

WRAP-UP NOTES TO BUDGET COMMITTEE (January 24, 2011)
2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



PART I : RECOMMENDED FINANCIAL ADJUSTMENTS					
	Approved Position (Operating)	2011 Operating Budget (\$000s)			
		Gross	Revenue	Net	
2011 Staff Recommended Operating Budget - Toronto Water	1,702.3	820,998	820,998	-	
2011 Staff Recommended Operating Budget - Solid Waste Management Services	1,327.7	342,632	342,631	-	
2011 Staff Recommended Operating Budget - Toronto Parking Authority	298.7	70,895	127,298	-56,403	
Budget Committee Adjustments - January 10, 2011					
None					
Budget Committee Adjustments - January 11, 2011					
None					
Budget Committee Adjustments - January 12, 2011					
None					
Budget Committee Adjustments - January 13, 2011					
None					
Budget Committee Adjustments - January 14, 2011					
None					
Budget Committee Adjustments - January 20, 2011					
None					
2011 Budget Committee Recommended Operating Budget - Toronto Water as at January 20, 2011	1,702.3	820,998	820,998	-	
2011 Budget Committee Recommended Operating Budget - Solid Waste Management Services as at January 20, 2011	1,327.7	342,632	342,631	-	
2011 Budget Committee Recommended Operating Budget - Toronto Parking Authority as at January 20, 2011	298.7	70,895	127,298	-56,403	

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2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



Budget Committee - January 11, 2011			
None			
Budget Committee - January 12, 2011			
None			
Budget Committee - January 13, 2011			
None			
Budget Committee - January 14, 2011			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item (BU7.4) Toronto Parking Authority Briefing Note	Staff provide a Briefing Note on what is the "ROI" (Return on Investment) on historical cost and on current value cost of assets utilized.	<p>A Briefing Note entitled, " Toronto Parking Authority – ROI's" from the President of the Toronto Parking Authority was distributed on January 21, 2011, which includes Return on Investment (ROI) estimates based on 3 approaches:</p> <ol style="list-style-type: none"> 1) Their ROI based on annual revenue and the annual book value of property and equipment: <ul style="list-style-type: none"> • an annual average ROI of 32% from 2000 to 2011; 2) Their ROI based on the book value of their equipment and the property value based on the assessed value of land for property tax purposes: <ul style="list-style-type: none"> • an ROI of 11.5% for 2009; and 3) The ROI based on the 2009 book value of property and equipment, with returns based on revenues and increases in assessed value of land <ul style="list-style-type: none"> • an ROI of 209% for 2009 	Receive for Information
Budget Committee - January 20, 2011			
None			

WRAP-UP NOTES TO BUDGET COMMITTEE (January 24, 2011)
2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



Budget Committee - January 10, 2011			
PART III : REPORT BACK BEFORE BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			
PART IV : REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item (BU3.2) / 2011 Water and Wastewater Rates Toronto Water Report	<p>The report dated January 5, 2011 from the Deputy City Manager and Chief Financial Officer and the General Manager Toronto Water entitled, "2011 Water and Wastewater Rates" recommends that:</p> <ol style="list-style-type: none"> 1. This report be considered concurrently with the 2011-2020 Capital Plan and the 2011 Operating Budget, and that: <ol style="list-style-type: none"> a. Effective March 1, 2011, the combined water and wastewater rates charged to metered consumers shall be as shown below and in Appendix A attached to this report; b. The water and wastewater rates charged to flat rate consumers be increased by 10.8%, effective March 1, 2011, to the rates shown in Appendix A attached to this report; c. Effective March 1, 2011, the water and wastewater service fees shall be as shown in Appendix B attached to this report; and d. Effective March 1, 2011, an administrative fee be charged to reflect a change in ownership on an existing utility account, with the fee to be set at \$35.00 per ownership change per utility account, as set out in Appendix B - Water Services, Ref. No. 33. 2. With respect to assistance for low-income seniors and low-income disabled persons: <ol style="list-style-type: none"> a. The rebate for eligible low-income seniors and low-income disabled persons be set at a rate of \$0.6853 /m3, effective March 1, 2011, representing a 30% reduction from the Block 1 Rate. 3. The necessary amendments be made to Municipal Code Chapter 441, Fees and Charges, and Municipal Code Chapter 849, Water and Sewage Services and Utility Bill, and any other necessary Municipal Code Chapters as may be required, to give effect to Recommendations (1) and (2) above. 	<p>This report presents the recommended 2011 water and wastewater rates supporting the 2011 Toronto Water Recommended Operating and Capital Budgets.</p> <p>It is recommended that the Block 1 rate for all customers be increased by 10.8% effective March 1, 2011, which translates to a 9% effective annual rate increase.</p> <p>In accordance with Council's previously adopted rate structure, to promote the City's competitiveness, the Block 2 rate for eligible industries represents a 30% reduction over the Block 1 rate, and results in an 8.6% increase effective March 1, which translates to a 7.2% effective annual increase.</p>	Adopt

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Summary of Budget Review Process



Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item (BU3.2) / 2011 Water and Wastewater Rates Toronto Water Report (Cont'd)	<p>4. Authority be granted to the City Solicitor to introduce any necessary Bills required to implement these recommendations, subject to any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Deputy City Manager & Chief Financial Officer and General Manager, Toronto Water.</p> <p>5. The appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.</p>		
13b Lead in Drinking Water Mitigation Strategy Toronto Water Report	<p>The report dated January 5, 2011 from the General Manager Toronto Water entitled, "Lead in Drinking Water Mitigation Strategy" recommends that:</p> <p>1. The Water Service Replacement Program be modified as proposed in this report, to target the replacement of 5,000 substandard water service connections per year, through planned infrastructure renewal programs, emergency responses and priority replacements;</p> <p>2. Emergency replacement of the City-owned section of the water service will be provided in cases where:</p> <ul style="list-style-type: none"> a. The water service is broken; or b. If the water service cannot deliver the minimum flow of seven litres per minute measured at the first entry point to the house for single-family, duplex or triplex residential properties; and where c. The seven litre per minute criterion does not apply to non-residential properties (including mixed use of residential and non-residential properties) where the owners of these properties must apply and pay for an upgraded new service if the existing service does not meet its minimum flow requirements; <p>3. Priority replacements of the City-owned section of lead water service connections, shall be capped at 1,500 replacements per year, and will only be undertaken in cases where:</p> <ul style="list-style-type: none"> a. The City owned section is lead; and b. The property owner replaces the privately-owned section of the lead service connection prior to, or at the same time, the City owned section is replaced; 	<p>This report provides information on the status of existing City programs directed at addressing concerns about lead in drinking water from individual properties and recommends the adoption of a new multi-faceted Lead in Drinking Water Mitigation Strategy.</p> <p>The new Strategy recommends the continued replacement of the City-owned portion of lead water service connections to individual properties in conjunction with the City's planned infrastructure renewal projects, but limits the number of priority replacements of individual connections completed within any given year and only if the request for replacement meets prescribed criteria.</p>	<p>Adopt</p>

WRAP-UP NOTES TO BUDGET COMMITTEE (January 24, 2011)
2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



Agenda Item / Report Name	Requested Action	Status / Response	Action Required
13b Lead in Drinking Water Mitigation Strategy Toronto Water Report (Cont'd)	<p>4. The City-owned sections of substandard water service connections will be replaced with:</p> <ul style="list-style-type: none"> a. 19 mm copper service, in accordance with the City's current standard, when the existing City section of the service connection is 19 mm in diameter or smaller, at no cost to the property owner; or b. The same size connection in cases where the existing City section of the service connection is greater than 19 mm, at no cost to the property owner; c. A larger diameter copper service, as may be requested by the property owner, subject to charges, paid for by the property owner, Effective March 1, 2011, of: <ul style="list-style-type: none"> i) a \$500 flat fee for 25 mm services; or ii) the actual replacement cost plus 15% administration fee for services greater than 25 mm. <p>5. Drinking water quality testing for lead continue to be provided at no cost to the property owner;</p> <p>6. The existing Faucet Filter Rebate Program be expanded to provide:</p> <ul style="list-style-type: none"> a. One free NSF-053 certified faucet mounted lead removal filter per year to the property owner, until the Corrosion Control Plan takes effect, and where: <ul style="list-style-type: none"> i) there is a child under six (6) years old and/or a pregnant woman living in the home; and ii) the home is a single family, duplex or triplex building; and iii) the annual household income is less than \$50,000; and b. A one-time free NSF-053 certified faucet mounted lead removal filter to the property owner along with a door-hanger immediately following the replacement of City-owned section of the water service; <p>7. Pending approval of the Corrosion Control Plan submitted by Toronto Water to the Ontario Ministry of the Environment, Toronto Water undertakes to completing the necessary studies to finalize the design of works/measures in accordance with the schedule and requirements prescribed by the Ontario Ministry of the Environment;</p>	<p>It recommends that the existing Faucet Filter Program (which provides free faucet mounted lead removal filters to high risk and low income households) be expanded by providing a one-time only free faucet filter to households following the replacement of the City-owned section of the water service.</p> <p>The new Strategy also incorporates the implementation of a City-wide Corrosion Control Plan, as prescribed by Regulation, through the Ontario Ministry of the Environment.</p>	

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2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



Agenda Item / Report Name	Requested Action	Status / Response	Action Required
13b Lead in Drinking Water Mitigation Strategy Toronto Water Report (Cont'd)	<p>8. A Public Education and Communication Program supporting the City's new Lead in Drinking Water Mitigation Strategy be developed to include:</p> <ul style="list-style-type: none"> a. A public communication strategy to provide information to residents regarding the City's strategy to address lead concerns in drinking water; b. A user-friendly website that will provide residents up-to-date information about the City's comprehensive strategy featuring content provided by and approved by Toronto Water and Toronto Public Health; and c. A public notification protocol for all water service replacement construction projects, which includes the use of advance notification letters and post replacement public education material to allow residents sufficient time to plan and prepare for possible replacement of the privately-owned portion of the lead water service, as well as advise them of the necessary post-replacement actions they must take to further reduce their exposure to lead from drinking water: <p>9. The necessary amendments be made to Municipal Code Chapter 441, Fees and Charges, and Municipal Code Chapter 849, Water and Sewage Services and Utility Bill, and any other necessary Municipal Code Chapters as may be required, to give effect to Recommendations (4) above;</p> <p>10. Authority be granted to the City Solicitor to introduce any necessary Bills required to implement these recommendations, subject to any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Deputy City Manager & Chief Financial Officer and General Manager, Toronto Water; and</p> <p>11. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.</p>	<p>It is also recommended that a Public Education and Communication Program be developed to support the proposed new Lead in Drinking Water Mitigation Strategy, and that it be developed and implemented jointly by Toronto Water and Toronto Public Health.</p>	
13c Water Efficiency Plan Update - 2011 Toronto Water Report	<p>The report dated January 11, 2011 from the General Manager Toronto Water entitled, "Water Efficiency Plan Update - 2011" recommends that:</p> <ul style="list-style-type: none"> a. All existing financial incentive programs provided for the change-out of toilets, urinals and clothes washers through the City's Water Efficiency Plan be terminated; b. The "Summer Water Saver Program" be terminated; c. Toronto Water continue to offer the "Capacity Buy-Back Program" to the business community to help achieve water efficiencies. Efficiencies achieved are to be reported annually through Toronto Water's Capital Budget submission; 	<p>The City's Water Efficiency Plan (WEP), approved by City Council in 2003, is aimed at creating "in-system capacity" by reducing water consumption across the City to service the population and employment growth which was projected to increase by 10 and 12 percent respectively, by 2011.</p> <p>This report summarizes the reductions achieved in water consumption to date and provides an overview of the trends observed.</p>	<p>Adopt</p>

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Summary of Budget Review Process



	d. Toronto Water continue, through the Capacity Buy-Back Program, to seek out opportunities with other Utilities to cost-share, where possible, the implementation of water efficiency measures and fixtures;		
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WRAP-UP NOTES TO BUDGET COMMITTEE (January 24, 2011)
2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



Agenda Item / Report Name	Requested Action	Status / Response	Action Required
13c Water Efficiency Plan Update - 2011 Toronto Water Report (Cont'd)	e. Toronto Water implement a City-Wide Water Loss Reduction and Leak Detection Program, beginning in 2011; and f. The General Manager, Toronto Water, report through the annual Capital Budget and Water and Wastewater Rate Report submissions on progress made in reducing water consumption and water losses within its water transmission and distribution system. 2. The appropriate City Officials be authorized and directed to take the necessary actions to give effect thereto.	Based on the reductions achieved, the change in market conditions and significant consumer awareness, changes are recommended to the City's continued water efficiency and conservation efforts. These recommended changes include: <ul style="list-style-type: none"> • continued public education and communication to further promote water conservation initiatives; • support for the City's industrial and commercial business community to achieve efficiencies in water usage and reduce consumption; and • implementation of a City-Wide Water Loss Reduction and Leak Detection Program in support of Toronto Water's infrastructure renewal programs. 	

Budget Committee - January 11, 2011

PART III : REPORT BACK BEFORE BUDGET COMMITTEE

Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			

PART IV : REFERRALS AND OTHER REPORTS FOR CONSIDERATION

Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			

Budget Committee - January 12, 2011

PART III : REPORT BACK BEFORE BUDGET COMMITTEE

Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			

WRAP-UP NOTES TO BUDGET COMMITTEE (January 24, 2011)
2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



PART IV : REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item (BU5.14a) / Recommended 2011 Residential Solid Waste Rates Solid Waste Management Services	The report dated January 7, 2011 from the General Manager, Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer entitled "Recommended 2011 Residential Solid Waste Rates" recommends that: 1. The 2011 Residential Solid Waste Rates as set out in Appendix A be approved to become effective on March 1, 2011	The staff report was referred along with the Recommended SWMS Capital and Operating Budgets to Budget Committee Wrap-up Meeting of January 24, 25, 2011. The recommended 2011 Residential Solid Waste Rates are expected to generate \$239.6 million in volume-based rate revenue and represent an increase of 3% over 2010 rates.. These revenues will provide funding to support Solid Waste Management operations, capital projects and initiatives to achieve the 70% waste diversion goal.	Adopt
Budget Committee - January 13, 2011			
PART III : REPORT BACK BEFORE BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			
PART IV : REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			
Budget Committee - January 14, 2011			
PART III : REPORT BACK BEFORE BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			
PART IV : REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			

WRAP-UP NOTES TO BUDGET COMMITTEE (January 24, 2011)
2011 Recommended Operating Budget
Rate Supported Programs
Summary of Budget Review Process



Budget Committee - January 20, 2011			
PART III : REPORT BACK BEFORE BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
None			
PART IV : REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item (BU8.2) Corporate Motion	That the recommendations in the Operating Analysts' Notes for Toronto Water, Solid Waste Management Services, and Toronto Parking Authority be adopted as amended by the foregoing.		Adopt