

## Appendix 3

### Summary of 2012 Recommended Service Changes



# 2012 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	NON-LEVY CITY OPERATIONS Solid Waste Management Services				Recommended Adjustments			2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)
		Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions	2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)			
<b>2012 Recommended Base Budget Before Service Change:</b>										
Z1	1	352,212.4	340,966.1	11,246.3	1,378.2	(238.5)		4,229.0		
<b>Contract Out - 50% of Litter Vacuuming Services</b>										
Service / Activity: Collection / N/A										
Description:										
Contracting-out 50% of the City of Toronto Litter Vacuuming Services will result in savings of \$0.134 million from the 2011 Budget of \$0.668 million or an overall estimated savings of approximately 20%. This would reduce the SWMS fleet of litter vacuums and associated costs including eliminating 17 seasonal positions (equivalent to 10 FTE) effective April 2012.										
Service Level Change:										
No service level change.										
ADMIN: Recommended										
<b>Eliminate Collection of Overflow Recycling</b>										
Z3	1	(133.5)	0.0	(133.5)	(10.0)	0.0		0.0		
Service / Activity: Collection / N/A										
Description:										
The elimination of curbside residential collection of overflow recycling (i.e. when bags are placed on top of bins) will eliminate the need for staff to remove excess recycling first before the bin can be emptied using the automated lift. In addition, it will eliminate the need to have an extra chaser truck and staff to pick up the excess recycling after the initial bin pick-up. There will be three less positions required to operate the chaser truck to collect overflow recycling.										
Service Level Change:										
Currently, overflow recycling for is placed on or beside the bin for pick-up and staff are notified to pick up the overflow recycling. Customers will now have to request to upsize their bin (free of charge) or store the excess recycling until the next scheduled pick-up, as overflow recycling will not be collected.										
ADMIN: Recommended										
		(500.0)	0.0	(500.0)	(3.0)	0.0		0.0		

**Category Legend - Type**  
 Z1 - Base Efficiency Change  
 Z2 - Base Revenue Change  
 Z3 - Minor Service Level Change  
 Z4 - Major Service Level Change



# 2012 Operating Budget - Recommended Service Change Summary of Administrative Review

## NON-LEVY CITY OPERATIONS Solid Waste Management Services

TYPE	PRIORITY	Service / Activity: Program Support / N/A	Recommended Adjustments				2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)	
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions			
Z1	2	<b>Contract Out Grass Cutting</b> Service / Activity: Program Support / N/A <b>Description:</b> It is proposed to transfer grass cutting services delivered by SWMS to Facilities. This will result in a savings in staff and salaries for SWMS which will be offset by a corresponding IDC from Facilities (an increased recovery for Facilities from SWMS). This service will be contracted-out by Facilities and would require a Service Level Agreement between Facilities and SWMS to finalize the transfer. <b>Service Level Change:</b> No service level change. <b>ADMIN:</b> Recommended	(62.4)	0.0	(62.4)	(2.0)	0.0	0.0	
Z1	3	<b>Contract Out - Curbside Collection for District 2</b> Service / Activity: Collection / N/A <b>Description:</b> As approved by Council on Oct., 24, 2011, Daytime Residential Curbside Collection in District 2 will be contracted out commencing in August 2012. The area of residential curbside collection that will be contracted-out is bounded by Yonge Street to the east, the Humber River to the west, Steeles Avenue to the north and Lake Ontario to the south. There are approximately 165,000 homes in District 2 which will have their curbside collection picked-up by GFL Corp. SWMS will also require a restructuring of the Collections Service as follows: The service efficiency will result in a net reduction of 222 positions. As part of the contracting out planning process, SWMS has also identified a further 23 positions that are related to City-Wide services that will remain within Solid Waste Management and will not be contracted out. SWMS will redeploy permanent employees in District 2 to the other Districts and/or other Services within SWMS. As a result, seasonal jobs would no longer be available and temporary staff will be reduced. The 2011 Approved Budget for District 2 - Curbside Collection is \$27.7 million. The new contract has a cost of \$18.8 million annually, net of HST recoveries to provide curbside collection in District 2. After ancillary savings such as Contribution to Fleet Reserves and one-time proceeds from the sale of fleet assets and ancillary costs such as contract administration, this contracting out is estimated to save approximately \$11.1 million or 30% (on annual basis). The savings over the 7-year term of the contract is approximately \$78.4 million. <b>Service Level Change:</b> No service level change. <b>ADMIN:</b> Recommended	(62.4)	0.0	(62.4)	(2.0)	0.0	0.0	0.0
			(6,124.9)	0.0	(6,124.9)	(222.1)	(5,046.6)	0.0	

**Category Legend - Type**  
 Z1 - Base Efficiency Change  
 Z2 - Base Revenue Change  
 Z3 - Minor Service Level Change  
 Z4 - Major Service Level Change





# 2012 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	NON-LEVY CITY OPERATIONS Solid Waste Management Services	Recommended Adjustments					2014 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions	2013 Net Incremental Outlook (\$000s)	
Z2	3	<b>Structural Rate Change - Multi-Residential Curbside Customers</b>	0.0	3,722.5	(3,722.5)	0.0	0.0	0.0
Service / Activity: Program Support / N/A								
Description:								

This New Rate Structure for owners/property management that receive static (multi-residential centrally collected curbside) collection services will amend the approved 2011 Static Rate Structure. Under the current rate structure, customers are billed based on the number of bins and number of residential units. Under the new rate structure, the total amount billed will be based on waste volume which is similar to large bulk multi-residential accounts. Each unit will be allocated a base volume of 1.917 cubic yards per year. Excess volume above the base volume will be charged an uncompacted rate of \$13.27 per cubic yard and an annual rebate of \$185.00 per unit will be issued.

The intended results are to adequately charge for the costs of providing waste management services for this customer group and to make the rate structure equitable with the approved 2011 Multi-Residential Front-End Rate (Bulk) Structure. This will prevent inconsistencies in the number of garbage bins owners are providing to residents who must share garbage capacity, prevent contamination of recycling set out for collection and prevent potential use of private contractors as well as City collection which is inconsistent with the intent of the existing rate structure.

**Service Level Change:**  
No service level change. It is expected that residents will continue to have adequate capacity for waste generation needs. However, if a location does not currently provide a sufficient number of bins for the estimated volume from all units, it will be the responsibility of the owner/property management to purchase additional bins.  
ADMIN: Recommended

Z3	3	<b>Reduce Environment Days from 44 Days to 11 Days</b>	0.0	3,722.5	(3,722.5)	0.0	0.0	0.0
Service / Activity: MULTIPLE / N/A								
Description:								

Currently, Solid Waste Management Services, together with Toronto Water, conducts 44 Environment Days per year (1 per ward) and are hosted by City of Toronto Councillors. They provide an opportunity for City of Toronto residents to drop off their recyclables and durable goods. Residents may also purchase recycling containers, water efficiency kits, composters and rain barrels. The events are often used as a form of public education and promotion of City initiatives.

**Service Level Change:**  
Residents will have the opportunity to participate in 11 Environment days which is 33 less days than presently provided. Residents may have to travel further or may wait longer for an environment day but every effort will be made to distribute the days evenly across the City.  
ADMIN: Recommended

(151.4)	(29.0)	(122.4)	(1.4)	0.0	0.0
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**Category Legend - Type**  
 Z1 - Base Efficiency Change  
 Z2 - Base Revamp Change  
 Z3 - Minor Structural Change  
 Z4 - Major Structural Change



## 2012 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	NON-LEVY CITY OPERATIONS Solid Waste Management Services		Recommended Adjustments				2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)
				Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
Z2	4	<b>Eliminate Free Waste Tags</b>		(593.0)	700.0	(1,293.0)	(0.5)	0.0	0.0
(SW-Z2MR04)		Service / Activity: Program Support / N/A							
		<b>Description:</b>		SWMS would discontinue the annual distribution of 4 free waste tags. Toronto residents would be required to pay for the additional costs of any waste above and beyond their bin size through the purchase of waste tags.					
				The proposal will generate \$1.293 million in savings. SWMS would reduce costs by \$0.593 million by eliminating the production and distribution of the waste tags. SWMS would also raise an additional \$0.700 million in revenue annually from the sale of tags to cover the cost of collecting and disposing of the additional residential waste.					
		<b>Service Level Change:</b>		SWMS currently distributes 4 free waste tags to Toronto residents to be used whenever their waste exceeds their normal bin size at any time of the year. Under this proposal Toronto residents will no longer be provided 4 free tags. Residents would be required to purchase overflow garbage tags as needed for \$3.10 each from an authorized City of Toronto distributor.					
		<b>ADMIN:</b> Recommended							
Z1	9	<b>SWM Management and Operational Efficiency Study</b>		(2,592.7)	0.0	(2,592.7)	(32.0)	(373.7)	0.0
(SW-Z1ME09)		Service / Activity: MULTIPLE / N/A							
		<b>Description:</b>		As part of the Service Efficiency Study conducted by Ernst & Young in 2011, three separate initiatives totaling \$2.593 million and 32 positions were recommended for 2012.					
				(Please see Confidential 2012 Recommended Service Changes under separate cover)					
		<b>Service Level Change:</b>		No Service Level Change					
		<b>ADMIN:</b> Recommended							
<b>Total Recommended Service Level Reductions:</b>				(10,158.0)	4,393.5	(14,551.5)	(271.0)	(5,420.3)	0.0
<b>Total Recommended Base Budget:</b>				342,054.4	345,359.6	(3,305.2)	1,107.2	(5,658.8)	4,229.0

**Category Legend - Type**  
 Z1 - Base Eff Change  
 Z2 - Base Rev Change  
 Z3 - Minor Service Level Change  
 Z4 - Major Service Level Change

**Appendix 4**  
**Summary of 2012 Recommended New/Enhanced Service Priority**  
**Actions**





## 2012 Operating Budget - Recommended New and Enhanced Services Summary of Administrative Review

TYPE	PRIORITY	Recommended Adjustments				2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)
		Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
N4	1	<b>NON-LEVY CITY OPERATIONS Solid Waste Management Services</b>					
		<b>Premium Fee for Organics Collection Twice per Week</b>					
		Service / Activity: Collection / N/A					
		Description:					
		The Toronto Restaurant Association advised that their members who's organic volumes did not warrant a 6 days/week commercial organic collection service be reduced to a 2 day/week commercial organic collection service either all year or seasonally during the summer months. The current service level only offers one choice being 6 collections per week. As a result					
		Current fee is \$1,600/yr for 6 collections (includes 1 free of charge)					
		New fee is \$320/yr for 2 collections (1 is free of charge).					
		Service Level Change:					
		New organics collection service option for restaurants will provide collection 2 days per week.					
		ADMIN: Recommended					
		0.0	6.4	(6.4)	0.0	0.0	0.0
		<b>Weightscale Services- Private Haulers</b>					
		Service / Activity: Transfer / N/A					
		Description:					
		Providing weightscale services to the public will generate revenue of \$2000 per year. This service is currently not available for private haulers. Transfer Stations currently have operating capacity to provide this new service which is also available to private haulers on Provincial Highways. It is anticipated that the revenue will be generated from an estimated annual demand of 200 private haulers being charged \$10 per load.					
		Service Level Change:					
		New service with fee of \$10/load will provide additional weigh scale services to private haulers.					
		ADMIN: Recommended					
		0.0	2.0	(2.0)	0.0	0.0	0.0

N4 1

(SW-N050)

N4 1

(SW-N049)

### Category Legend - Type

- N1 - Enhanced Services - Operating Impact of 2010 Capital
- N2 - Enhanced Services - Service Expansion
- N3 - New Service - Operating Impact of 2010 Capital
- N4 - New Services
- N5 - New Revenues



## 2012 Operating Budget - Recommended New and Enhanced Services Summary of Administrative Review

TYPE	PRIORITY	Recommended Adjustments				2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)
		Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
<b>NON-LEVY CITY OPERATIONS</b>							
<b>Solid Waste Management Services</b>							
<b>N4</b>	<b>3</b>	<b>139.0</b>	<b>30.0</b>	<b>109.0</b>	<b>0.0</b>	<b>109.0</b>	<b>0.0</b>
<b>70% Diversion: Blue Box - Mixed Rigid Plastic Packaging</b>							
<i>(SW-N043)</i>							
Service / Activity: Processing / N/A							
<b>Description:</b>							
Expanding blue box materials to include Mixed Rigid Plastic Packaging #1-7 for single stream recycling, will divert approximately 500 tonnes of plastic material and generate additional \$30,000 of recycling revenue per year. The general public already is under the assumption this material is recyclable and this initiative will help to align public behaviour with what will be accepted for single stream recycling. In addition, there will be less contamination of the single stream recycling process and increased diversion.							
<b>Service Level Change:</b>							
Thermofom plastics (Mixed Rigid Plastic Packaging #1-7) are not currently part of the designated materials for recycling. This material will now be accepted in the single stream recycling stream.							
<b>ADMIN:</b> Recommended							
		139.0	30.0	109.0	0.0	109.0	0.0
<b>N5</b>	<b>4</b>	<b>0.0</b>	<b>80.0</b>	<b>(80.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>(SW-N044)</i>							
User Fee: Residue Haulage							
Service / Activity: Transfer / N/A							
<b>Description:</b>							
Solid Waste Management Services Haulage Operations will now transport residual waste for a fee from the contracted recycling facility to the City Transfer Station for final disposal. It is estimated that this fee will generate revenue of \$400. per day for the 4 operating days per week at the recycling facility or \$0.080 million per year.							
This activity can be conducted utilizing existing on-site staff and haulage equipment (use of an existing shunt truck) and residual haulage trailer provided by Verspeeten Carriage (the existing contracted hauler of residual waste from the City Transfer Stations to Green Lane Landfill).							
<b>Service Level Change:</b>							
Solid Waste will now haul residual waste from the contracted recycling facility to the adjacent transfer station 4 days per week, 52 weeks per year.							
<b>ADMIN:</b> Recommended							
		0.0	80.0	(80.0)	0.0	0.0	0.0

**Category Legend - Type**

- N1 - Enhanced Services - Operating Impact of 2010 Capital
- N2 - Enhanced Services - Service Expansion
- N3 - New Service - Operating Impact of 2010 Capital
- N4 - New Services
- N5 - New Revenues





## 2012 Operating Budget - Recommended New and Enhanced Services Summary of Administrative Review

TYPE	PRIORITY	Recommended Adjustments				2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)	
		Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions			
<b>NON-LEVY CITY OPERATIONS Solid Waste Management Services</b>								
N5	5	<b>Waste Fees: Charities, Institutions &amp; Religious Organizations</b>						
		Service / Activity: Transfer / N/A						
		Description:						
		Implementation of a volume based rate for Charities, Institutions and Religious Organizations (CIRO) effective July 1, 2012. This is based on a full cost recovery model. Implementation of waste fees will generate \$2.9 million per year to recover the cost of waste collection and disposal. Currently, CIRO's receive curbside or bulk waste collection and disposal at transfer stations free of charge. The new fees will be set at the standard commercial rates for volume based bulk front-end loaded collection or yellow bag collection.						
		SWMS would conduct public consultation to ensure that the concerns of CIRO's are considered where these organizations can provide input and participate in the development of the policy and rate structure to be implemented.						
		Service Level Change:						
		CIROs will pay for waste collection and disposal at the City's transfer stations. These fees will be phased in over a 3-year period starting in July 2012.						
		ADMIN: Recommended						
N2	6	<b>Perpetual Care Contributions - Pay as You Go</b>						
		Service / Activity: Program Support / N/A						
		Description:						
		The Perpetual Care Reserve Fund will require approximately \$6.2 million per year to fund a "pay as you go" operating model to fund the requirements in the Recommended 10-Year Capital Plan. Annual contributions to this reserve have averaged approximately \$3.8 million per year and therefore will require an increase in the amount contributed to the Perpetual Care Reserve Fund of \$2.361 million, to total the reach the required amount of \$6.2 million.						
		The increase in contribution is in response to a recent recommendation by the Auditor General (January 17, 2011 report of the Auditor General's Office entitled "Review of the Management and Funding for the Inactive Landfill Sites") requesting that the funding of the Perpetual Care Reserve fund be reviewed to ensure that the City can meet the funding requirements for future years.						
		Service Level Change:						
		Increased funding to the Perpetual Care Reserve Fund to ensure an adequate balance exists to fund perpetual care expenditures for old landfills.						
		ADMIN: Recommended						
		100.0	358.0	(258.0)	0.0	(1,074.1)	(716.1)	
		2,360.7	0.0	2,360.7	0.0	0.0	0.0	
		2,360.7	0.0	2,360.7	0.0	0.0	0.0	

### Category Legend - Type

- N1 - Enhanced Services - Operating Impact of 2010 Capital
- N2 - Enhanced Services - Service Expansion
- N3 - New Service - Operating Impact of 2010 Capital
- N4 - New Services
- N5 - New Revenues



## 2012 Operating Budget - Recommended New and Enhanced Services Summary of Administrative Review

TYPE	PRIORITY	Recommended Adjustments				2013 Net Incremental Outlook (\$000s)	2014 Net Incremental Outlook (\$000s)
		Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
<b>NON-LEVY CITY OPERATIONS</b>							
<b>Solid Waste Management Services</b>							
N4	8	1,182.0	0.0	1,182.0	0.0	0.0	

**Reduce Gapping from 3.5% to 2.0%**  
 (SW-N048)  
 Service / Activity: MULTIPLE / N/A

**Description:**  
 A lower budgeted gapping rate for Solid Waste Management Services from 3.5% to 2% in 2012 is required to reflect actual experience. Where employees are absent due to illness, leave, and/or injury, they must be replaced with either temporary or re-assigned staff. As a result, SWMS has been historically unable to achieve gapping of 3.5%.

**Service Level Change:**  
 No service level change.

**ADMIN:** Recommended

**Total Recommended New/Enhanced:    3,781.7    476.4    3,305.3    0.0    (965.1)    (716.1)**

- Category Legend - Type**
- N1 - Enhanced Services - Operating Impact of 2010 Capital
  - N2 - Enhanced Services - Service Expansion
  - N3 - New Service - Operating Impact of 2010 Capital
  - N4 - New Services
  - N5 - New Revenues