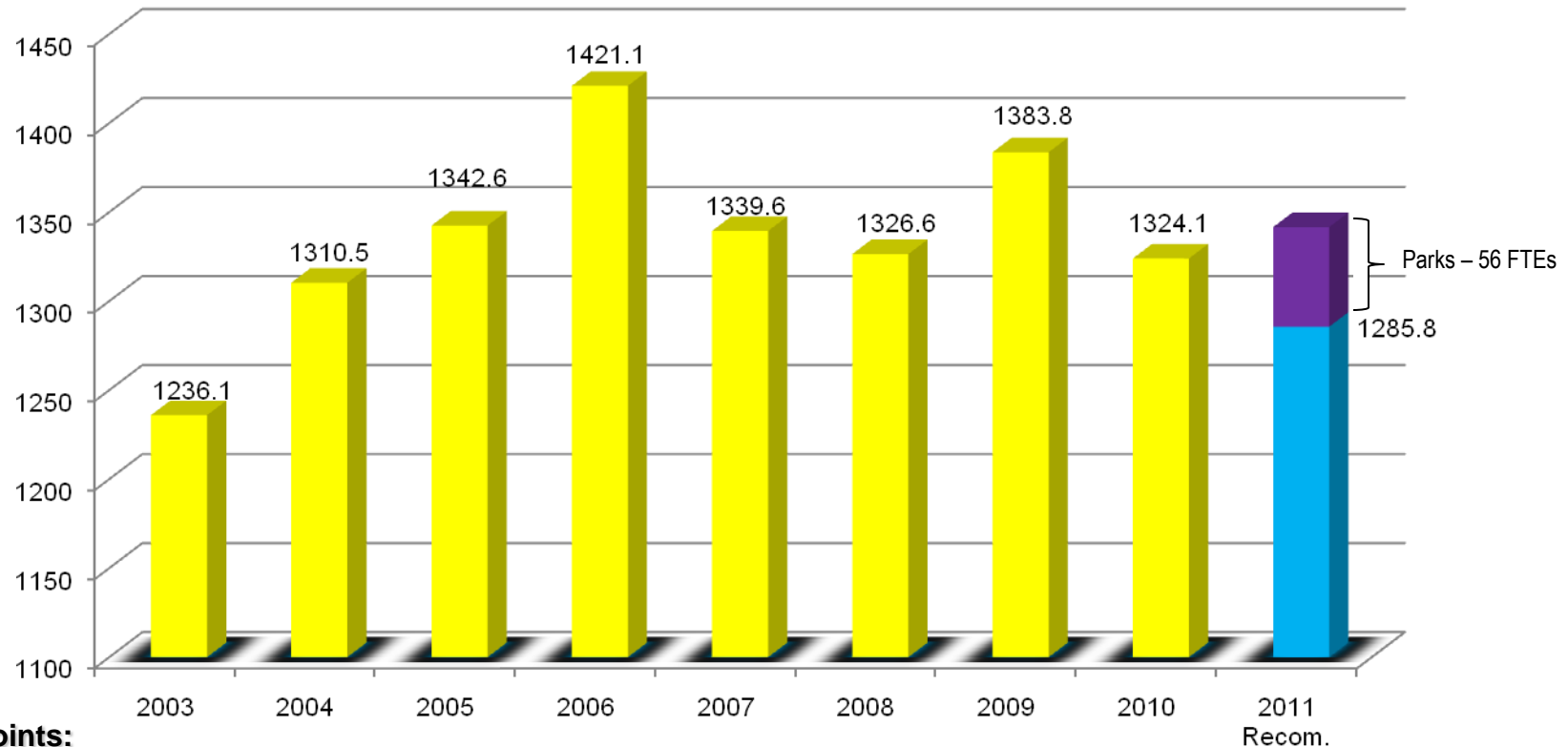
Program Map



Organizational Structure



Staffing Trend – Approved Positions 2003 - 2010



Key Points:

- Year 2004: Increase to 24 hour Operations at all Transfer Stations & start of the SSO (Green Bin) Program
- Year 2004 – 2006: Continued roll-out of the SSO Program
- Year 2006: De-centralization of Program Support, Communications, IT, Finance & Administration
- Year 2007: Re-Centralization of Program Support, Communications, IT, Finance & Administration
- Year 2009: Launch of Volume Based User Fee Program – One-time temporary staff added
- Year 2011: Increase of 56 FTEs related to the transfer of the waste & recyclable collection in City parks from Parks & Recreation.

2010 Service Performance

2010 Key Accomplishments

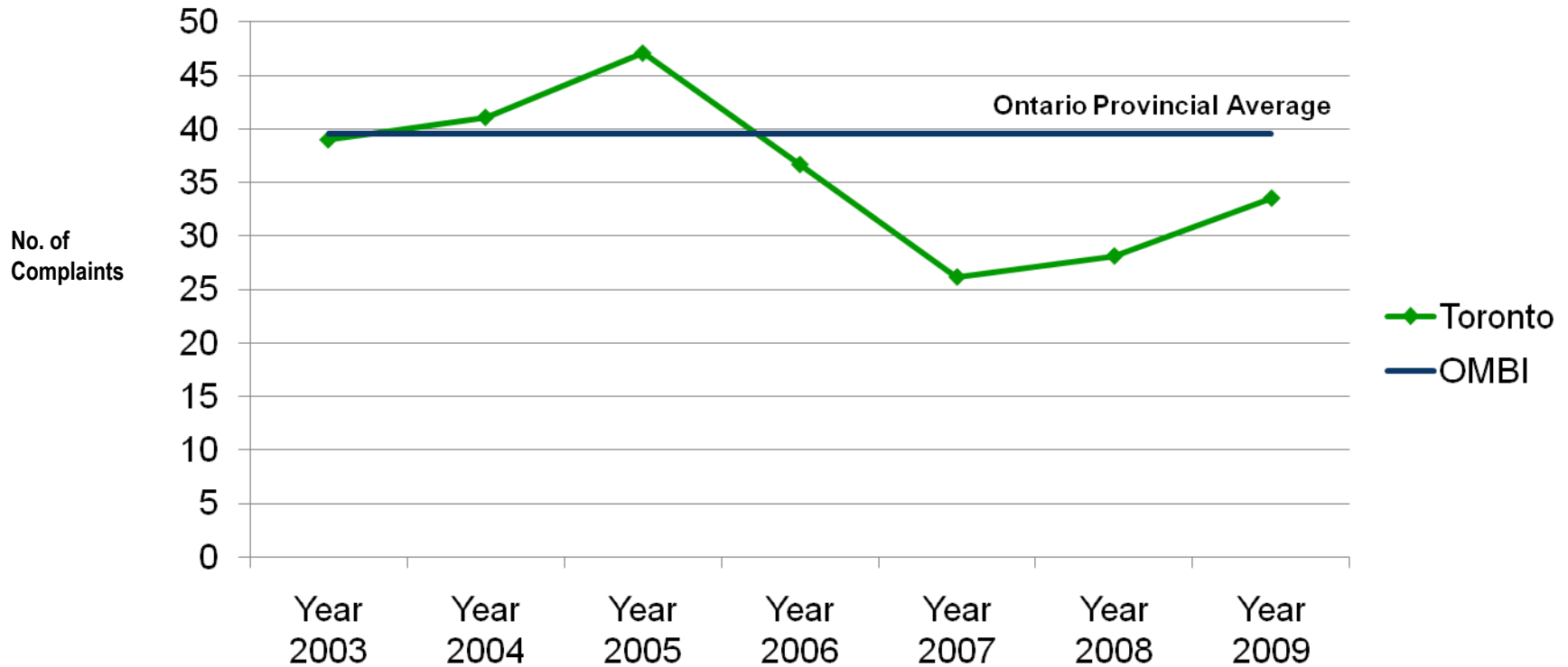
- ✓ Increased the residential diversion from 44% to 47%
 - 60% single-family and 20% multi-residential
- ✓ Prepared for the transition from Michigan to Ontario based disposal
 - Cell excavation
 - On-site Gas/Leachate Treatment Approvals
- ✓ Reduction in residual waste
 - approximately 60-70 trucks/day currently
 - down from peak of 142 trucks/day in 2001
- ✓ Implemented separate collection of electronic waste at curbside
- ✓ Further “greening” of the fleet reducing the use of diesel fuel
- ✓ Finalized contract to design, build and operate a 75,000 t/year Green Bin processing facility at Disco T.S.
- ✓ Secured end market for porcelain materials
- ✓ Green Bin Program rolled out to 405 multi-residential apartment buildings

Key Performance Metrics

- Efficiency Measures
 - Customer Service (Complaints)
 - Net Cost per Tonne Managed
- Effectiveness Measures
 - Tonnes of Waste Disposed
- Outcome Measures
 - Residential Diversion Rates

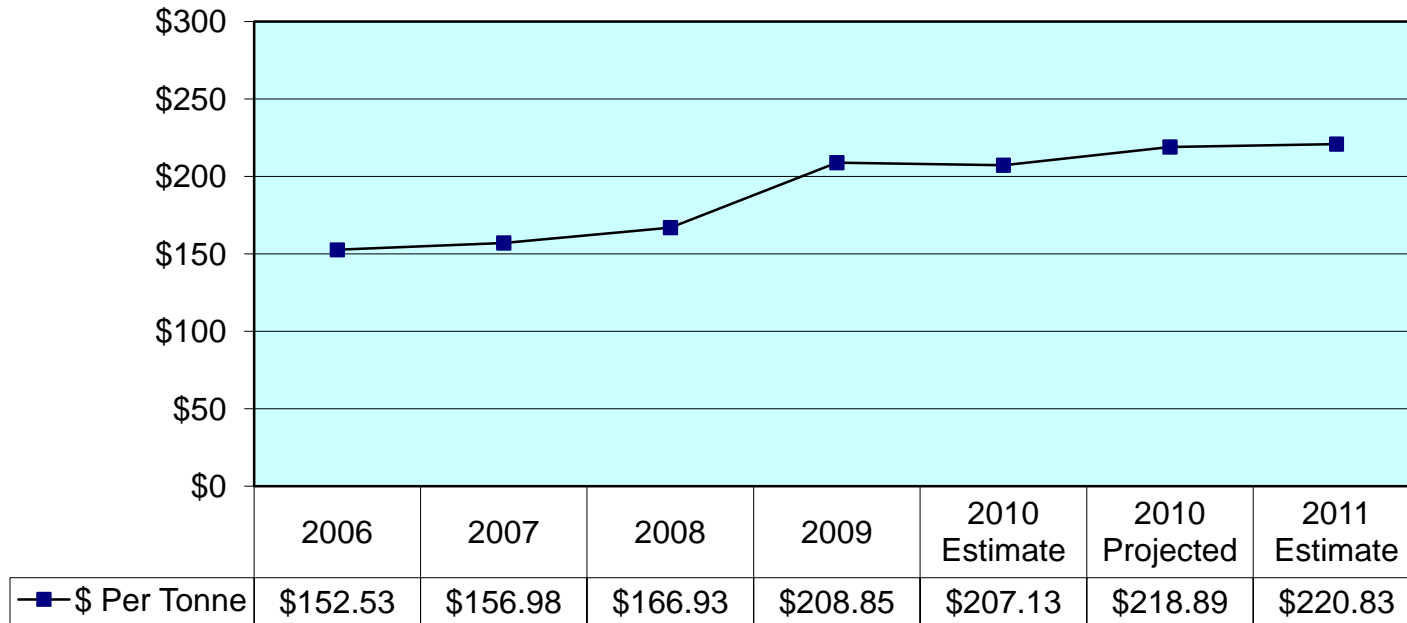
Customer Service

Complaints per 1000 households per year



Cost Per Tonne

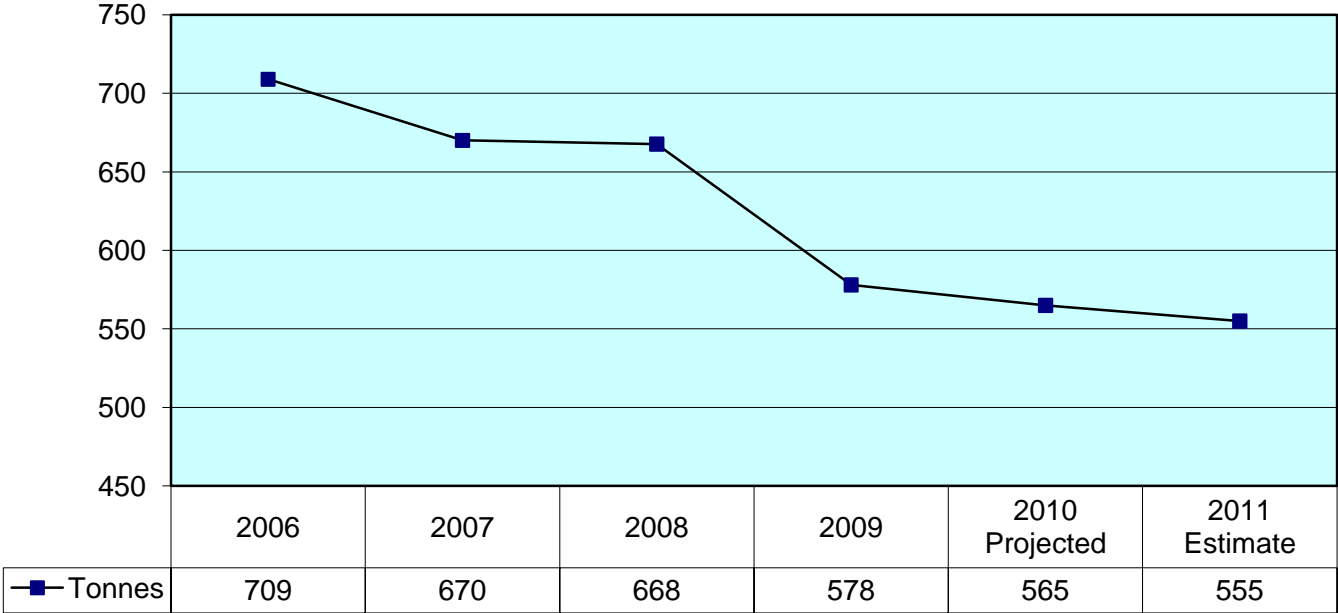
Net Cost Per Tonne Managed



As diversion initiatives continue to be introduced the net cost per tonne will continue to increase.

Disposal

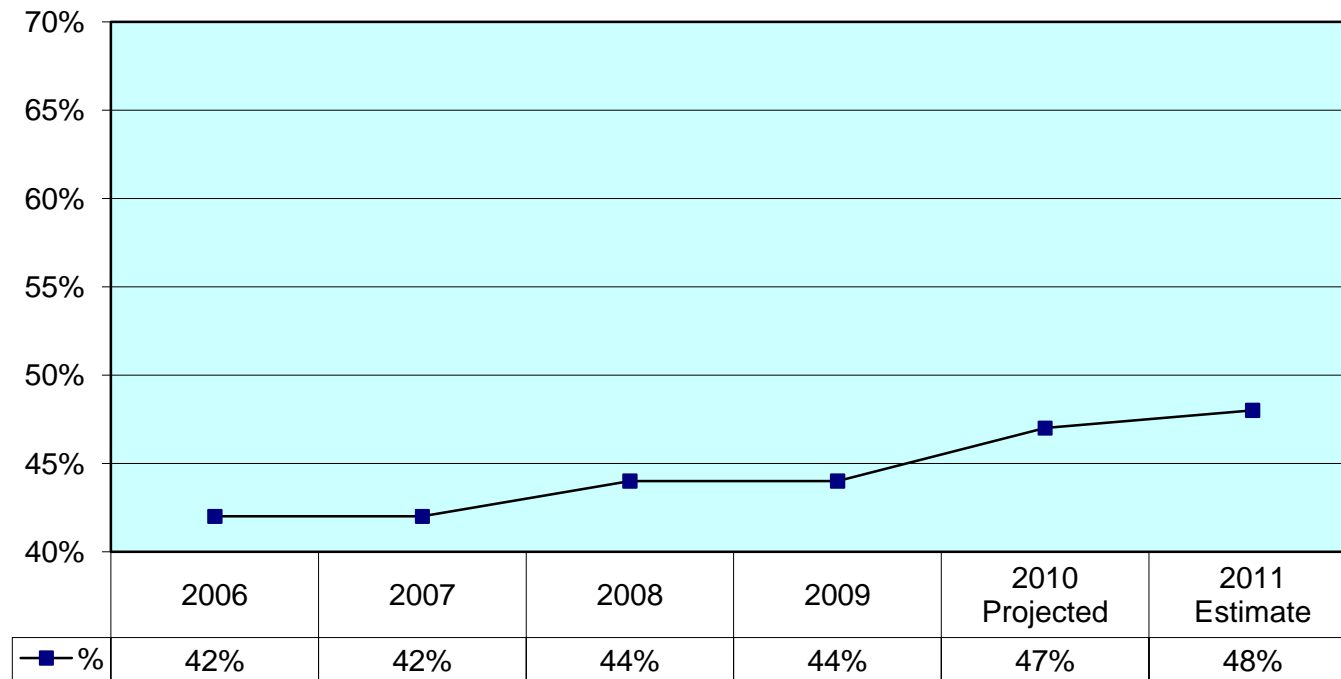
Tonnes of Waste Disposed (000's)



The total tonnes of waste being disposed is decreasing with the implementation of various recycling/diversion initiatives.

Diversion

Residential Waste Diversion Rate (%)



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.

2011 Recommended Operating Budget

2011 Key Budget Issues

- Zero rate increase in 2009 and 2010
 - One-time funding of \$4.8 million for strike savings not available in 2011
- Require sustainable revenue to support diversion initiatives
- Planning for Multi – Year Volume Based Rate Plan
- Decreased revenue from the sale of recyclable materials
- Maintaining adequate and reliable processing capacity for SSO and Single Stream
- 100% industry funding for blue bin recycling delayed

2011 Operating Budget Highlights

Key Initiatives:

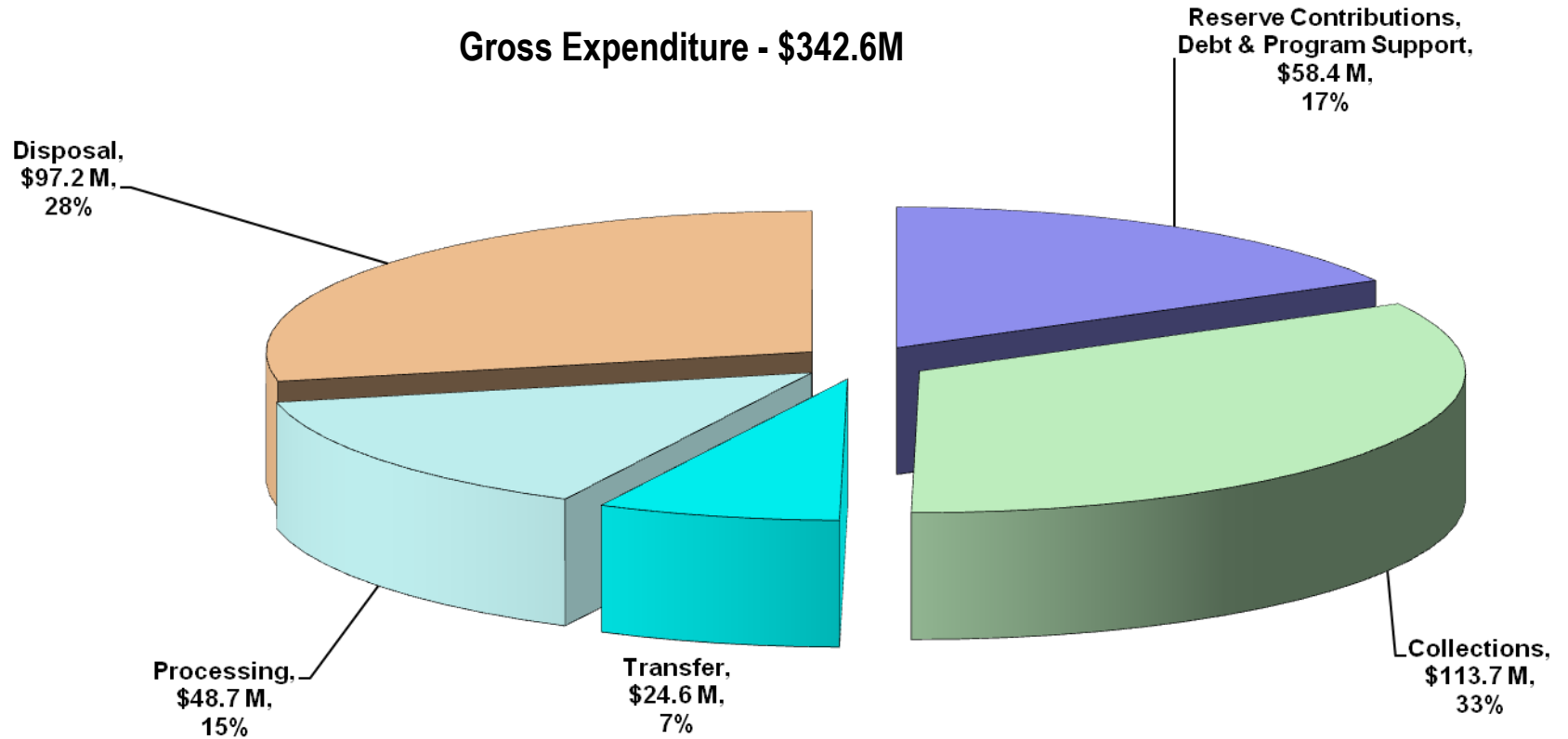
- Dispose all of Toronto residual waste at Green Lane landfill
- Complete the transition for the collection of waste and recyclables in all City of Toronto Parks.
- Achieve efficiencies in Collections as a result of automation
- Continue the greening of the fleet
- Continue program rollout of apartment SSO collection
- Establish a permanent reuse centre
- Introduction of new materials for durable goods & blue bin recycling
- Improved customer services – contract oversight/billing accuracy

2011 Recommended Operating Budget by Expenditure Category(\$000s)

Category of Expense	2008	2009	2010	2010	2011	2011 Change from		2012	2013
	Actual	Actual	Budget	Projected Actual	Recommended Budget	2010 Approved Budget	%	Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	97,263.0	100,561.1	96,698.4	103,398.4	99,290.8	2,592.4	2.7%	103,868.3	103,868.3
Materials and Supplies	5,462.9	4,979.4	9,624.0	9,624.0	8,366.6	(1,257.4)	(13.1%)	8,352.2	8,352.2
Equipment	393.5	1,003.7	892.4	892.4	3,718.4	2,826.0	316.7%	968.5	968.5
Services & Rents	110,644.7	105,513.2	124,931.8	118,438.3	101,196.5	(23,735.3)	(19.0%)	107,798.0	115,218.2
Contributions to Capital	14,447.5	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	22,922.1	40,048.1	26,314.2	26,314.2	29,491.7	3,177.5	12.1%	37,811.3	37,984.0
Other Expenditures	37.0	19,627.6	31,539.6	24,043.9	69,355.6	37,816.1	119.9%	73,646.8	76,793.7
Interdivisional Charges	23,330.1	35,766.1	29,923.5	31,280.2	31,211.8	1,288.3	4.3%	31,379.8	31,379.8
Required Adjustments					0.0	0.0	n/a	0.0	0.0
TOTAL GROSS EXPENDITURES	274,500.7	307,499.1	319,923.8	313,991.3	342,631.4	22,707.6	7.4%	363,824.9	374,564.7
Interdivisional Recoveries	6,106.5	13,233.9	7,357.9	7,357.9	5,766.8	(1,591.1)	(21.6%)	7,008.8	7,008.8
Provincial Subsidies	9,125.1	9,940.8	11,608.9	11,608.9	14,732.9	3,124.0	26.9%	14,850.4	15,041.8
Federal Subsidies						0.0	n/a	0.0	0.0
Other Subsidies						0.0	n/a	0.0	0.0
User Fees & Donations	99,739.9	258,315.8	260,490.9	255,209.5	257,462.1	(3,028.8)	(1.2%)	265,166.1	268,261.9
Transfers from Capital Fund	2,857.7	2,261.7	6,521.6	6,521.6	2,226.4	(4,295.2)	(65.9%)	2,222.4	2,222.4
Contribution from Reserve Funds	701.1	998.6	4,854.0	4,854.0		(4,854.0)	(100.0%)	0.0	0.0
Contribution from Reserve	3,246.3					0.0	n/a	0.0	0.0
Sundry Revenues	32,659.9	22,748.2	29,090.6	27,826.9	62,443.2	33,352.6	114.7%	65,605.3	64,543.3
Required Adjustments					0.0	0.0	n/a	0.0	0.0
TOTAL REVENUE	154,436.5	307,499.1	319,923.8	313,378.8	342,631.5	22,707.6	7.4%	354,853.1	357,078.4
TOTAL NET EXPENDITURES	120,064.2	0.0	(0.0)	612.5	(0.0)	(0.0)	(0.0%)	8,971.9	17,486.4
APPROVED POSITIONS	1,326.6	1,391.7	1,324.1	1,351.0	1,341.7	17.6	1.3%	1,341.7	1,341.7

2011 Recommended Operating Budget by Service Gross Expenditure

(in Millions)



2011 Recommended Service Change Summary – Base Budget (\$000s)

2011 Recommended Service Change Summary								
Description	2011 Recommended Service				Net Incremental Impact			
	Position Change	Gross Exp.	Net Exp.	% Change over 2010	2012		2013	
	#	\$	\$	#	\$	# Pos	\$	# Pos
Base Changes:								
Contributions to SWMS Reserve Fund	0.0	(7,762.6)	(7,762.6)	-2.6%	3,908.0			
Reduction to Reflect Actual Expenditures		(251.9)	(251.9)	-0.1%				
Sub-Total Base Changes	0.0	(8,014.5)	(8,014.5)		3,908.0	0.0	0.0	0.0
Service Efficiencies:								
Collections Efficiencies & Automation	(32.0)	(5,145.5)	(3,145.5)	-1.1%				
Communications and Survey Assistants	(2.0)	(514.6)	(282.3)	-0.1%				
Eliminate Shunting	(10.0)	(629.6)	(629.6)	-0.2%				
Reduce Radiation Program	(2.0)	(304.2)	(304.2)	-0.1%				
Eliminate the Night Shift	(10.0)	(691.1)	(691.1)	-0.2%				
Revenue Adjustments:								
Volume Based User Fee Increase 3%	0.0	0.0	(6,730.0)	-2.5%	(1,346.0)			
External Use of Transfer Station Tipping Floor	0.0	0.0	(260.0)	-0.1%				
Sub-Total Service Changes	(56.0)	(7,285.0)	(12,042.7)		(1,346.0)	0.0	0.0	0.0
Total Changes	(56.0)	(15,299.5)	(20,057.2)		2,562.0	0.0	0.0	0.0

2011 Recommended Service Changes – Service Level Impacts

2011 Recommended Reduction	Current Service Level	Proposed Service Level
<u>Efficiencies</u>		
Full Operation of Green Lane Landfill	Waste Disposal in Michigan	All waste disposal at Green Lane
Reduce survey assistants	Transition to SWM Rate	None - no longer required
Reduce Communication Program	Public Promotion and Education	Reduced requirements for 2012.
Reduce Contribution to Reserves	Accumulation of Stabilization Reserve	Capital Funding Split: Debt/Reserve
Collections - Automation	Collections: Partially Automated	Collections: Fully Automated
<u>Revenue Adjustments</u>		
Transfer Stations - Drop & Load Fees	Provide external use of tipping floor	Increase in both volume and clients
Municipal Hazardous /Special Waste Funding	Industry Steward funding for HHW	Increase in both volume and allocation
Technical Adjustment - Gross SWM Rate/Rebate	\$209 for single / \$175 for multi-residential	\$224 single / \$185 for multi-residential
<u>Minor Service Changes</u>		
None	Continued Roll Out of Diversion Initiatives	Continued Roll Out of Diversion Initiatives
<u>Major Service Changes</u>		
None	Continued Roll Out of Diversion Initiatives	Continued Roll Out of Diversion Initiatives

2011 New/Enhanced Services

Description	2011 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Position	2012		2013	
	\$	\$	#	\$	# Pos	\$	# Pos
Enhanced Services:							
(a) Enhanced Services - Council Approved	0.0						
70% Diversion - Reuse Centres/Drop-off Locations	741.3	741.3	10.0	-	-	0.0	0.0
(b) Enhanced Services - Program Initiated	0.0						
Reduction of Gapping from 3.5% to 2.0%	197.0	197.0	0.0	1,293.0	-	0.0	0.0
Cust Service - Contract Oversight/Billing Accuracy	267.9	267.9	4.7	233.6	-	-	-
Sub-Total Enhanced Services	1,206.2	1,206.2	14.7	1,526.6	0.0	0.0	0.0
New Services:							
(a) New Services - Council Approved							
70% Diversion - Durable Goods New Materials	962.9	962.9	0.0	-	-	0.0	0.0
(b) New Services - Program Initiated							
Utility Account Ownership Update User Fee		-109.0		- 79.4			
Sub-Total New Services	962.9	853.9	0.0	(79.4)	0.0	0.0	0.0
Total Enhanced/New Services	2,169.1	2,060.1	14.7	1,447.2	0.0	0.0	0.0

2011 – 2020 Recommended Capital Budget & Plan

2010 Capital Performance

Key Accomplishments

- ✓ Completed the excavation and commissioning of Cell No. 4 at Green Lane Landfill to receive all of the City's waste beginning on January 1, 2011
- ✓ Construction and opening of a new administrative building at Dufferin Transfer Stations
- ✓ Installation of the new Paradigm weigh scale software system to accurately track and control all waste and recyclable material shipments
- ✓ Issued REOI for Mixed Waste Processing Facility on Green Lane buffer land and initiated willing host search for private facility.

2011 Key Issues

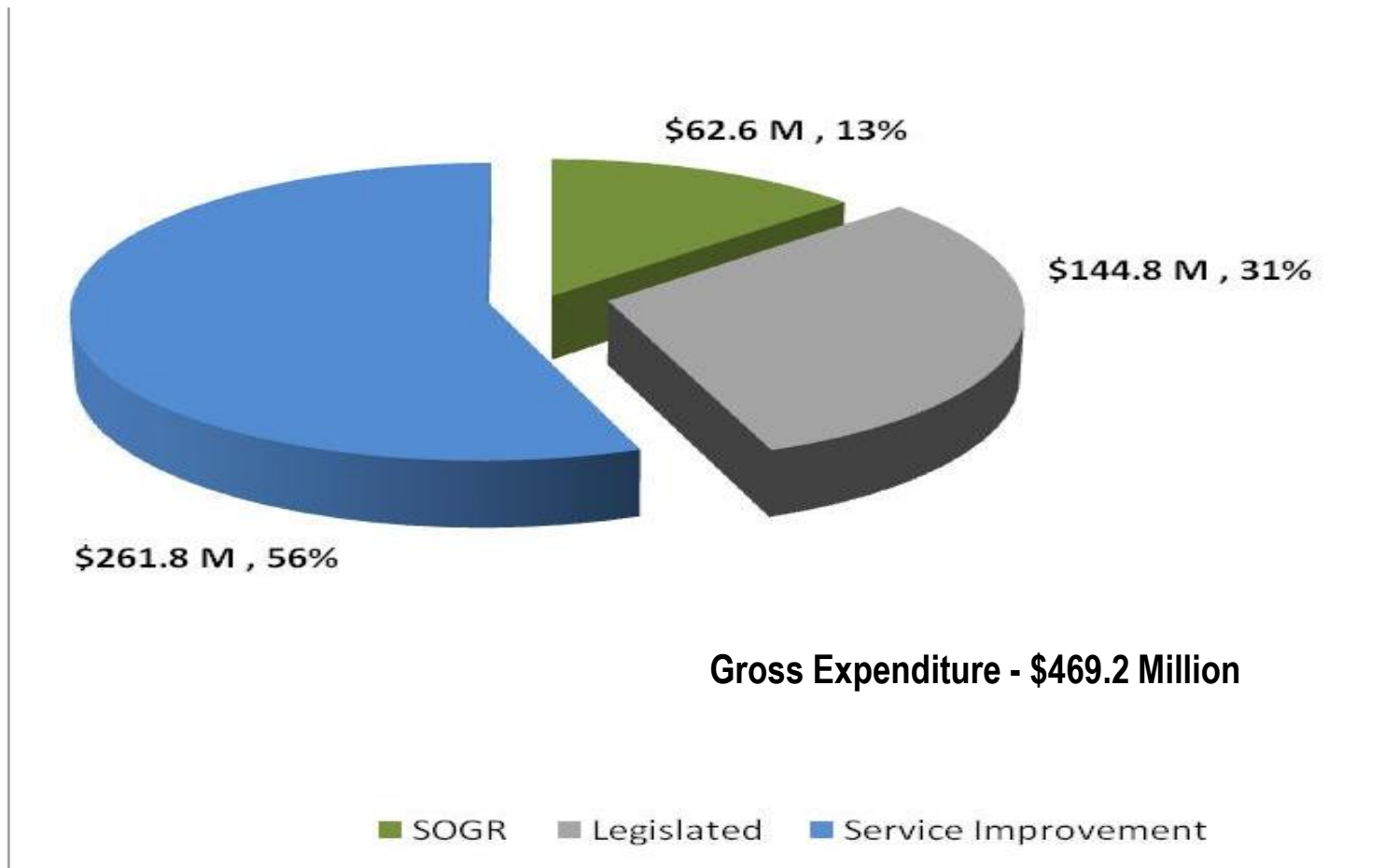
➤ New Diversion Facilities

- ❖ Construction of new Green Bin processing at Disco Transfer Station
- ❖ RFP for mixed waste treatment facility in vicinity of Green Lane
- ❖ Household durable goods reuse and recycling centre expansion
- ❖ Repair and new construction at Dufferin SSO processing facility

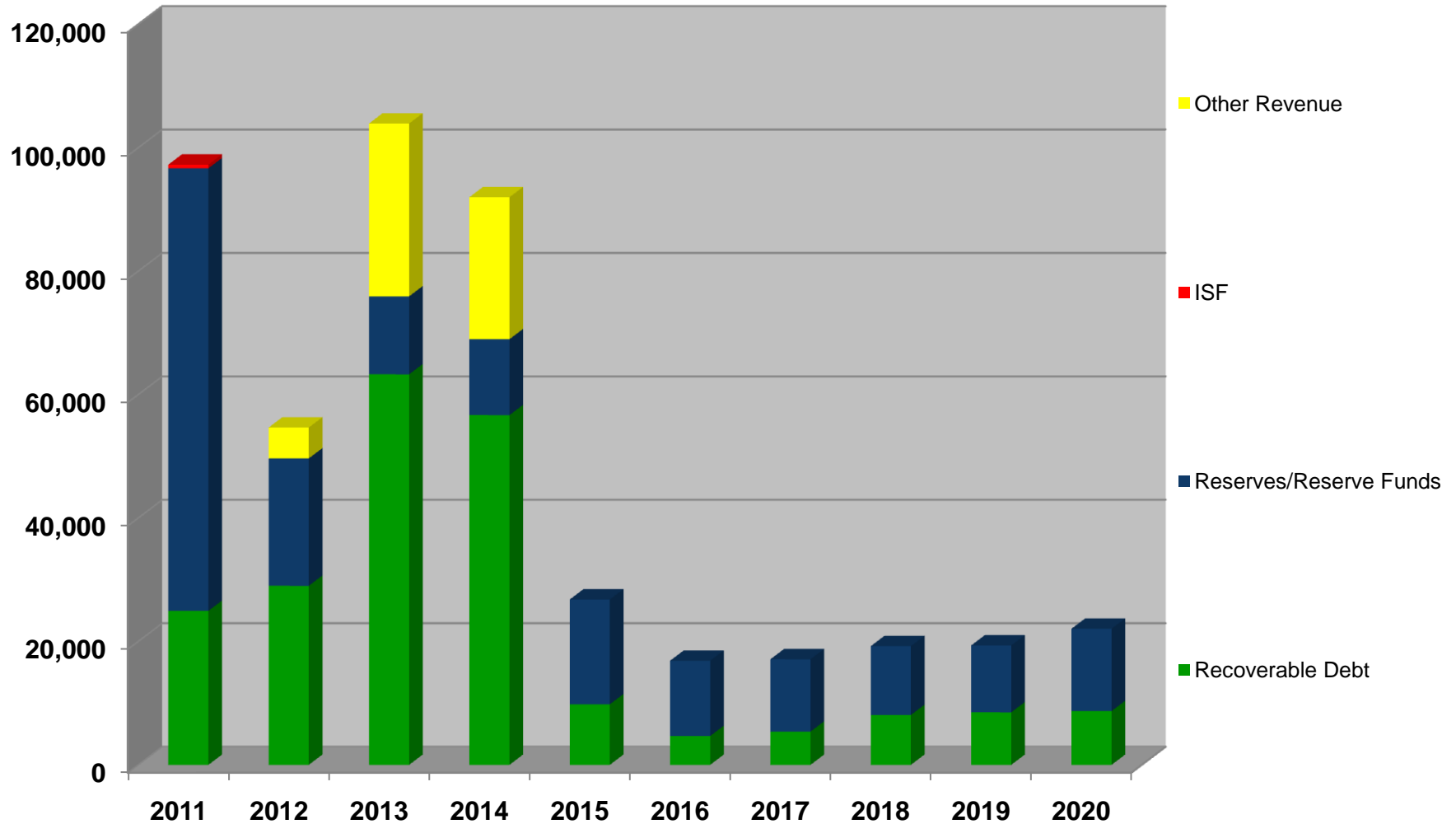
➤ Disposal Security

- ❖ Landfill infrastructure improvements with the closure at the Michigan Border including:
 - New cell development
 - Leachate system upgrades
 - Landfill gas recovery systems
 - Weighscale House

2011 -2020 Capital Plan by Project Category



2011 -2020 Capital Plan by Funding Source (\$000s)

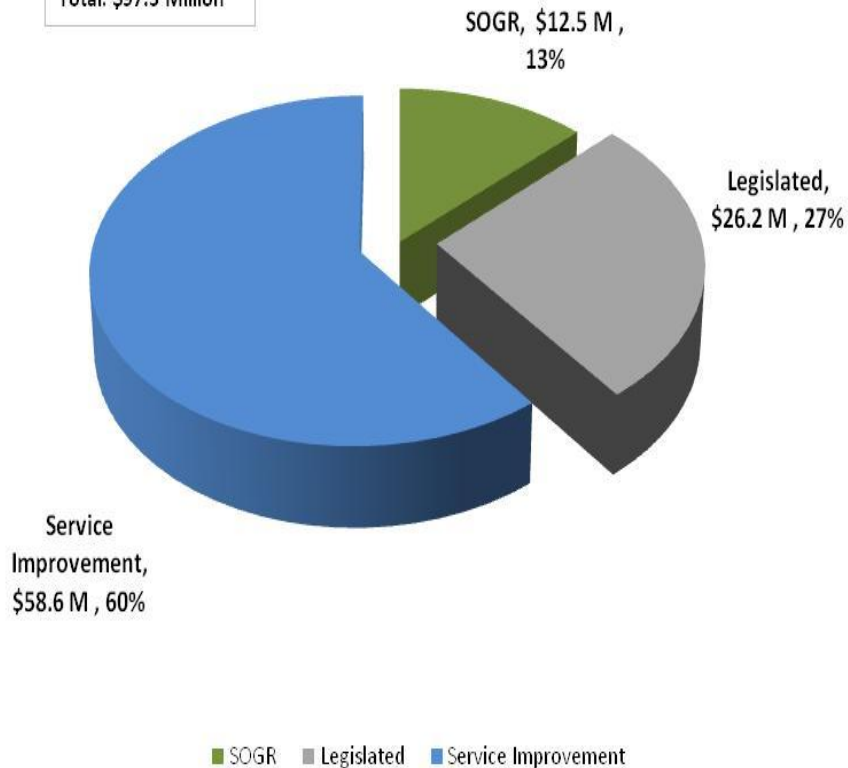


2011 Cash flow excludes 2010 Carry-Over of \$48.8 Million

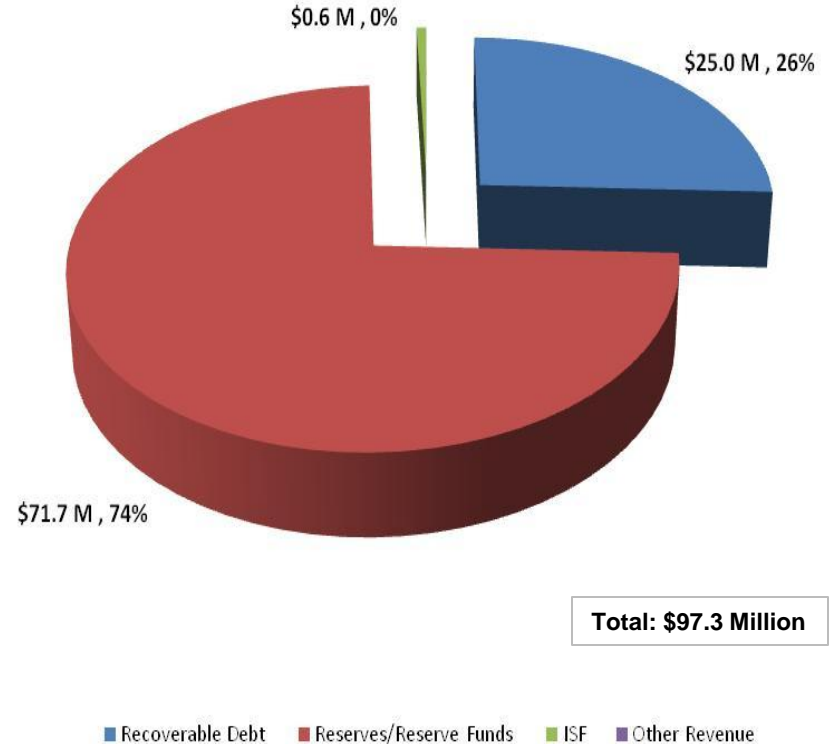
2011 Capital Budget by Project Category & Funding Source (\$000s)

Capital Plan by Project Category
(in Millions)

Total: \$97.3 Million



Capital Plan by Funding Source
(in Millions)



* The 2011 Cash Flow excludes 2010 Carry-Over of \$48.8 Million

Summary of Major Capital Initiatives

For 2011

- Commence construction of Disco SSO Facility
- Complete repair of digester at Dufferin SSO facility and initiate construction of second digester
- Complete all infrastructure Federal Stimulus Funding capital projects in 2011 for:
 - Leaf & Yard bunker at Bermondsey Transfer Station
 - Collection Yard Upgrades
 - Upgrades to leachate & gas collection systems at Green Lane

Over the 10 Years

- Construction of Mixed Waste Facility
- Expansion of Dufferin SSO Facility

Recommended 2011 Rate Increase

	2009	2010	2011 Recommended
Proposed Rate Increase with New Diversion & Customer Service Initiatives	0%	0%	3.00%

Represents an increase of \$6 - \$12 per household per year depending on the size of bin used or less than \$1 per month for the average Toronto household

Recommended 2011 Residential Solid Waste Fees

Based on a 3.00% SWM annual rate increase:

2011 Residential Curbside Collection Fees			
Bin Size	Bin Fee	Rebate	Net Cost
Small Bin	\$221.16	\$224	\$2.84 credit
Medium Bin	\$271.93	\$224	\$47.93
Large Bin	\$369.31	\$224	\$145.31
Extra Large Bin	\$428.36	\$224	\$204.36

2011 Residential Bulk Collection Fees

Fee Structure	Bin Fee	Rebate	Net Cost
Small Bin - Base Fee	\$191.30	\$185.00	\$6.30
Fee for excess waste: un-compacted (per cubic yard)	\$13.27		\$13.27
Fee for excess waste: compacted (per cubic yard)	\$26.55		\$26.55

Residential Bag Tag Fees

Residential Bag Tag	Fee (per Bag Tag)	Percentage Change
Bag Tag	\$3.10	0.0%

*Effective Rate March 1, 2011 is 3.6%

