



City Budget
2012

Solid Waste Management Services
Capital Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Capital Budget funds major infrastructure.

2012–2021 Capital Program

2012 CAPITAL BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE NOVEMBER 10, 2011

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PART I: RECOMMENDATIONS

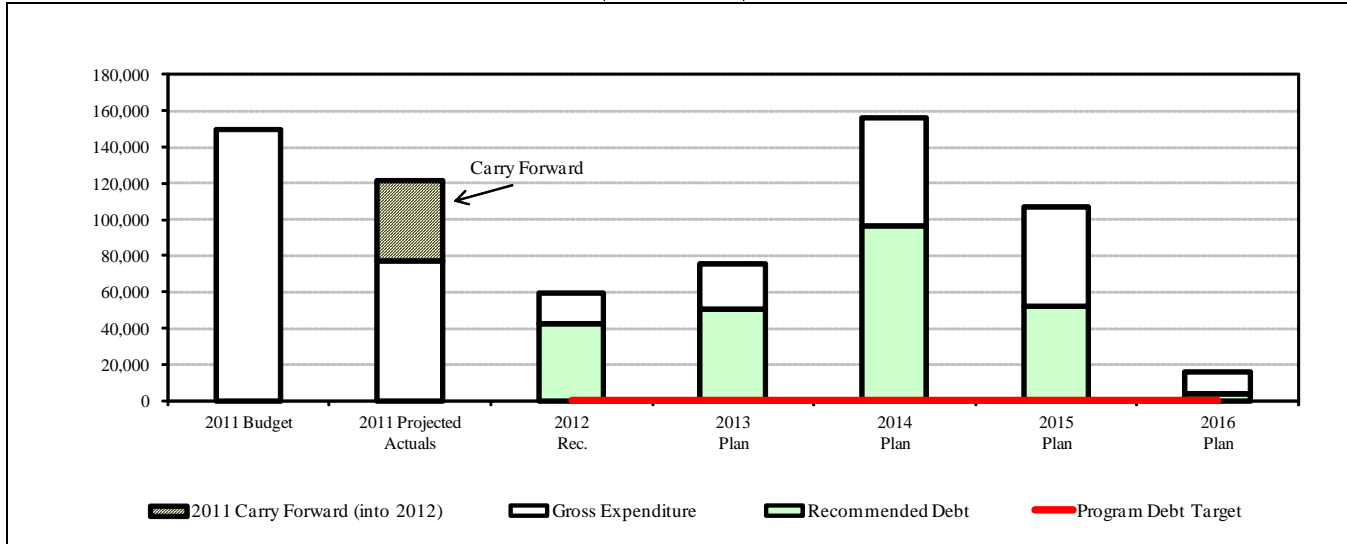
The City Manager & Chief Financial Officer recommend that:

- 1) Council approve the 2012 Recommended Capital Budget for Solid Waste Management Services with a total project cost of \$85.681 million, and 2012 cash flow of \$103.272 million and future year commitments of \$100.486 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 16 new sub-projects with a 2012 total project cost of \$85.681 million that requires cash flow of \$43.603 million in 2012, \$4.479 million in 2013, \$7.630 million in 2014, \$3.179 million in 2015, \$3.046 million in 2016, \$2.258 million in 2017, \$4.939 million in 2018, \$5.379 million in 2019, \$5.584 million in 2020 and \$5.584 million in 2021 ;
 - ii) 24 previously approved sub-projects that require cash flow of \$16.047 million in 2012, \$28.752 million in 2013, \$23.856 million in 2014 and \$5.800 million in 2015;
 - b) 2012 approved cash flow for 15 previously approved sub-projects with carry forward funding from 2011 into 2012 totalling \$43.622 million;
- 2) Council approve new recoverable debt service costs of \$0.620 million in 2012 and incremental debt costs of \$3.401 million in 2013, \$0.579 million in 2014, \$0.882 million in 2015, \$0.402 million in 2016, \$0.372 million in 2017, \$0.341 million in 2018, \$0.637 million in 2019, \$0.689 million in 2020 and \$0.711 million in 2021 resulting from the approval of the 2012 Recommended Capital Budget, to be included in the 2012 and future year operating budgets;
- 3) Council approve the 2013–2021 Recommended Capital Plan for Solid Waste Management Services totalling \$456.098 million in project estimates, comprised of \$75.949 million in 2013; \$156.502 million in 2014; \$107.374 million in 2015; \$16.239 million in 2016; \$16.724 million in 2017; \$19.343 million in 2018; \$19.447 million in 2019; \$22.152 million in 2020; and, \$22.368 million in 2021; and,
- 4) Council consider operating savings of \$1.156 million in 2012, \$1.309 million in 2013 (including an 7 additional positions); and incremental costs of \$4.229 million in 2014 (including an 12 additional positions) and \$4.386 million in 2015 (including an 18 additional positions), savings of \$0.333 million in 2016 (including deletion of 10 positions) as well as incremental costs of \$0.047 million per year from 2017 to 2021 emanating from the approval of the 2012 Recommended Capital Budget for inclusion in the 2012 and future year operating budgets.

- 5) Council approve that all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding and if such financing is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
- 6) The Acting General Manager of Solid Waste Management and the Deputy City Manager and Chief Financial Officer report on a complete financial assessment regarding the viability of proceeding with the Mechanical and Biological Treatment Facility to Budget Committee prior to the 2013 Budget Process including how this facility will impact the Multi-Year Strategic Plan for Solid Waste Management Services; and,
- 7) This report be considered concurrently with the 2012 Recommended Residential Solid Waste Rate Report (November 2011), from the Deputy City Manager and Chief Financial Officer and Acting General Manager for Solid Waste Management Services;

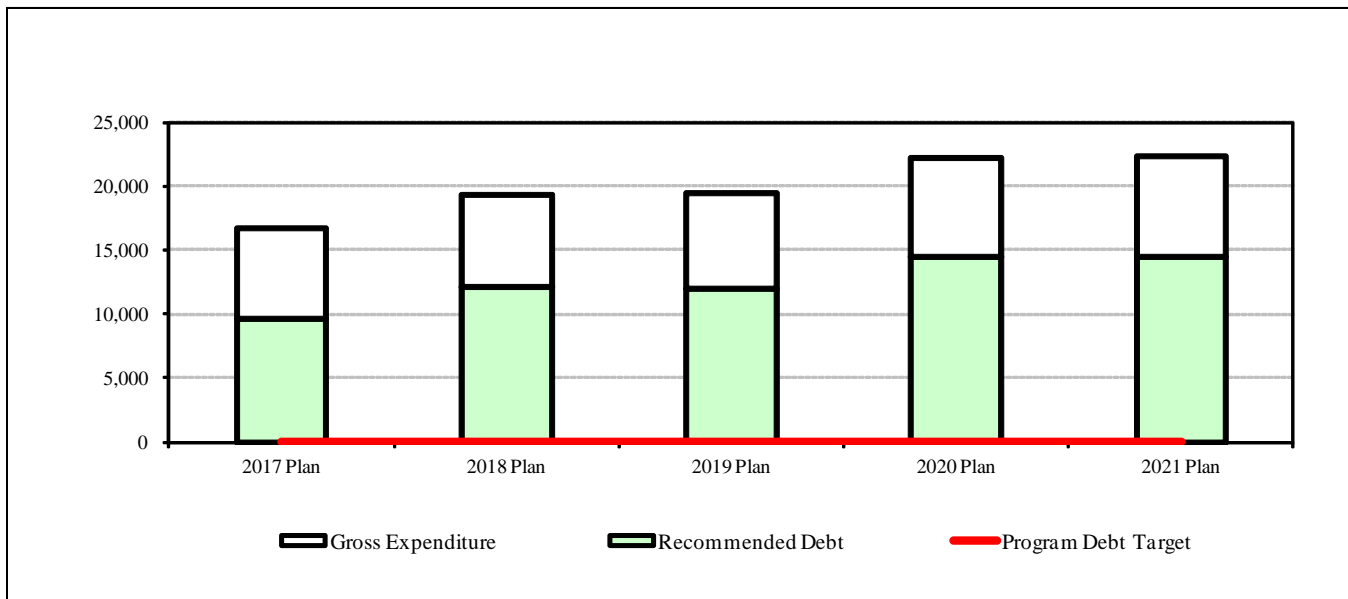
PART II: 2012 – 2021 CAPITAL PROGRAM

10-Year Capital Plan 2012 Recommended Budget, 2013–2016 Recommended Plan (In \$000s)



		2012 Rec. Budget and 2013-2016 Plan								
		2011		2012	2013	2014	2015	2016	2012-2016	5-Year Total Percent
		Budget	Projected Actual							
Gross Expenditures:										
2011 Capital Budget & Approved FY Commitments		149,467	77,595	26,478	25,639	16,070	5,800		73,987	18%
Recommended Changes to Approved FY Commitments				(10,431)	3,113	7,786			468	0%
2012 New/Change in Scope and Future Year Commitments				43,603	4,479	7,630	3,179	3,046	61,937	15%
2013- 2016 Capital Plan Estimates					42,718	125,016	98,395	13,193	279,322	67%
1-Year Carry Forward to 2012			43,622							
Total Gross Annual Expenditures & Plan		149,467	121,217	59,650	75,949	156,502	107,374	16,239	415,714	100.0%
Program Debt Target		N/A		N/A	N/A	N/A	N/A	N/A	N/A	
Financing:										
Recoverable Debt				42,664	50,576	96,466	52,439	4,326	246,471	59%
Reserves/Reserve Funds				16,986	12,373	12,036	16,705	11,913	70,013	17%
Development Charges										
ISF										
Provincial/Federal										
Other Revenue					13,000	48,000	38,230		99,230	24%
Total Financing				59,650	75,949	156,502	107,374	16,239	415,714	100%
By Project Category:										
Health & Safety										
Legislated				37,594	15,373	14,278	10,010	10,064	87,319	21%
SOGR				8,756	6,032	5,518	10,004	5,025	35,335	8%
Service Improvement				13,300	54,544	136,706	87,360	1,150	293,060	70%
Growth Related										
Total By Project Category				59,650	75,949	156,502	107,374	16,239	415,714	100%
Asset Value (\$)			438,000							
Yearly SOGR Backlog Estimate (not addressed by current plan)										
Accumulated Backlog Estimate (end of year)										
Backlog: Percentage of Asset Value (%)										
Debt Service Costs				620	4,333	7,353	11,393	5,710	29,408	
Operating Impact on Program Costs				(1,156)	(1,309)	4,229	4,386	12,361	18,512	
New Positions					7	12	18	(10)	28	

10-Year Capital Plan 2017–2021 Recommended Plan (In \$000s)



	2016-2020 Capital Plan						10-Year Total Percent
	2017	2018	2019	2020	2021	2012-2021	
Gross Expenditures:							
2011 Capital Budget & Approved FY Commitments						73,987	14%
Recommended Changes to Approved FY Commitments						468	0%
2011 New/Change in Scope and Future Year Commitments						61,937	12%
2016 - 2020 Capital Plan Estimates	16,724	19,343	19,447	22,152	22,368	379,356	74%
Total Gross Annual Expenditures & Plan	16,724	19,343	19,447	22,152	22,368	515,748	100%
Program Debt Target	N/A	N/A	N/A	N/A	N/A	N/A	
Financing:							
Recoverable Debt	9,643	12,063	11,964	14,459	14,459	309,059	60%
Reserves/Reserve Funds	7,081	7,280	7,483	7,693	7,909	107,459	21%
Development Charges							
ISF							
Provincial/Federal							
Other Revenue						99,230	19%
Total Financing	16,724	19,343	19,447	22,152	22,368	515,748	100%
By Project Category:							
Health & Safety							
Legislated	10,969	13,863	14,492	14,907	15,123	156,673	30%
SOGR	4,355	3,580	3,055	5,345	5,345	57,015	11%
Service Improvement	1,400	1,900	1,900	1,900	1,900	302,060	59%
Growth Related							
Total By Project Category	16,724	19,343	19,447	22,152	22,368	515,748	100%
Asset Value(\$)	438,000						
Yearly SOGR Backlog Estimate (not addressed by current plan)							
Accumulated Backlog Estimate (end of year)							
Backlog: Percentage of Asset Value (%)							
Debt Service Costs	657	1,275	1,533	1,572	1,840	36,284	
Operating Impact on Program Costs	47	47	47	47	47	18,745	
New Positions							28

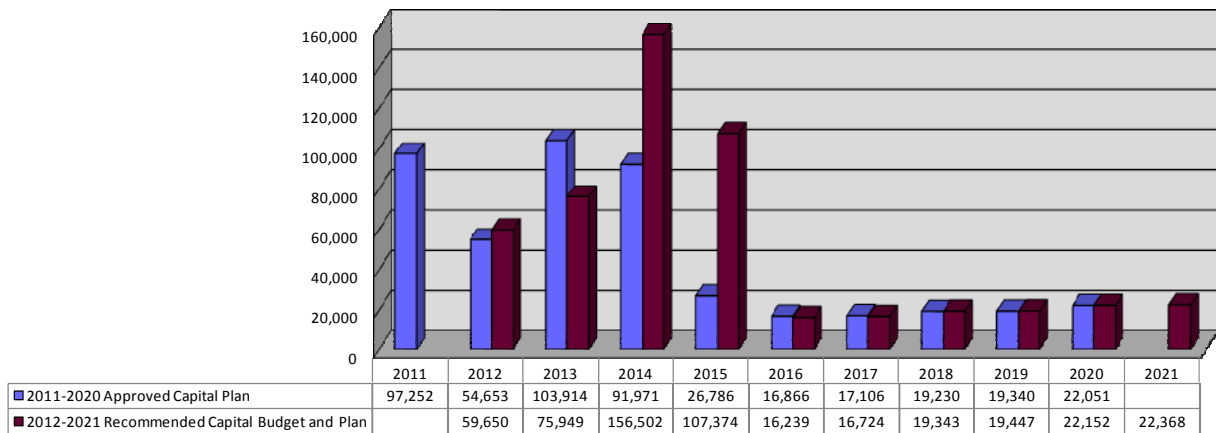
10–Year Capital Plan Overview

- The 10–Year Recommended Capital Plan totalling \$515.748 million focuses on funding major diversion facilities to advance the City's goal of 70% Diversion by investing in facilities and systems necessary to achieve this target as well as ongoing Collection Yard and Transfer Station Asset Management and Perpetual Care of closed landfills. Specifically, included in the 10–Year Recommended Capital Plan are Service Improvement initiatives to address waste diversion and recycling including:
 - Expanding the Green Bin program to include apartments & condominiums as well as building additional Source Separated Organics processing capacity that will allow for expansion, and provide long term stability for the Green Bin program.
 - Expanding recycling capacity by upgrading of the Dufferin Single Stream Recycling Facility from 2013 to 2015.
 - Expanding the range of recyclable materials. Establishing reusable goods drop-off centres to provide residents with one-stop location for reusable goods.
 - Investing in a Mechanical and Biological Treatment Facility to enable more effective separation of organics, recycling and residual waste and extend the life of the Green Lane Landfill.
- The 10–Year Recommended Capital Plan also includes funding for:
 - Legislative projects such as Green Lane landfill development and perpetual care of former landfills. Closed landfills will be maintained with ongoing investment in control systems on a pay-as-you go basis.
 - SOGR projects such as Asset Management for Transfer Stations and Collection Yards.
- The 10–Year Recommended Capital Plan (excluding carry forward funding), totals \$515.748 million of which \$415.714 million or 81% is projected for the first 5 years, with the final 5 years requiring funding of \$100 million or 19%.
- 60% of the total 10–Year Recommended Capital Plan of \$515.748 million is funded from recoverable debt. The Program relies on the user fee program to fund debt servicing costs on an ongoing basis. The City funds the debt upfront and Solid Waste Management repays the debt servicing costs (principle & interest) over time through user fees.
 - The Solid Waste Management Operating Budget includes provides for the repayment of capital debt issued for this Program's capital needs.

- Solid Waste Management Services does not have annual debt targets. The remaining capital financing is comprised of reserve funds of \$107.459 million (21%) and other third party funding of \$99.230 million (19%).

Key Changes to the 2011–2020 Approved Capital Plan

**Changes to the 2011–2020 Approved Capital Plan
(In \$000s)**



- The 2012 Recommended Capital Budget and 2013–2021 Capital Plan has increased by \$121.5 million or 26% from the 2011–2021 Approved Capital Plan. The increase is mainly due to:
 - increased cost estimates for the Mechanical and Biological Treatment Facility at Green Lane Landfill of \$85 million to accommodate the increased tonnage processing requirement. In order to achieve diversion targets, the estimated tonnes of waste to be processed at the facility have increased by 150,000 tonnes from 150,000 tonnes to 300,000 tonnes per year;
 - capitalization of accumulated interest of \$22.9 million in 2012 for the 2007 purchase of the Green Lane Landfill. The original purchase of \$220.7 million was financed by \$100 million in debentures and \$120.7 million in working capital. It was planned that the working capital amount would be debentured by 2011. The additional \$22.9 million is the estimated accumulated interest on the second portion of the original purchase price. This accumulated interest has been funded by the tax base and the provision of funding in the Solid Waste Management Capital Plan will ensure that SWMS user fees fund the total cost of the 2007 acquisition of Green Lane. The second portion of the purchase price plus the accumulated interest totalling \$143.7 million will be debentured in 2012.

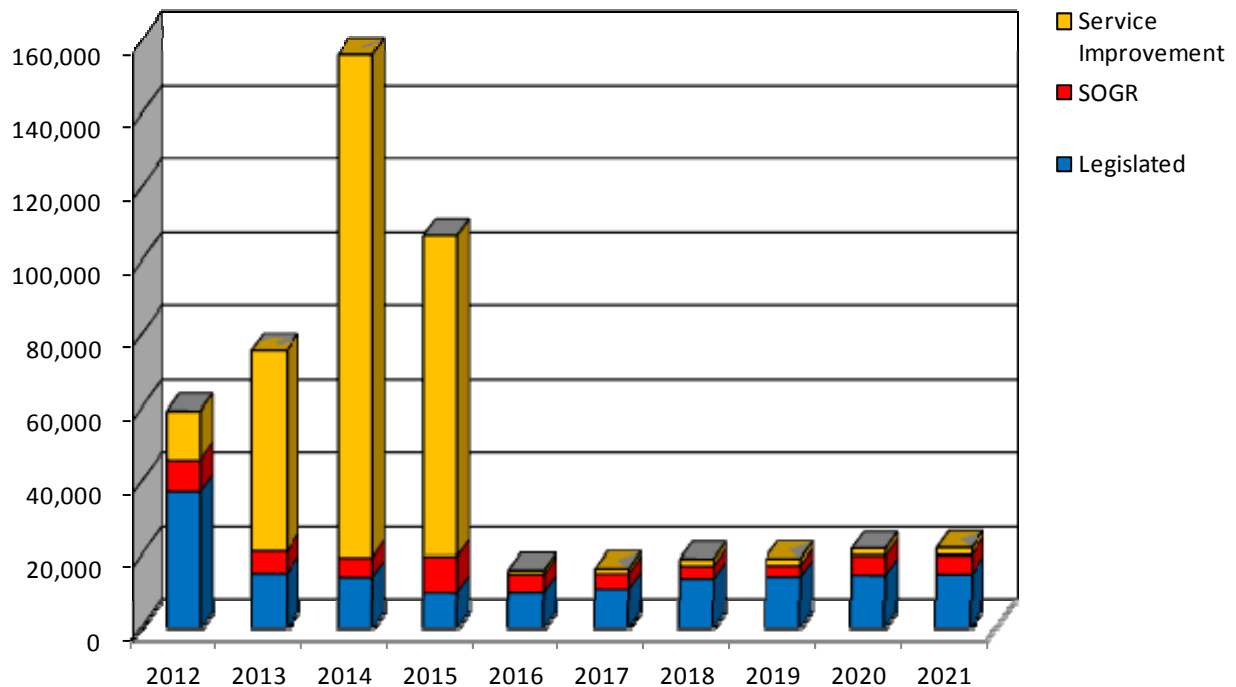
- the planned funding increase for enhancements to the Dufferin Single Stream Recycling Facility totalling \$10.750 million over 2013 to 2015 to upgrade this facility to support the new processing contract;
- Cash flow funding estimates have been adjusted to reflect the deferral of the construction of the Mechanical and Biological Treatment Facility at Green Lane Landfill from 2013 to 2014/2015 as well as the deferral of the replacement SSO containers for single family residences by two years from 2012 to 2013/2014.
- The following chart details the recommended project cash flow changes to the 2011–2020 Approved Capital Plan.

Summary of Project Changes
(In \$000s)

Projects (\$000's)	2012		2013		2014		2015		2016		2012-2016		2012-2021	
	Gross	Debt	Gross	Debt	Gross	Debt	Gross	Debt	Gross	Debt	Gross	Debt	Gross	Debt
<i>Previously Approved</i>														
SSO Multi-unit Containers	(490)		186		272							(32)		(32)
Replacement SSO Containers Single Family	(10,341)		2,827		7,514									
Recycling Upgrades Multi-unit			500									500		500
Dufferin SSO	1,000		(1,000)											
MBT Facility Preliminary Design	(600)		600											
Sub-Total	(10,431)		3,113		7,786							468		468
<i>New</i>														
RFID/GPS System	940		100		150		150		150			1,490		2,240
Diversion Facility Asset Mgmt	(750)		(750)		(1,250)		(1,000)		(750)			(4,500)		(5,000)
Replacement SSO Containers Single Family			(3,000)		3,000									
Landfill Purchase Interest	22,925											22,925		22,925
Reuse Centres					250		250		250			750		2,000
Collection Yards	1,500											1,500		1,500
Dufferin SSR			750		5,000		5,000					10,750		10,750
Disco SSO	(26)		2,000		(266)		(271)		(276)			1,161		(299)
Mechanical and Biological Treatment Facility	(9,865)		(31,000)		50,000		76,460					85,595		85,595
IT Strategic Plan	380		500									880		880
Business System Improvements- Short-Term	320		320									640		640
Sub-Total	15,424		(31,080)		56,884		80,589		(626)			121,191		121,231
Total	4,993		(27,967)		64,670		80,589		(626)			121,659		121,699

2012 – 2021 Recommended Capital Plan

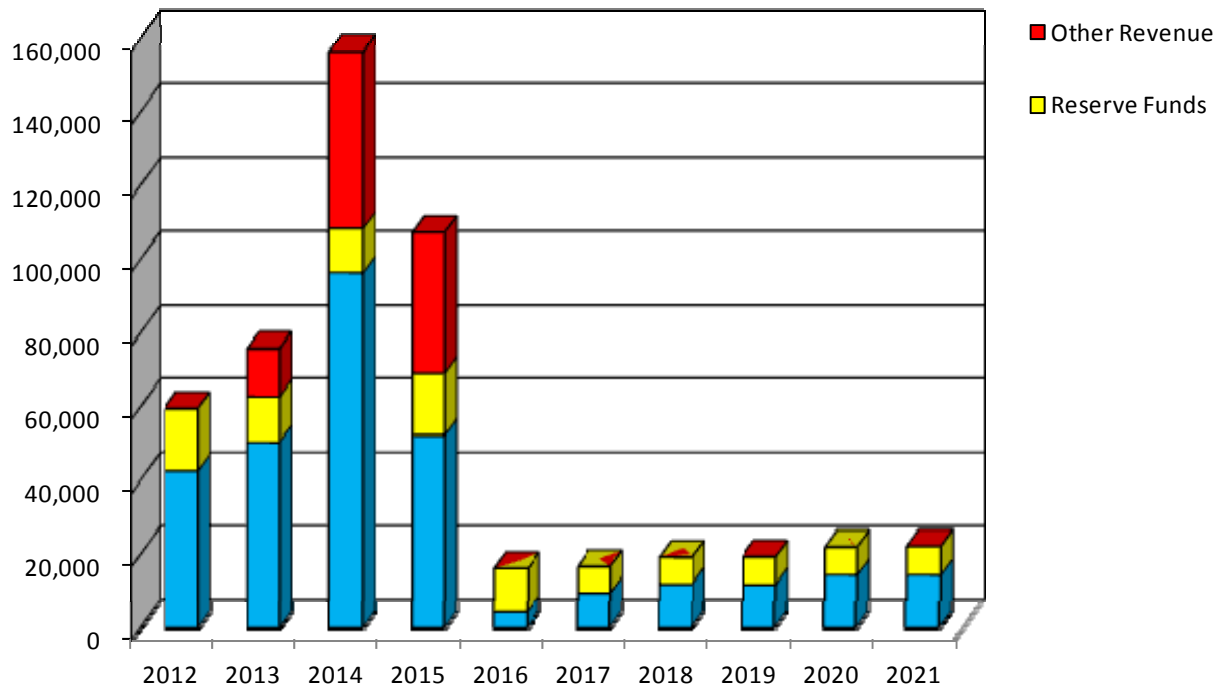
2012–2021 Capital Plan by Project Category
(In \$000s)



- Achieving a waste diversion rate target of 70% through *Service Improvement Projects* continues to drive Solid Waste Management Services capital program.
 - Over the first 5 years, investment in these projects represents 71% or \$293 million of all project funding declining to 9% or \$9 million in the second 5 years as most Diversion projects will be completed by 2015. Service Improvement projects over the 10–Year Capital Plan period include the Diversion Systems project (\$33.527 million) that provides SSO containers for single family homes and multi–residential buildings and the Diversion Facility Asset Management project;
 - Specifically, projects that will establish new facilities required for recycling, organics processing and the reuse of durable household goods are as follows:
 - Disco SSO Facility (\$7.2 million in 2012, \$2.3 million in 2013);
 - the Dufferin SSO Facility (\$1 million in 2012, \$4 million in 2013, \$15 million in 2014 and \$5 million in 2015);
 - the Mechanical and Biological Treatment Facility (\$0.7 million in 2012, \$26.8 million in 2013, \$96 million in 2014 and \$76.5 million in 2015); and,

- Reuse Centres (\$2.3 million in 2012, \$8.3 million in 2013 and \$9.5 million in 2014) in order to facilitate the recycling and reuse of durable household goods.
- In addition, *Legislated and State of Good Repair* projects represent the remaining 29% or \$122.7 million of the funding requirement in the first 5 years and 91% or \$91 million over the last 5-year period as follows:
 - Legislated projects include the ongoing development of the Green Lane Landfill (\$86.6million) and Perpetual Care of Old Landfills (\$70.1 million). The expenditures include, for 2012, the capitalization of interest costs of \$22.9 million for the 2007 purchase of Green Lane. Included in Green Lane Development project are the Buffer Land Acquisition costs of \$15 million, Cell Excavation and Construction project costs of \$29.7 million and the Control System project expenditures of \$19 million;
 - State of Good Repair projects represent 11% or \$57.1 million of the 10-Year Recommended Capital Plan with 97.2% of planned SOGR cash flows dedicated to Transfer Station Asset Management and upgrades with 61% of spending planned in 2011 to 2015. The remainder of the SOGR expenditure is comprised of Collection Yard Asset Management in 2012 (\$1.5 million).
- By 2016, the 10-Year Recommended Capital Plan declines to approximately \$16.2 million per year from averaging \$83 million in the first 5 years as all major facilities work have been completed and reflect ongoing Landfill Development, Perpetual Care and Transfer Station funding requirements only.

2012–2021 Capital Plan by Funding Source
(In \$000s)



- Over the 10–year Capital Plan period, recoverable debt funding comprises 60% of all funding sources. For the first 5 years, recoverable debt funds the following projects:
 - Diversion Systems (\$25.8 million),
 - the Dufferin SSO and Recycling Facilities (\$35.8 million),
 - Reuse Centres (\$20.1 million),
 - Mechanical and Biological Treatment Facility at Green Lane (\$101.2 million) assumed to be 51% of the total project cost; and,
 - Green Lane Landfill (\$32.7 million)
- The debt requirements in the last five years are mainly to fund landfill development work at Green Lane, perpetual care of landfills and ongoing facility asset management.
- Over the 10 years, reserve funding comprises 21% of all funding sources. In 2012, the Waste Management Reserve Fund will provide financing for the construction and on–going site management of the Disco SSO Facility (\$3.6 million). From 2012 to 2016 the Waste Management Reserve Fund will provide financing for Transfer Station Asset Management (\$33.8 million) and the Perpetual Care Reserve Fund will provide \$70.1 million in funding for projects at old landfills.

- Funding from third parties is included as a placeholder to support the completion of the *Mechanical and Biological Treatment Facility* at Green Lane (\$98.730 million) over 2013 to 2015 as it is intended that the City will examine other financing options for this project. Depending on negotiations with the private sector, all or part of the capital costs for this project could be funded by the City of Toronto, private sector, or a combination of partnerships with the private sector, or other organizations. The Acting General Manager of Solid Waste Management Services will report to the Budget Committee on the financial and operational viability of the project before proceeding with construction. Furthermore, the decision to ultimately proceed with the facility will depend on Council's reconsideration of the plan for 70% Diversion.

Summary of Major Capital Initiatives (In \$000s)

	Total Project Cost	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
State of Good Repair (incl. H&S , & Leg.)												
Collection Yards	1,500	1,500										1,500
Transfer Stations	55,515	7,256	6,032	5,518	10,004	5,025	4,355	3,580	3,055	5,345	5,345	55,515
Landfill	113,945	31,426	9,032	7,760	3,309	3,176	3,888	6,583	7,009	7,214	7,214	86,611
Perpetual Care Of Landfills	70,062	6,168	6,341	6,518	6,701	6,888	7,081	7,280	7,483	7,693	7,909	70,062
Sub-Total	241,022	46,350	21,405	19,796	20,014	15,089	15,324	17,443	17,547	20,252	20,468	213,688
Service Improvements												
Diversion Systems	47,721	236	11,277	11,036	500	750	1,000	1,500	1,500	1,500	1,500	30,799
Reuse Centre-Future Sites	23,453	2,340	8,265	9,454	250	250	250	250	250	250	250	21,809
Dufferin Single Stream Recycling Facility	20,050	0	750	5,000	5,000							10,750
Dufferin SSO Processing Facilities	25,000	1,000	4,000	15,000	5,000							25,000
Disco SSO Processing Facilities	88,307	7,192	2,261									9,453
Mechanical and Biological Treatment Facility	201,149	654	26,821	96,066	76,460							200,001
IT Projects	5,435	1,878	1,170	150	150	150	150	150	150	150	150	4,248
Sub-Total	411,115	13,300	54,544	136,706	87,360	1,150	1,400	1,900	1,900	1,900	1,900	302,060
Total	652,137	59,650	75,949	156,502	107,374	16,239	16,724	19,343	19,447	22,152	22,368	515,748

Major Capital Initiatives

Major Capital Initiatives over the 10–Year Recommended Capital Plan period are mainly composed of Service Improvement projects for diversion facilities; SOGR and Legislated projects for facility and landfill development and on–going asset management. As strategic priorities, Diversion Facility expansion / renovation and new facility construction have been

prioritized and included in the 10–Year Recommended Capital Plan in order to make progress on the waste diversion target of 70% as approved by City Council in 2007.

State of Good Repair (incl. Health & Safety, & Legislated) Projects

- *Perpetual Care of Landfills* projects have a total project cost of \$70.1 million (reserve funded) and will provide a variety of works considered necessary for the ongoing maintenance of closed environmentally sound landfill sites after primary operations have ended. These include: monitoring consulting and possible remedial measures related to surface water, ground water, landfill gas and ambient air; maintenance of existing leachate and gas control systems; correction of soil erosion/settlement on slopes and the repair of roadways.
- The *Landfill Development* project, with a total project cost of \$114 million (debt funded) provides on-going funding for the development of the Green Lane Landfill including waste cell construction, leachate and gas control systems and buffer land acquisition. Also included is the capitalized interest for the second scheduled debenture for site acquisition. Green Lane was purchased in 2007 and started accepting 100% of the City's residual waste as of January 1, 2011.
- The *Transfer Station Asset Management* project has a total project cost of \$55.5 million (39% debt funded; 61% reserve funding). This project provides funding to build various improvements to the transfer stations that are required to meet health and safety, operational and environmental requirements, such as compliance with the Gasoline Handling Act, Ministry of Environment (MOE) approvals, Ministry of Labour standards, and the Collective Agreement. Improvements include: preservation and enhancement of existing building and work areas.

Service Improvement Projects

- *The Diversion Systems project* has a total project cost of \$51.6 million (recoverable debt funded) which, over 2012 to 2021, is mainly required for new and replacement SSO containers for single family homes and multi-residential buildings (\$21.8 million) and Diversion Facility Asset Management (\$9 million).
- *The Dufferin SSO Facility project* has a total project cost of \$25 million (recoverable debt funded) with the main cash flow occurring between 2013 and 2015 required to improve organics processing and to treat resulting wastewater. Construction of this facility in the period of 2012 to 2015 for \$25 million will increase the processing capacity from 25,000 to approximately 50,000 tonnes per year by installing a second processing train, to expand the receiving area and to install a system to treat wastewater before discharge to the sanitary sewer.

- *The Disco SSO Facility project* has a total project cost of \$88.3 million (48% recoverable debt funded, 52% reserve funded) with major construction in 2011 and completion in 2013. Design and construction of a new City – owned SSO Processing facility was directed by City Council at its meeting of June 19, 20 and 22, 2007. This new facility will receive and process up to 110,000 tonnes per year of SSO starting in 2013/14.
- *The Mechanical and Biological Treatment Facility project* has a total project cost of \$201.2 million (51% recoverable debt funded; 49% third party funding). The project cost has increased by \$85.460 million from \$115.689 million to \$201.149 million to reflect increased processing tonnage requirements in order to reach 70% Diversion. Waste tonnage estimates have increased from 150,000 tonnes to 300,000 tonnes per year in order to successfully achieve an overall waste diversion rate of 70%. This project provides funding for professional technical services to assist with the request for proposal (RFP) and construction service efforts required for a contractor/technology vendor procurement process as a design, build, and operate (DBO) initiative. The processing capacity (for mixed residual waste & biosolids) by mechanical biological treatment (MBT) including an anaerobic digestion (AD) facility will process 300,000 tonnes per year (from 2016 onwards). The current estimate assumes a City facility to be built on City owned lands adjacent to the Green Lane landfill.

State of Good Repair (SOGR) Backlog

Solid Waste Management Program does not have a backlog of State of Good Repair Projects. At this time, the funding allocated in the 10–Year Recommended Capital Plan for Solid Waste Management for State of Good Repair projects for 2012 and future years is deemed appropriate to maintain the assets in a steady state of good repair.

10–Year Capital Plan: Operating Impact Summary (In \$000s)

	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012- 2021 Total
2012 Recommended Capital Budget											
Program Net	(1,156)	(1,309)	4,229	4,386	(333)	47	47	47	47	47	6,051
Approved Positions		7.0	12.0	18.0	(9.5)						27.5
Recommended 10-Year Capital Plan											
Program Net					12,694						12,694
Approved Positions											
Total											
Program Net	(1,156)	(1,309)	4,229	4,386	12,361	47	47	47	47	47	18,745
Approved Positions		7.0	12.0	18.0	(9.5)						27.5

Approval of the 2012 Recommended Capital Budget will result in an increase in future year operating costs by \$6.1 million net by 2021 and will result in the addition of 28 positions. This estimated increase in operating costs is mainly the result of the opening of 3 Reuse Centres offset by a lower operating cost as the Disco SSO facility comes online.

- Disco SSO Facility:** As a result of this project, the over–all processing cost in–house (cost per tonne) will be lower than what is currently paid to a contractor. During the commissioning phase, savings of \$1.436 million in 2012 and \$2.779 million in 2013 will be realized. Costs will rise again by 2014 as the facility shifts from test tonnages (paid for as part of the Capital project) to normal processing. 1 additional staff position is required by 2013 to co–ordinate the contract administration for the operation of this facility.
- Reuse Centres:** This project has operating impacts of \$1.4 million in 2013, \$2.8 million in 2014 and \$4.2 million in 2015, for the annual costs of operating reuse centres with construction ongoing in 2012, up to a total of three large operational reuse centres by 2015, with 36 additional staff positions by 2015.
- SSO Multi–Unit Residential Containers:** This project, implemented by 2015 results in the following operating impacts: \$0.374 million by 2021 in operating costs, net of disposal savings, for the roll–out of the program and then incremental on–going costs to support the program which results in the processing of additional SSO tonnage. Net implementation costs decrease in 2016 as implementation staff are no longer required. Ongoing incremental costs of \$0.047 million per year through to 2021 are incremental costs of processing more organics tonnage less residual disposal savings.

Approval of the 2013–2021 Recommended Capital Plan will result in an operating budget increase of \$12.694 million by 2016. This is driven by the **Mechanical and Biological**

Treatment Facility for start-up operating costs to provide more efficient separation of source material to reduce residual waste sent to landfill. This impact results from the requirement to process 300,000 tonnes of waste annually.

- Detailed operating impact by project is as follows:

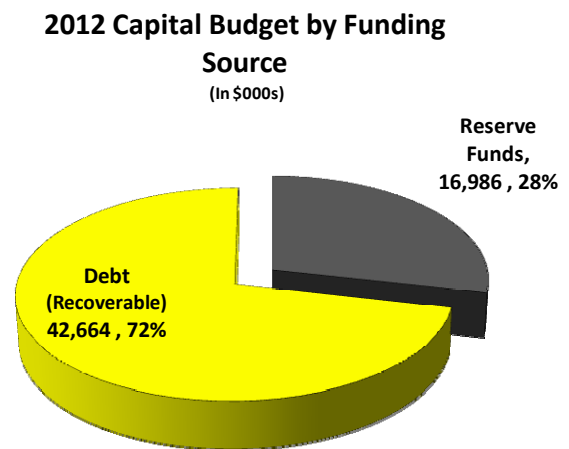
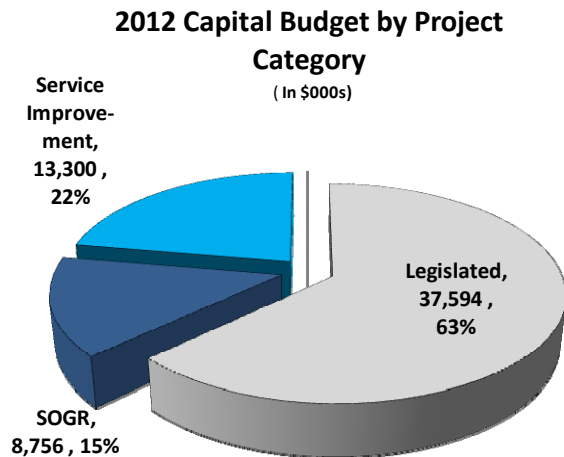
Project \$000s	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	20189 Plan	2020 Plan	2021 Plan	2012-2021
SSO Multi-Unit Containers		69	202	202	(333)	47	47	47	47	47	374
RFID/GPS System	280	6	5	-	-	-	-	-	-	-	291
Reuse Centres	-	1,395	2,789	4,184							8,368
Disco SSO	(1,436)	(2,779)	1,233								(2,982)
Mechanical and Biological Treatment Facility					12,694						12,694
Total	(1,156)	(1,309)	4,229	4,386	12,361	47	47	47	47	47	18,745

- Detailed operating impact by position is as follows:

Sub-Project	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	20189 Plan	2020 Plan	2021 Plan	2012-2021
SSO Multi-Unit Containers					(9.5)						(9.5)
RFID/GPS System											-
Reuse Centres		6.0	12.0	18.0							36.0
Disco SSO		1.0									1.0
Mechanical and Biological Treatment Facility											-
Total	-	7.0	12.0	18.0	(9.5)	-	-	-	-	-	27.5

PART III – 2012 Recommended Capital Budget

2012 Capital Budget by Project Category and Funding Source



The 2012 Recommended Capital Budget requires 2012 funding of \$59.650 million for:

- Legislated projects that account for 63% of the total planned cash flow for 2012 at \$37.594 million, 22% or \$13.300 million for Service Improvement and 15% or \$8.756 million for SOGR projects;
- Legislated projects include the Perpetual Care of closed landfills (\$6.2 million) and landfill development at Green Lane including control systems (\$7 million), Buffer Land Acquisition (\$1.5 million) and the cost of Green Lane Landfill Capitalized Interest (\$22.9 million).
- Service Improvement projects include:
 - Diversion Systems (\$1.4 million) includes funding for RFID (Radio Frequency Identification) systems for bins (\$1.2 million).
 - Also included in this category are the projects to build 3 Reuse Centres (\$2.3 million) the construction of the Disco SSO Processing Facility (\$7.2 million), the Dufferin SSO Facility Design (\$1 million) and funding for the design/ specification of the Mechanical and Biological Treatment Facility (\$0.7 million). \$0.7 million will also be spent on short and long term IT business systems planning.

- SOGR projects for 2012 include the Transfer Station Asset Management project (\$7.3 million) to build a new substation, for curb repairs, surface cleaning, tip floor repairs, new compactors and installation of previously purchased compactors, a new leaf & yard waste bunker and the new weigh scale system. Also included in this category is the Collection Yard Asset Management project (\$1.5 million) of which \$1 million is dedicated to source and manage the construction of an estimated 2000 garbage/recycling bin enclosures in select City parks. \$0.500 million is recommended for building improvements and renovations to be done at the central Yonge Yard.
- The 2012 Recommended Capital Budget is funded by a combination of recoverable debt (72% of the 2012 cash flow at \$42.7 million) and reserve funding (29% or \$17 million). The Waste Management Reserve Fund is funding \$7.3 million (100%) of the Transfer Station Asset Management project as well as \$3.6 million or 50% of the construction of the Disco SSO Facility in 2012. The Perpetual Care Reserve Fund is funding \$6.2 million or 100% of the 2012 requirements for perpetual care of old landfills.

2012 Recommended Cash Flow & Future Year Commitments (\$000s)

	2010 & Prior Year Carry Forward	2012 Previously Approved Cash Flow Commitments	2012 New Cash Flow Rec'd	2012 Total Cash Flow Rec'd	2011 Carry Forwards	Total 2012 Cash Flow (Incl 2010 C/Fwd)	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Cost
Expenditures																
Previously Approved		16,047		16,047	43,622	59,669	28,752	23,856	5,800							118,077
Change in Scope			22,925	22,925		22,925										22,925
New			14,784	14,784		14,784										14,784
New w/Future Year			5,894	5,894		5,894	4,479	7,630	3,179	3,046	2,258	4,939	5,379	5,584	5,584	47,972
Total Expenditure		16,047	43,603	59,650	43,622	103,272	33,231	31,486	8,979	3,046	2,258	4,939	5,379	5,584	5,584	203,758
Financing																
Debt Recoverable		11,685	12,625	24,310	27,051	51,361	31,931	30,686	8,179	3,046	2,258	4,939	5,379	5,584	5,584	148,947
Other							500									500
Reserves/Res Funds		4,362	30,978	35,340	16,571	51,911	800	800	800							54,311
Development Charges																
ISF																
Provincial/Federal																
Total Financing		16,047	43,603	59,650	43,622	103,272	33,231	31,486	8,979	3,046	2,258	4,939	5,379	5,584	5,584	203,758

*Please refer to Appendix 3 for detailed project listings

Solid Waste Management Services' 2012 Recommended Capital Budget is \$103.272 million which provides \$43.622 million in cash flow funding carried forward funding from 2011 projects not completed, \$16.047 million for previously approved projects underway and \$43.603 million for new projects.

- New projects require cash flow funding of \$43.603 million in 2012 for the IT Strategic Plan & Business Systems (\$0.7 million), Collection Yard (\$1.5 million) and Transfer Station Asset Management (\$7.256 million) as well as Perpetual Care of old landfills (\$5.368 million). Also included is new funding for Diversion Systems (\$0.940 million), the Disco SSO Facility (\$3.630 million) and the Green Lane Landfill (\$24.074 million).
- Approval of the 2012 Recommended Capital Budget of \$103.272 million will result in future year commitments of \$33.231 million in 2013, \$31.486 million in 2014, \$8.979 million in 2015, \$3.046 million in 2016, \$2.258 million in 2017, \$4.939 million in 2018, \$5.379 million in 2019 and \$5.584 million in 2020 and 2021.
 - Projects include replacement SSO containers for single family households, on-going landfill development, Reuse Centres, the Dufferin and Disco SSO Facilities and ongoing funding for the design of the Mechanical and Biological Treatment Facility at Green Lane. The commitments in the period 2017 to 2021 are specifically for the 10-year contract for cell development and systems at Green Lane.
- For 2012, including funding carried forward from previous years, projects are funded by reserve funding of \$33.6 million (32.5%) and recoverable debt of \$69.7 million (67.5%).

2012 Recommended Capital Project Highlights

2012 Recommended Capital Projects
(In \$000s)

Project	2012 Project Cost	2012	2013	2014	2015	2016	2012-2016	2017	2018	2019	2020	2021	2012-2021
Disco SSO Processing Facilities	5,891	34,984	2,261				37,245						37,245
Landfill	63,471	34,874	8,887	7,630	3,179	3,046	57,616	2,258	4,939	5,379	5,584	5,584	81,360
Dufferin SS Recycling Facility		8,606					8,606						8,606
Transfer Stations	7,256	7,256					7,256						7,256
Perpetual Care Of Landfills	5,368	6,168	800	800	800		8,568						8,568
Diversion Systems	1,040	4,689	11,377	7,786			23,852						23,852
Reuse Centre-Future Sites		2,741	3,765	204			6,710						6,710
Collection Yards	1,500	1,500					1,500						1,500
Dufferin SSO Processing Facilities		1,100	4,000	15,000	5,000		25,100						25,100
IT Projects	1,020	700	320				1,020						1,020
Mechanical and Biological Treatment Facility	135	654	1,821	66			2,541						2,541
		-					-						
Total Projects in 2011	85,681	103,272	33,231	31,486	8,979	3,046	180,014	2,258	4,939	5,379	5,584	5,584	203,758

The 2012 Recommended Capital Budget provides funding of \$103.272 million (including \$43.622 million carried forward from 2011 to 2012) to:

- Repay the final debenture financing of the remaining acquisition cost of Green Lane (Capitalized Interest over 2008 to 2011 of \$22.9 million);
- Continue improving Diversion Systems such as starting implementation of multi-unit residential SSO containers and recycling upgrades, and continuing implementation of the RFID system for bins (\$4.7 million);
- Continue design and construction of Reuse and Recycling Centres (\$2.7 million);
- Continue building Source Separated Organics processing capacity at the Disco facilities (\$34.9 million);
- Continue site remediation at the Dufferin recycling facility (\$8.6 million);
- Continue Transfer Station and Collection Yard asset management (\$8.8 million);
- Continue developing Green Lane including Control Systems and Buffer Land Acquisition (\$11.9 million);
- Continue Perpetual Care of Old Landfills including control systems (\$6.2 million);
- Begin building Source Separated Organics processing capacity at the Dufferin facilities (\$1.1 million);

- Begin planning improved IT business systems to provide better customer service (\$0.7 million); and,
- Begin proceeding with design and specification of the Mechanical and Biological Treatment Facility at Green Lane (\$0.7 million).

PART IV: ISSUES FOR DISCUSSION

2012 and Future Year Issues

2012 Issues

Green Lane Acquisition Costs

The Green Lane Landfill was acquired by the City in 2007. The purchase price was \$220.745 million. At the time, as approved by Council, \$100 million was funded through debentures in 2007 with the balance of the acquisition cost of \$120.745 million funded through working capital. The intention was to issue debentures for this outstanding balance by 2011 with a projected accumulated operations surplus in the Green Lane Reserve Fund available to offset the inherent interest cost to the City, estimated at \$22.925 million, incurred over the period 2008–2011. The current reserve fund balance is not sufficient to offset this accumulated interest cost. As a result, this interest cost is recommended to be in Solid Waste Management Services' 2012 Recommended Capital Budget. By adding \$22.925 million to the debenture of the second half of the acquisition cost of \$120 million, Solid Waste Management Services will incur the full cost of the landfill acquisition through annual operating debt charges for interest and principle, which are in turn recoverable from volume based user fees. The debenture for \$143.670 million is expected to be issued in early 2012.

Future Year Issues

Achieving the 70% Diversion Target & the Mechanical and Biological Treatment (MBT) Facility

The Solid Waste Management Services' future year capital program is driven primarily by the City's objective to achieve the 70% diversion target and it is therefore on that basis that the 2012 to 2021 Recommended Capital Plan has been established.

The 10–Year Recommended Capital Plan will continue to fund a major expansion of diversion activities during this timeframe, mainly:

- Expanding the Green Bin program to include apartments & condominiums
- Replacement of SSO containers.
- Establishing up to 3 large reusable goods drop-off centres to provide residents with one-stop location for reusable goods.
- Providing single home residents with replacement SSO containers that will facilitate automated pick-up/collection.

- Building additional Source Separated Organics processing capacity that will increase capacity to allow for expansion, and provide long term stability for the Green Bin program.
- Building a Mechanical and Biological Treatment Facility that will increase capacity to allow for expansion, and ensure the efficacy of diversion initiatives in attaining the 70% Diversion target and extending the life of the Green Lane landfill. The Mechanical and Biological Treatment Facility will divert 204,000 tonnes of waste from landfill. This will increase the overall diversion rate as more recyclable and organic material is not sent to the landfill.

These costs will peak between 2013 and 2015 when \$200 million in funding is required for the construction of the Mechanical and Biological Treatment (MBT) Facility at Green Lane. The MBT Facility funding assumptions are unchanged from the 2011 to 2020 Approved Capital Plan. Thus, 50% of the cost to construct the facility is assumed to be funded from 3rd party operators. This funding is a placeholder until a decision is made on whether to proceed with construction through a partnership with a 3rd party provider or 100% (solely) through City funding or 100% through a 3rd party provider. Until a decision is confirmed the project cannot proceed. The viability of the project and so the 70% diversion target is also conditional upon the Provincial decision regarding the acceptability of grade B compost. Unless grade B compost, a major product of the MBT Facility, is legislated as being acceptable to market for agricultural uses, the economic viability of the facility cannot be supported.

The plan to reach 70% Diversion in the short term is very aggressive, given all the activities discussed above that are required to be completed. 70% is a likely range for single family residential in the short term (the rate for single-family is currently 63%) but will take significant investment, as in the Mechanical and Biological Treatment Facility, to achieve this as a total diversion rate. Although the Capital Plan has been adjusted to account for study, design and procurement, Solid Waste Management Services staff may still face pressures operationally due to tight timelines assumed, and the potential issues presented by site location, environmental assessments, and the various approval processes.

The decision on a capital funding model is pending the development of third party proponents. Over 2012 and 2013, the City has only committed \$2.5 million for the development of specifications and design for this facility. Once the financial review, including 3rd party options, is complete and the Provincial decision regarding grade B compost is known, the Acting General Manager of Solid Waste Management Services will report to Budget Committee on the overall model and financial implications of proceeding with the MBT Facility. It is therefore recommended that the Acting General Manager of Solid Waste Management and the Deputy City Manager and Chief Financial Officer report on a complete financial assessment regarding the viability of proceeding with the Mechanical and Biological

Treatment Facility to Budget Committee prior to the 2013 Budget Process including how this facility will impact the Multi-Year Strategic Plan for Solid Waste Management Services.

Long-Term Capital Program Reserve Funding

The Capital Program for Solid Waste Management Services is 60% funded through recoverable debt. The City advances debt funding annually for this portion required for the Solid Waste Managements' capital work and the Program repays the annual debt servicing costs (interest and principle). These expenses in the Program Operating Budget are funded by the volume based user fees collected.

At the inception of the volume based user fee system in 2008, it was projected that, in order to maintain financial viability of diversion initiatives, sustainable contributions to the Waste Management Reserve Fund would have to be made based on user fees having modest annual increases in the range of 3.5%. Limiting user fee increases impacts the funding that is available in current and future years to finance capital projects required to meet the 70% Diversion Target. Depending on the timing and funding required, the Program may be required to defer projects until there is sufficient funding in the reserve fund or alternatively incur more debt. The reserve balance cannot drop below a zero balance as there is no other funding source for Solid Waste Management expenditures. Given the pressures on the reserve, user fees must grow at a sufficient rate to offset future growth in expenditures.

In establishing the basis for reserve funding, the key decision remains to be whether or not the City should continue to pursue a 70% waste diversion target. Once Council re-confirms its commitment to reaching this goal, then specific further decisions would then be required. These decisions include addressing the most effective way to achieve 70% diversion. Does the solution include the MBT Facility at Green Lane? This facility is also dependent on whether the product of its operations (grade B compost) is viable. These strategic goals will ultimately determine the financial model required to support the program. It is recommended that the Acting General Manager of Solid Waste Management in consultation with the Deputy City Manager and Chief Financial Officer report to Budget Committee on a multi-year rate strategy to ensure financial viability of the program. *(Please also refer to Recommendation 3 contained in the 2012 Solid Waste Management Services Operating Budget Analyst Notes).*

Green Lane Land Transfer Tax

On July 21, 2008, the Provincial Government notified the City of Toronto that the land transfer tax originally calculated for the purchase lands for the Green Lane Landfill was insufficient based on a new assessment of allocations for the lands, authorizations, contracts and goodwill as defined in the purchase agreement. As a result, the City has incurred the extra cost of \$3.661 million in order to remit the requested land transfer tax. This amount includes \$0.250 million to retain appropriate legal counsel in order to pursue an appeal of the charge.

A separate report entitled “Notice of Assessment under the Land Transfer Tax Act related to the Green Lane Landfill” was before Council in fall of 2008. The report recommended that the expenditures be funded from the Waste Management Reserve Fund. Should the City be successful in its appeal of the assessment, the reserve fund will be replenished. Conversely, if the appeal fails, the Program would have to absorb all costs related to this expenditure within the reserve fund thereby reducing availability of capital funding to achieve 70% diversion.

There are currently on-going legal expenses for outside counsel related to this claim. The appeal has not been heard, and will likely not be determined until after 2011. When appropriate, Program staff will provide a briefing to update the status of the appeal and on the likelihood of recouping the reserve funding.

Appendix 1

2011 Performance

2011 Key Accomplishments

Recycling and SSO Facilities

- ✓ Continued construction of **Disco SSO** processing facility. Site plan approval, building permits and environmental site approvals secured in 2011. Site remediation (buried waste excavation) is complete and construction of foundations and structural slab is underway;
- ✓ Continued emergency repairs to the **Dufferin SSO** processing facility. Construction of the new anaerobic digestion vessel and bio-filter will be completed in 2011;
- ✓ Issued RFP and awarded contract for the **Dufferin Material Recovery Facility** upgrading study;
- ✓ Completed reports for the Durable Goods Material Stream/Community Recycling and **Reuse Centre** Preliminary Design Study and condition assessment for the two sites under consideration (Commissioners St transfer station (CSTS) and the #75 Vanley Crescent portion of the Dufferin Waste Management Facility). A geotechnical study has been completed for the CSTS. Conceptual designs for development at the CSTS have been completed which allows construction work at the CSTS to be planned for 2012;

Transfer Stations

- ✓ Continued work on **Transfer Station Asset Management** projects including the acquisition of Hydro land for the Re-Use building at Bermondsey Transfer Station which is 100% complete now and is fully operational. Sprinkler system on the tipping floor and relocation of a refuse compactor at Bermondsey is ongoing and expected to be completed by year end;
- ✓ Completed major tipping floor repairs and upgrades to the floor slabs at **Scarborough Transfer Station**, with the design for the rehabilitation of the entire lower portion of the tipping floor 90% complete;

Collection Yards

- ✓ Completed **Bermondsey Yard Consolidation** construction. Improvements to the facility include an increase of office space for supervisory staff, newly renovated change room, and shower facilities for collections staff. Improvements to the fleet maintenance garage areas include a new high bay lifting crane equipment and an automated truck wash system to improve operational efficiencies between Fleet Services and Solid Waste all of which are covered by new vegetated green roof conforming to the Toronto Green Building Standard;
- ✓ Completed **Bermondsey Yard Paving and Yard Improvements** in the summer of 2011. The full yard was repaved; electrical power, lighting and security infrastructure improvements were made to improve health and safety standards in the yard.
- ✓ Completed **Ingram Yard Consolidation** construction renovations in summer of 2011. Improvements to the facility include an increase of office space for supervisory staff, newly renovated change room, and shower facilities for collections staff and improvements to the fleet maintenance garage areas including a new high bay lifting crane to be completed in fall of 2011. Improvements will increase operational efficiencies between Fleet Services and Solid Waste maintenance of mobile assets.
- ✓ Awarded construction contracts for various building and yard improvements at the **Yonge–Ramsden Yard**. A new white reflective roof conforming to the Toronto Green Standard was installed along with new heritage metal cornices. Ongoing construction work underway in 2011 and carrying over to 2012 includes improvements to the building HVAC system, additional supervisory offices and training rooms, consolidation of equipment storage, window replacement and masonry restorations. The addition of a life safety and sprinkler system will also provide much needed protection for staff, building and mobile assets.
- ✓ Proceeded with renovations at **Midland Yard** including improvements to staff change room and washroom facilities. Construction contracts have been awarded in fall of 2011 and work is scheduled to be completed by year end.

Green Lane

- ✓ Continued work on **Green Lane Landfill** Projects including the commissioning of cell 4 in December 2010, completion of the excavation of Stages 6, 7 and 8 and the installation of the under drain leachate collection system in Stages 6 and 8 in 2011. Projects commenced in 2010 and currently underway include the expansion of the leachate treatment plant and the installation of the second landfill gas flaring system. Both projects are in the process of being commissioned. Buffer land acquisition at Green

Lane is proceeding. In 2011, four parcels totaling 160 acres were purchased. The actual spending on buffer lands is dependent on the availability of properties for sale and negotiations with current land owners. In the summer of 2011, an RFP for 13–Month Engineering Services was issued and Conestoga–Rovers & Associates were the successful bidder. In late fall of 2011, two RFPs for 8–Year Operations Services and 8–Year Engineering Services will be issued and the contract awards will be anticipated in the spring of 2012. These 8–year contracts will each have two, one year extensions at City discretion.

2011 Capital Variance Review

2011 Budget to Actuals Comparison – Total Gross Expenditures (In \$000s)

2011 Approved	Actuals as of September, 30th (3rd Qtr Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$	% Unspent
149,467	34,156	22.9%	77,595	51.9%	71,872	48.1%

- The Solid Waste Management Services' 2011 Approved Capital Budget of \$149.467 million was 23% or \$34.156 million spent, as at September 30th, 2011. Expenditures by year–end are projected to be \$77.795 million or 52% of the 2011 Approved Capital Budget.
- Of the \$71.872 million projected to be unspent at year–end, \$43.6 million in funding will be carried forward into 2012 which is lower than the projected under–spending in the 3rd Quarter Variance report. The amount of funding to be carried forward from 2011 to 2012 will be updated and reported in early 2012.
- The projected year–end variance of \$71.872 million is primarily the result of the following:
 - *Disco SSO Processing Facility Project:* Delay of the design, build and operate contract award resulted in significant under–spending in 2009. On February 22 and 23, 2010, City Council authorized the General Manager, Solid Waste Management Services, to finalize negotiations and execute a sole source agreement with AECOM Canada Ltd to complete this facility. Originally delayed in planning and design in order to reduce the bid price, project spending is expected to be lower than planned in 2011 by \$47.5 million or 65% of the 2011 approved cash flow of \$72.8 million. The project is underway and SWMS is planning to carry

forward the required funding from 2011 to 2012. Purchase requisitions were established in November 2010 with project completion still expected in 2012.

- *Dufferin Recycling Facilities Project:* The site remediation at the Single Stream Recycling Facility was delayed until 2011 due to the upgrade project being more complex than originally anticipated. The contract for construction was awarded in October 2011. This project has a 2011 Approved Capital Budget of \$9 million and will be under-spent by \$8.9 million by year-end 2011. With construction starting in 2012, funding will be carried forward from 2011 into 2012.
- *The Diversion Systems Project* includes Reuse Centres, recycling, organics and single stream processing facilities expenditures, organics and recycling containers as well as projects for mandatory diversion enforcement, recycling upgrades for multi-units, tractor trailers and the RFID/GPS system. These projects have a 2011 Approved Capital Budget of \$15.4 million and are projected to be under-spent by \$5.9 million by year-end 2011 mainly due to slower implementation of organics and recycling projects for multi-residential buildings and slower than expected repair of the Dufferin SSO digester. SWMS is planning to carry forward the required funding from 2011 to 2012.
- *Green Lane Development:* These projects provide leachate and gas control systems as well as buffer land acquisition, cell construction and site services such as roads and entrance ways. Due to a delay in cell construction because of lower than expected tonnages of residual waste, subsequent projects for control systems were also delayed. These projects have a 2011 Approved Capital Budget of \$18 million and are projected to be under-spent by \$4.1 million by year-end 2011. SWMS is planning to carry forward the balance of unspent funding from 2011 to 2012.

Appendix 2

10 – Year Recommended Capital Plan Project Summary

Project (\$000's)	Total Project Cost	2012	2013	2014	2015	2016	2012-2016	2017	2018	2019	2020	2021	2017-2021	2012-2021
Mechanical and Biological Treatment Facility	201,149	654	26,821	96,066	76,460	-	200,001	-	-	-	-	-	-	200,001
Landfill	113,945	31,426	9,032	7,760	3,309	3,176	54,703	3,888	6,583	7,009	7,214	7,214	31,908	86,611
Perpetual Care Of Landfills	70,062	6,168	6,341	6,518	6,701	6,888	32,616	7,081	7,280	7,483	7,693	7,909	37,446	70,062
Transfer Stations	55,515	7,256	6,032	5,518	10,004	5,025	33,835	4,355	3,580	3,055	5,345	5,345	21,680	55,515
Diversion Systems	47,721	236	11,277	11,036	500	750	23,799	1,000	1,500	1,500	1,500	1,500	7,000	30,799
Dufferin SSO Processing Facilities	25,000	1,000	4,000	15,000	5,000	-	25,000	-	-	-	-	-	-	25,000
Reuse Centre-Future Sites	23,453	2,340	8,265	9,454	250	250	20,559	250	250	250	250	250	1,250	21,809
Dufferin SS Recycling Facility	20,050	-	750	5,000	5,000	-	10,750	-	-	-	-	-	-	10,750
Disco SSO Processing Facilities	88,307	7,192	2,261	-	-	-	9,453	-	-	-	-	-	-	9,453
IT Projects	5,435	1,878	1,170	150	150	150	3,498	150	150	150	150	150	750	4,248
Collection Yards	1,500	1,500	-	-	-	-	1,500	-	-	-	-	-	-	1,500
							-							-
TOTAL	652,137	59,650	75,949	156,502	107,374	16,239	415,714	16,724	19,343	19,447	22,152	22,368	100,034	515,748

Note: Does not include 2011 funding carried forward into 2012.

Appendix 3
2012 Recommended Capital Budget; 2013 to 2021 Capital Plan

Appendix 4

2012 Recommended Cash Flow and Future Year Commitments

Appendix 5

2012 Recommended Capital Project with Financing Details

Appendix 6

2012 Reserve / Reserve Fund Review

Perpetual Care Reserve Fund

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2011	Proposed Cash Flows \$000s											
			2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012 - 2021 Total	
XR1013 Perpetual Care of Landfill Reserve Fund	Beginning Balance (Jan. 1)	29,998	15,049	5,681	5,766	5,881	5,999	6,119	6,241	6,366	6,493	6,623	15,049	
	Interst Earned	→	150	85	115	118	120	122	125	127	130	132	1,225	
	Contributions (Operating)	8,807	5,861	6,341	6,518	6,701	6,888	7,081	7,280	7,483	7,693	7,908	69,754	
	Morningside Landfill Remediation	(13,789)	(9,211)											(9,211)
	Basic Perpetual Care	(7,518)	(4,112)	(4,227)	(4,345)	(4,467)	(4,592)	(4,721)	(4,853)	(4,989)	(5,129)	(5,272)	(46,708)	
	New Control Systems *	(2,450)	(2,056)	(2,114)	(2,173)	(2,234)	(2,296)	(2,360)	(2,427)	(2,494)	(2,564)	(2,636)	(23,354)	
	Subtotal Perpetual Care Pproject	(9,968)	(6,168)	(6,341)	(6,518)	(6,701)	(6,888)	(7,081)	(7,280)	(7,483)	(7,693)	(7,908)	(70,061)	
	Total Proposed Contributions (Withdrawals)	(14,950)	(9,368)	85	115	118	120	122	125	127	130	132	(8,293)	
TOTAL RESERVE FUND BALANCE AT YEAR-END		15,049	5,681	5,766	5,881	5,999	6,119	6,241	6,366	6,493	6,623	6,756	6,756	

Note: Basic Perpetual Care is \$4M; New Control Systems is \$2M per year. Inflation of 2.8% is added starting in 2012. Pan Am Site Remediation includes balance of \$1M Engineering study (\$237K+ \$763 is assumed to be funded from Beare Road Trust)

Appendix 6 (cont'd)

2012 Reserve / Reserve Fund Review

Waste Management Reserve Fund

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2011	Proposed Cash Flows \$000s											
			2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012 - 2021 Total	
XR1404 Waste Management Reserve Fund	Beginning Balance (Jan. 1)	56,665	19,967	24,950	34,107	32,768	8,193	44,953	49,369	66,451	74,208	72,881	19,967	
	Interst Earned	→ 200	200	374	682	655	164	899	987	1,329	1,484	1,458	8,233	
	Contributions (Withdrawals) Operating	23,039	18,964	19,300	7,497	(10,727)	47,121	9,211	22,256	12,073	3,189	38,506	167,390	
	Green Lane Development	(6,627)											-	
	Transfers (to) from Green Lane Operating	2,449	1,789	(3,500)	(4,000)	(4,500)	(5,500)	(5,500)	(5,500)	(5,500)	(6,000)	(6,500)	(44,711)	
	Funding of Pre-2008 Capital Projects		(4,711)										(4,711)	
	Funding of Transfer Station Capital	(8,771)	(7,256)	(6,032)	(5,518)	(10,004)	(5,025)							(33,835)
	Funding of Collection Yard Capital	(3,600)												-
	Funding of Disco SSO Facility	(42,990)	(3,562)											(3,562)
	Revenue Services Billing System	(198)	(441)	(985)				(194)	(661)	(145)				(2,426)
	Total Proposed Contributions (Withdrawals)	(36,698)	4,983	9,157	(1,339)	(24,575)	36,760	4,416	17,082	7,757	(1,327)	33,463	86,377	
TOTAL RESERVE FUND BALANCE AT YEAR-END		19,967	24,950	34,107	32,768	8,193	44,953	49,369	66,451	74,208	72,881	106,344	106,344	