

A panoramic view of the Toronto skyline, including the CN Tower, seen from a distance across a large green park with a baseball field in the foreground. The sky is clear and blue.

CITY OF TORONTO

Solid Waste Management Services

2012 Recommended Operating & Capital Budget & 2013 – 2021 Capital Plan

November 10, 2011

Agenda

1. Program Overview
2. 2011 Service Performance
3. 2012 Residential Solid Waste Rates and Other User Fees
4. 2012 Recommended Operating Budget
5. 2012 Service Levels
6. 2012 Recommended Capital Budget and Plan

Program Overview

Program Mission

Mission Statement:

To be a leader in providing innovative waste management services to residents, businesses and visitors within the City of Toronto in an efficient, effective and courteous manner, creating environmental sustainability, promoting diversion and maintaining a clean city

Key Strategic Directions:

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

Service Delivery

Solid Waste Management Services is responsible for:

- Managing approximately 1 million tonnes of waste annually;
- Collecting, transfer, process and dispose of municipal waste;
- Managing waste diversion programs;
- Managing household hazardous waste programs;
- Providing transfer station loading services to private sector customers and the Regional Municipality of Peel;
- Disposal services to York Region, City of Guelph, City of St. Thomas and other municipalities in the vicinity of Green Lane;
- Collecting litter from public right-of-ways;
- Maintaining over 6000 litter/recycling bins; and
- Funding the perpetual care of 161 closed landfill sites.

SWMS – Customer/Client Base

Serve approximately 1 million units

- 445,000 single unit homes
- 422,000 multi-unit homes
- 20,000 small commercial
- 6,000 litter/recycle bins / 1,000 Special Events Per Year
- City Agencies, Boards, Commissions & Divisions
- Private commercial and industrial waste accepted at transfer stations and Landfill

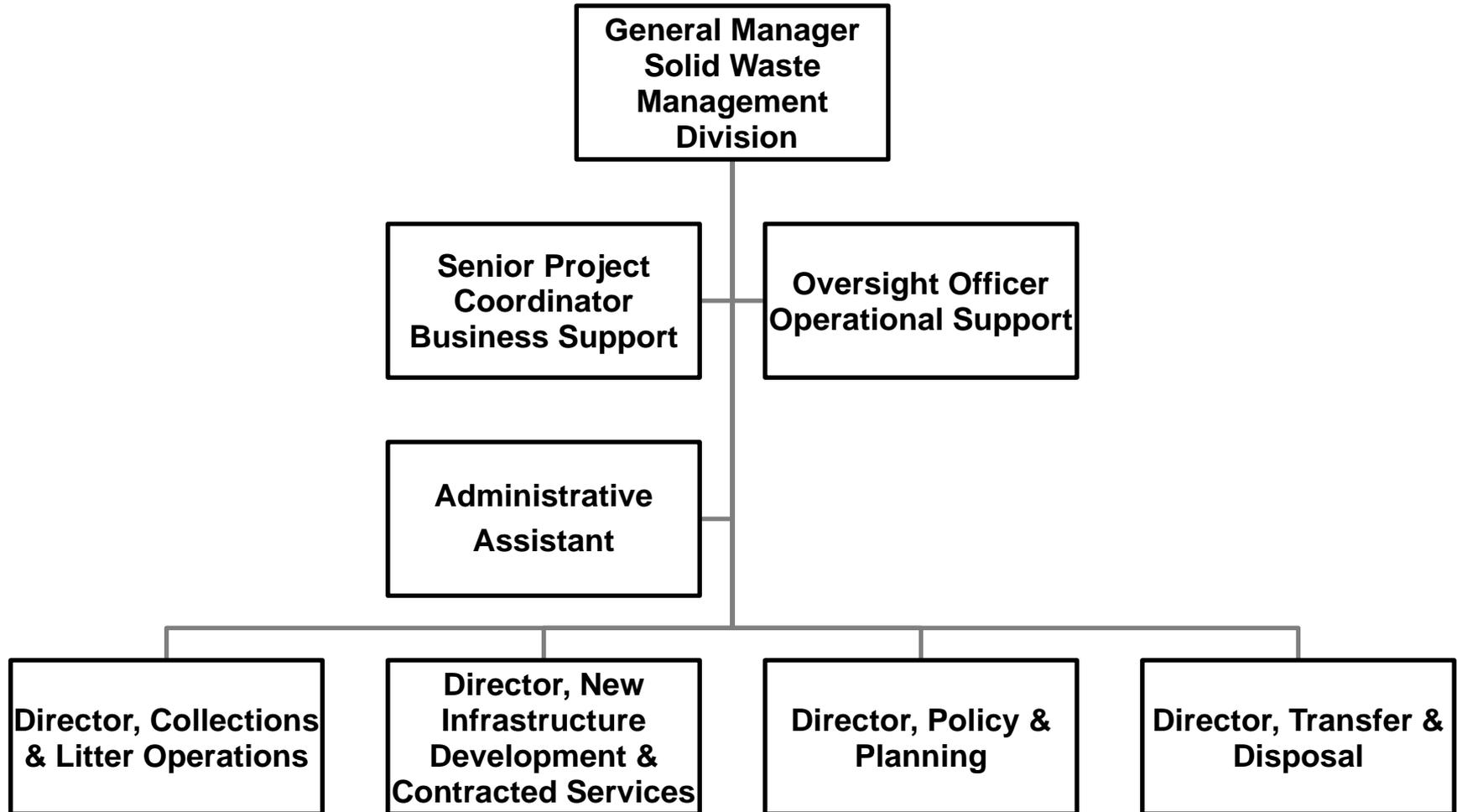


Solid Waste Management Services - Assets

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



Organizational Structure



2011 Service Performance

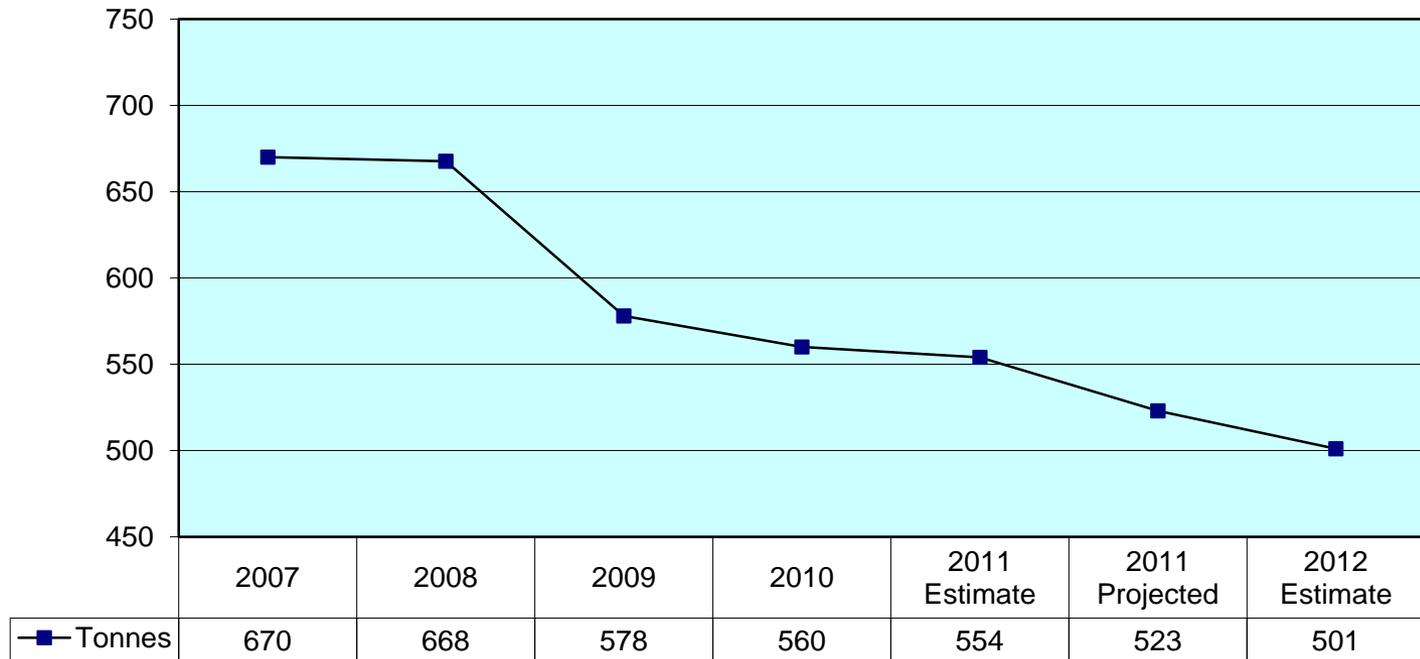
2011 Key Accomplishments

- Increased the residential diversion from 47% to 48%
 - 63% single-family and 22% multi-residential
 - Participation: 94% blue bin & 87% in green bin
 - 50% reduction in plastic retail bags in Toronto
 - Reduced residual waste to Landfill by 50% since 2001
- Awarded the Contracting out of daytime residential curbside collection in the area west of Yonge (August 2012)
- Awarded the Contracting out of an additional 17 Litter Vacuuming Units (April 2012)
- Awarded a Request for Proposal to contract with a Material Recovery Facility vendor to process up to 140,000 tonnes per year of single stream material
- Completed the construction of a Leaf & Yard waste receiving and transfer facility adjacent to the Bermondsey Transfer Station.

2011 Key Accomplishments

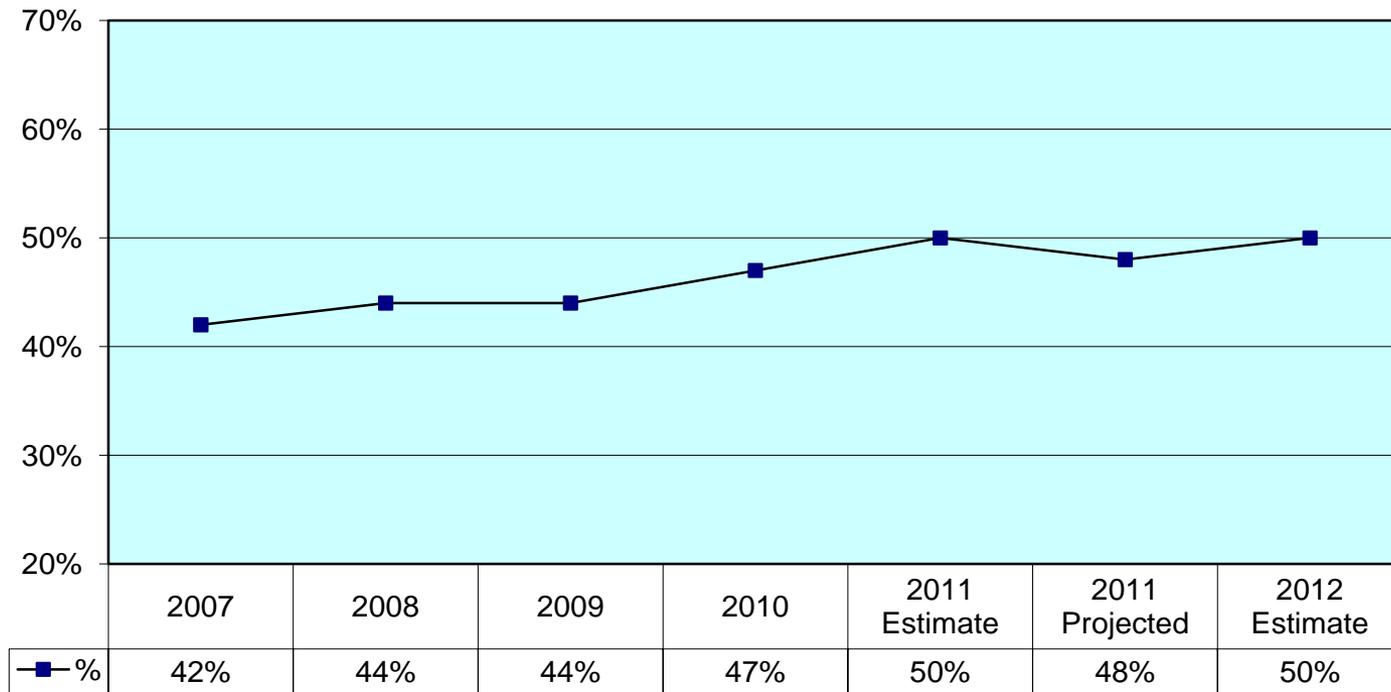
- Completed renovations at Bermondsey Transfer Station. Construction of the sprinkler system on the tipping floor and relocation of a refuse compactor at Bermondsey expected to be completed by year end;
- Completed major tipping floor repairs and upgrades to the floor slabs at Scarborough Transfer Station;
- Completed Ingram Collection Yard renovations and repairs; and
- Completed Bermondsey Collection Yard renovations including:
 - improvements to the fleet maintenance garage areas
 - a new high bay lifting crane equipment
 - automated truck washing system
 - paving improvements
 - electrical power, lighting and security infrastructure improvements

Performance Measures – Tonnes of Waste Disposed



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

Performance Measures – Residential Waste Diversion Rate (%)

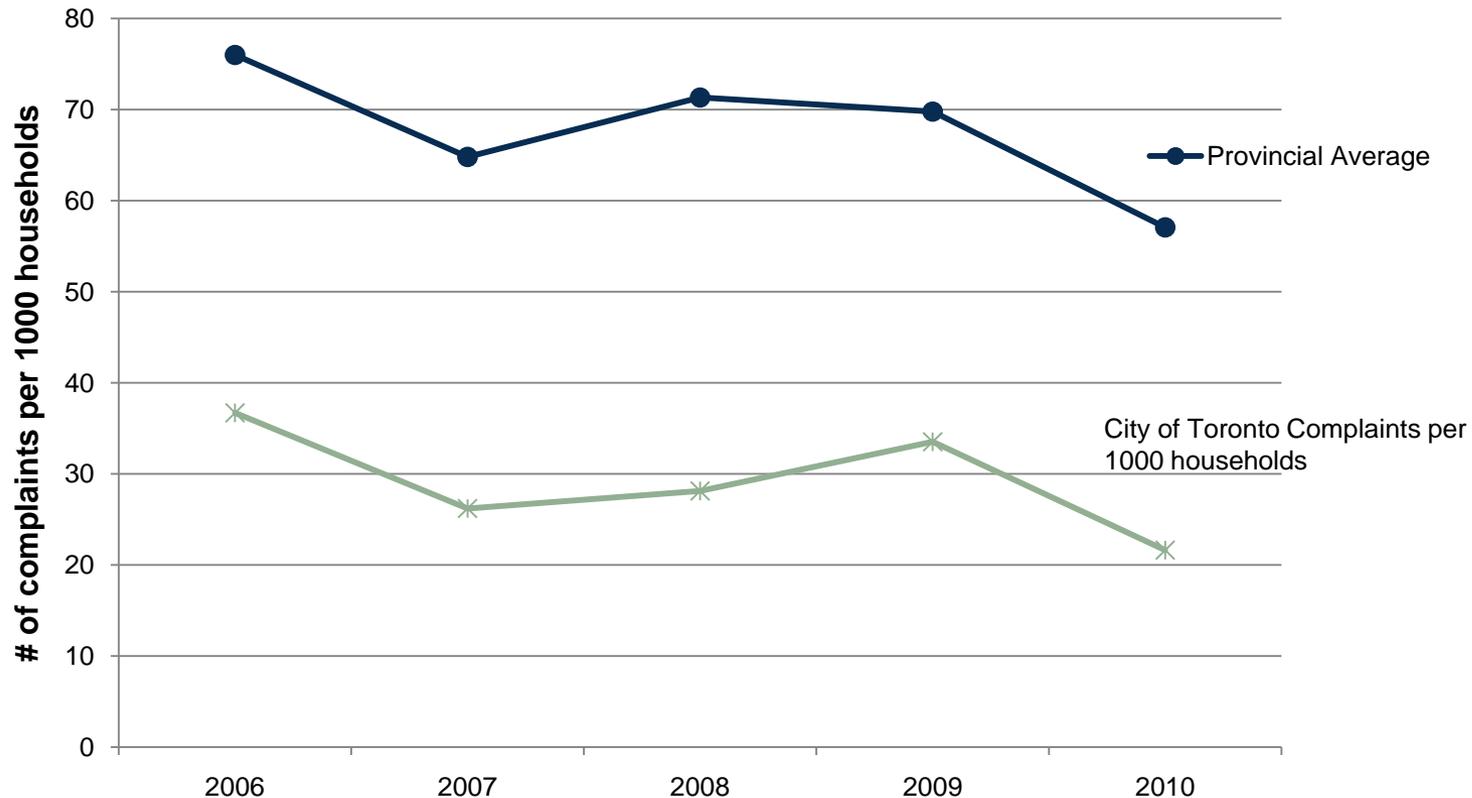


Target 70 - Diversion Projections

	2008 Actual	2009 Actual	2010 Actual	2011 Forecast	2012 Estimate
Single-Unit Homes	59%	60%	63%	63%	63%
Multi-Unit Residences	15%	16%	18%	22%	25%
City Facilities / Public Space	43%	46%	47%	48%	48%
Over-All	44%	44%	47%	48%	50%

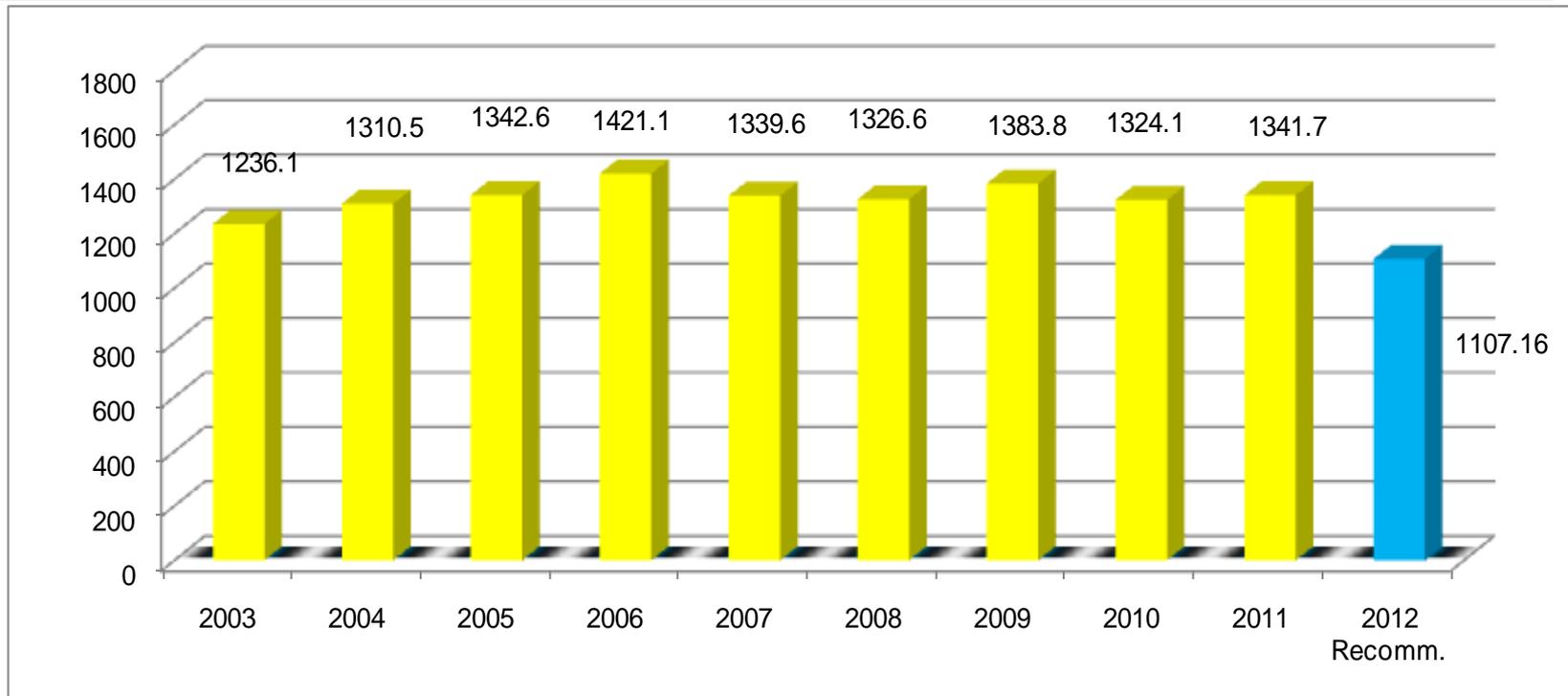
Target 70 diversion plans extends the life of Green Lane Landfill to the Year 2036

Performance Measures – Number of Complaints



The number of complaints in the City of Toronto has been steadily declining over the last few years which is in line with the Provincial trend.

Staffing Trend: 2003 – 2012 Recommended



Key Points:

- Year 2004: Increase to 24 hour Operations at all Transfer Stations & start of the SSO (Green Bin) Program
- Year 2004 – 2006: Continued roll-out of the SSO Program
- Year 2006 -2007: Restructuring of Program Support, Communications, IT, Finance & Administration
- Year 2011: Increase of 56 FTEs related to the transfer of the waste & recyclable collection in City parks from Parks & Recreation.
- Year 2012: Contracting Out plus Service Efficiency Study Recommendations – 234 FTEs

2012 Residential Rates & Other User Fees

Residential Rate increase of 0 percent

Resulting from:

- Contracting out curbside collection for District 2 and Litter Vacuuming
- Core service review conducted by KPMG
- Service efficiency studies conducted by Ernst & Young
- Review of existing User Fees
- Management initiatives related to continuous improvement and efficiencies

Recommended Residential Volume-Based Rates

Single-Unit Residential – No change

Multi-Unit Residential Front-End Bulk Collection – No change

Multi-Unit Residential – Curbside Collection

- A structural rate fix for the Multi-Residential Curbside customers to mirror front-end bulk collection
- Structure flaw: 60% of customer receive credit balances

The majority of residential customers will not have a rate increase in 2012

Recommended 2012 Residential Solid Waste Fees

Based on a 0% SWM rate increase:

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

Multi-Residential Bulk Collection Fees			
Fee Structure	Bin Fee	Rebate	Net Cost
Small Bin - Base Fee	\$191.30	\$185.00	\$6.30
Fee for excess waste: un-compacted per yd3	\$26.55		\$26.55
Fee for excess waste: compacted per yd3	\$13.27		\$13.27

Residential Units Above Commercial (RUAC)					
Bin Size	Bin Fee		Rebate	Net Cost	
	Bi-weekly	Weekly		Bi-Weekly	Weekly
Small Bin	\$221.16	\$271.93	\$224	\$2.84 Credit	\$47.93
Medium Bin	\$271.93	\$369.31	\$224	\$47.93	\$145.31
Large Bin	\$369.31	\$523.68	\$224	\$145.31	\$299.68
Extra Large Bin	\$428.36	\$841.73	\$224	\$204.36	\$617.73

Residential Bag Tag at Retailers: \$3.10

Recommended 2012 Residential Solid Waste Fees

Rate Structure Change:

Multi-Residential - Curbside(Subscription) - Old Structure		
Collection Frequency	Annual Rate (per bin/year)	Annual Rebate (per unit/year)
Bi-weekly	\$ 428.36	\$ 157.00
Weekly	\$ 718.44	\$ 157.00
Twice Weekly	\$ 1,300.68	\$ 157.00

Multi-Residential Curbside customers will be converted to a rate that mirrors multi-residential bulk collection fees:

Multi-Residential - Curbside (Subscription)			
Fee Structure	Bin Fee	Rebate	Net Cost
Base Fee including Base Volume Allowance	\$191.30	\$185.00	\$6.30
Fee for excess waste: un-compacted per yd ³	\$26.55		\$26.55
Fee for excess waste: compacted per yd ³	\$13.27		\$13.27

This increase represents 1.5 % of the total Volume Based User Fees.

Other User Fees

- Expand the Commercial Rate to Non-Residential customer such as: hospitals, libraries, places of worship, properties which provides community support services, profit and non-profit nursing/retirement homes and charitable organizations phased in over 4 years;
- Charge Tipping fee for charitable organizations to increase diversion phased over 4 years;
- Rate Structure amendment to capitalize on diversion opportunities for Commercial, Agencies, Boards, Commissions, Departments, and School Board Front-End Bulk Collection to be based on a linear cubic yard basis;
- Twice Weekly Premium Organics service to better meet the needs of the Greater Toronto Restaurant Association; and
- A load weighing fee to allow private haulers to weigh their load for their own information at Solid Waste Management Service Transfer Stations;

Non-Residential User Fees

Recommended rates are the same as existing Commercial Fees. All rates are effective July 1, 2012 and will be phased in over 4 years.

Curbside annually per bin

Bi-Weekly	\$403.00
Weekly	\$806.00
Twice Weekly	\$1,612.00
Yellow bag fee per bag	\$3.10

Front-End Collection per lift per yd³

Un-compacted (per yd ³)	\$11.09
Compacted (per yd ³)	\$22.18

Curbside Premium Organics Collections

Frequency 2X/week per year	\$320.00
Frequency 5X/week per year	\$1,200.00
Frequency 6X/week per year	\$1,600.00

Non-Residential Tipping Fees

Recommended rates are the same as existing Tipping Fees:

Tip Fees at City Transfer Stations

Waste Loads Fee per tonne	\$100.00
Recyclable Material Loads Fee per tonne	\$75.00
Tire loads Stations Tip Fee per tonne	\$150.00

Agencies, Boards, Commissions, Departments and School Board Rates

- For both the ABCDs and the School Boards, the rate structure for bulk (front end) collection will be modified to a rate per cubic yard for actual lifts and volume collected

ABCDs:

Un-compacted Rate (per yd ³)	\$ 5.55
Compacted Rate (per yd ³)	\$11.10

School Boards:

Un-compacted Rate (per yd ³)	\$ 6.65
Compacted Rate (per yd ³)	\$13.30

- Provides more accurate billing information and allows customers to see immediate benefits when their diversion rates increase.

2012 Recommended Operating Budget

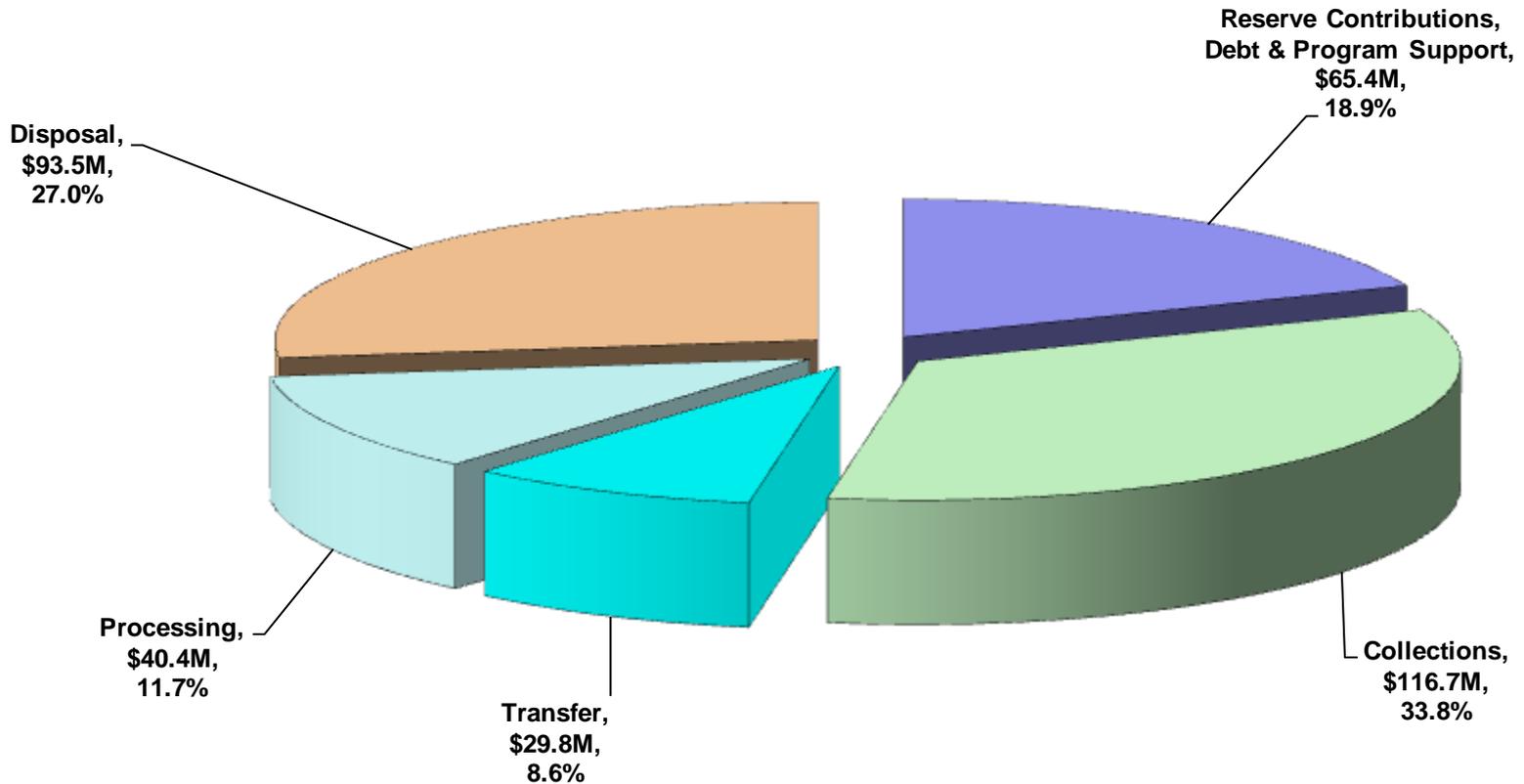
2012 Recommended Operating Budget Overview

- Target 70
 - Continuation of the Target 70 with a 0 percent rate increase
- Contracting Out included in 2012 Budget
 - Litter Vacuum to 50% (April 2012)
 - Residential Curbside Collection District 2 (August 2012)
- Core Service Review
 - Elimination of (4) free garbage tags
 - Outsourcing of grass cutting
 - Expansion of drop and load service
 - Re-affirmation goals towards Target 70
- Service Efficiencies Study
 - Elimination of the collection of overflow recycling
 - Revenue generation opportunities from Non-Residential customers
 - Optimization curbside collection routes
 - Optimization traffic flow between Transfer Stations
 - Implementation of City-Wide Environment Days

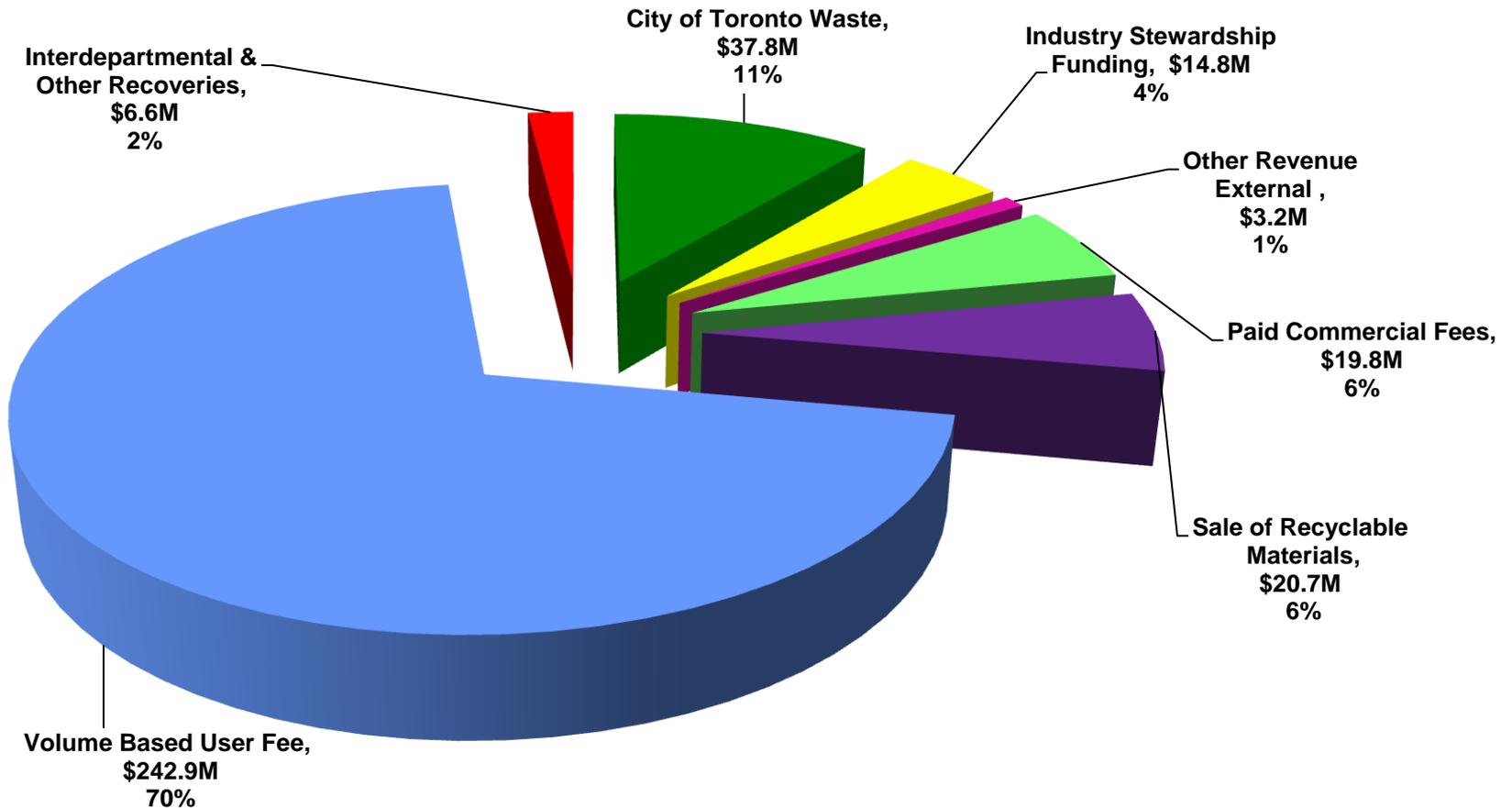
2012 Recommended Operating Budget (How the 0% increase was achieved)

		<i>Net Expenditure</i>	<i>% of Rate Increase/ (Decrease)</i>
2011 Approved Budget		\$0.00	
Base Changes:	Salaries & Benefits -Min. Of Settlement/Benefits/Leap Year	\$3.86	
	Economic Factors - Non-Payroll Expenditures	\$1.95	
	Operations - Volume Changes/User Fees/Other	(\$3.05)	
	Debt Charges	(\$4.25)	
	Contribution to SWM Reserve	\$14.17	
2012 Recommended Base Prior to Service Options		\$12.68	5.28%
Service Efficiencies:	Service Efficiencies	(\$4.08)	
	Contract Out - Curbside Collection District 2	(\$6.12)	
	Contract Out - Litter Vacuuming	(\$0.13)	
2012 Recommended Base After Accepted Service Options		\$2.33	0.97%
Minor Service Level:	Eliminate Collection of Overflow Recycling	(\$0.50)	
	Reduce Environment Days to 11 City Wide	(\$0.12)	
2012 Recommended Base with Service Reductions		\$1.71	0.71%
User Fees:	Residue Haulage	(\$0.08)	
	Structural Rate Change - Multi Residential - Curbside	(\$3.72)	
	Cost Recovery Option - Eliminate 4 Free Waste Tags	(\$1.29)	
	Tipping Fees: Non-Residential	(\$0.26)	
	Weight Load Fee	(\$0.00)	
	Premium Organics - Twice Weekly	(\$0.01)	
2012 Recommended Base with User Fees		(\$3.65)	-1.52%
New Services:	Reduce Gapping rate from 3.3% to 2%	\$1.18	
	Blue Box New Materials - Mixed Rigid Plastic Packaging	\$0.11	
	Perpetual Care Contribution - Pay as You Go	\$2.36	
2012 Recommended Operating Budget		\$0.00	0.00%

2012 Recommended Gross Operating Expenditure by Service (\$345.8 M)



2012 Revenue Sources (\$345.8M)



2012 Service Levels

2012 Recommended Service Change Summary

Description	FTE	Gross Expense	Net Expense	Target
	#	\$000's	\$000's	%
Base Expenditure Changes				
1) Interruption of Recycling Processing Contract		(\$2,505.90)	(\$304.30)	0.10%
2) Line by Expenditure Line Reductions Based on Actual Experience		(\$1,479.90)	(\$1,479.90)	0.50%
3) Fleet Fuel Reduction		(\$815.90)	(\$815.90)	0.30%
Service Efficiencies				
1) Contract Out - Litter Vacuuming	(10.00)	(\$133.50)	(\$133.50)	0.00%
2) Contract Out - Curbside Collection for District 2	(222.10)	(\$6,124.90)	(\$6,124.90)	2.00%
3) SWM Management and Operational Efficiency Study	(32.00)	(\$2,592.70)	(\$2,592.70)	0.90%
4) Reduced Grass Cutting Cost from Facilities	(2.00)	(\$62.40)	(\$62.40)	0.00%
Revenue Adjustments:				
1) Structural Rate Change - Static Fee Customers			(\$3,722.50)	1.20%
2) Core Service Review: Eliminate Free Waste Tags	(0.50)	(\$593.00)	(\$1,293.00)	0.40%
Minor Service Impact:				
1) Eliminate Collection of Overflow Recycling	(3.00)	(\$500.00)	(\$500.00)	0.20%
2) Core Service Review: Reduce Environment Days from 44 to 11	(1.40)	(\$151.40)	(\$122.40)	0.00%
Major Service Impact:				
NONE				
Total New Fees		\$100.00	(\$346.40)	0.10%
Total Base Budget, Service Changes & New Fees	(271.00)	(\$14,859.80)	(\$17,498.00)	5.90%

2012 New Services & User Fees

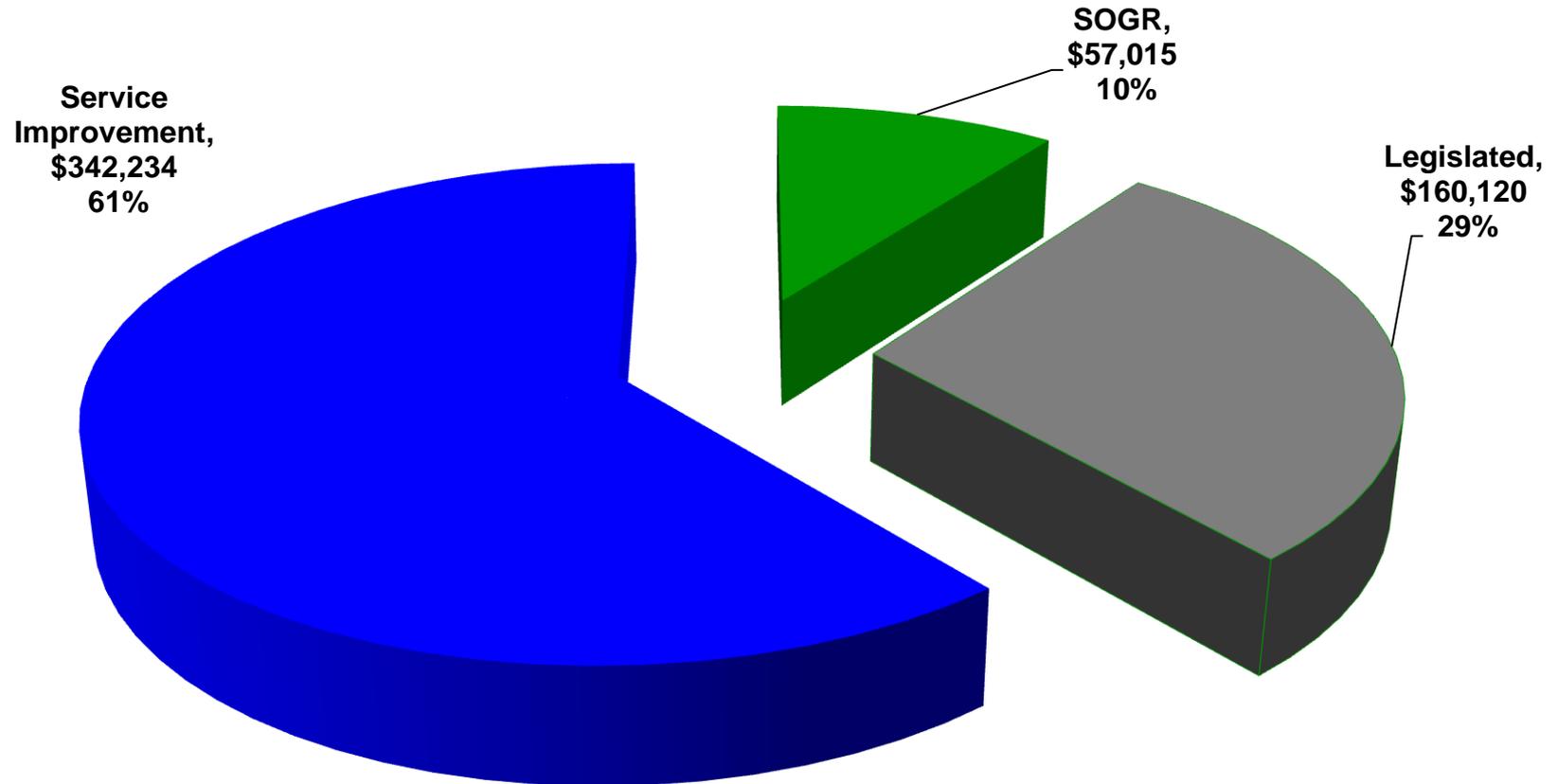
Description	2012 Recommended		
	Gross Exp.	Net Exp.	New Positions
	\$000's	\$000's	#
Enhanced Services:			
Perpetual Care Contributions - Pay as You Go	2,360.7	2,360.7	
70% Diversion: Blue Box - Mixed Rigid Plastic Packaging	139.0	109.0	
Reduce Gapping from 3.5% to 2.0%	1,182.0	1,182.0	
Sub-Total Enhanced Services	3,681.8	3,651.8	-
New Services:			
New Fees			
Premium Fee for Commercial Organics Collection		(6.4)	
Weighscale Services- Private Haulers		(2.0)	
User Fee: Residue Haulage		(80.0)	
Waste Fees: Non-Residential	100.0	(258.0)	
Sub-Total New Services	100.0	(346.4)	-
Total Enhanced/New Services	3,781.8	3,305.4	-

2012 Recommended Capital Budget 2013 – 2021 Capital Plan

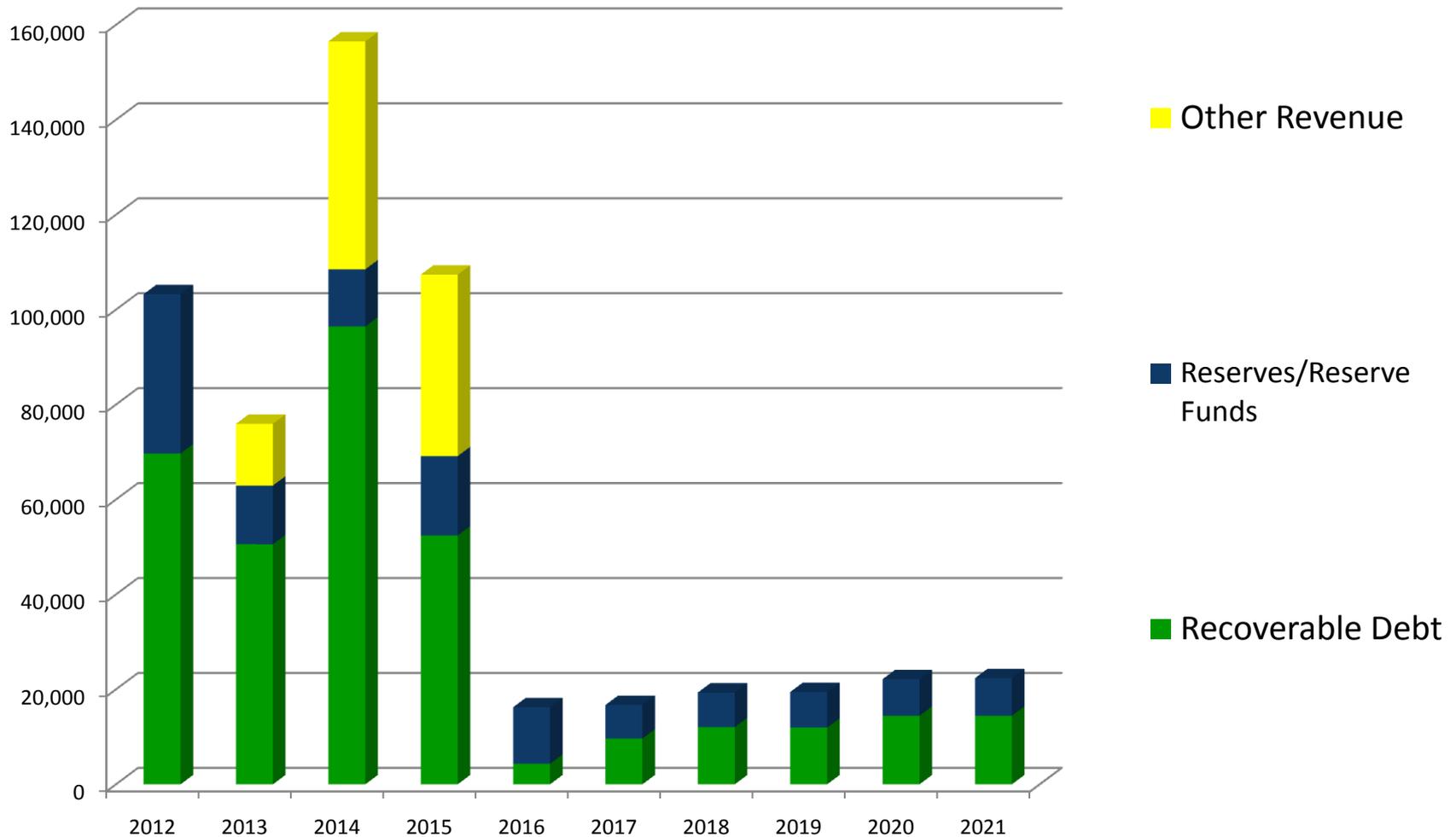
New Infrastructure to Support Waste Diversion & Green Lane Landfill (2012 – 2021)

- New Diversion Facilities
 - Green Bin processing at the Disco Transfer Station (\$37.2M)
 - Biogas Composting Facility adjacent to the Green Lane Landfill (\$200 M)
 - Household durable goods reuse and recycling centres (\$22.2M)
 - Upgrade Dufferin SSO processing facility (\$26.0M)
 - Retrofitting and upgrading Dufferin Material Recycling Facility (\$19.4M)
- Green Landfill infrastructure improvements
 - New cell development (\$35M)
 - Leachate system upgrades (\$7.4M)
 - Landfill gas recovery systems (\$5.7M)
 - Buffer Land Acquisition (\$15M)

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

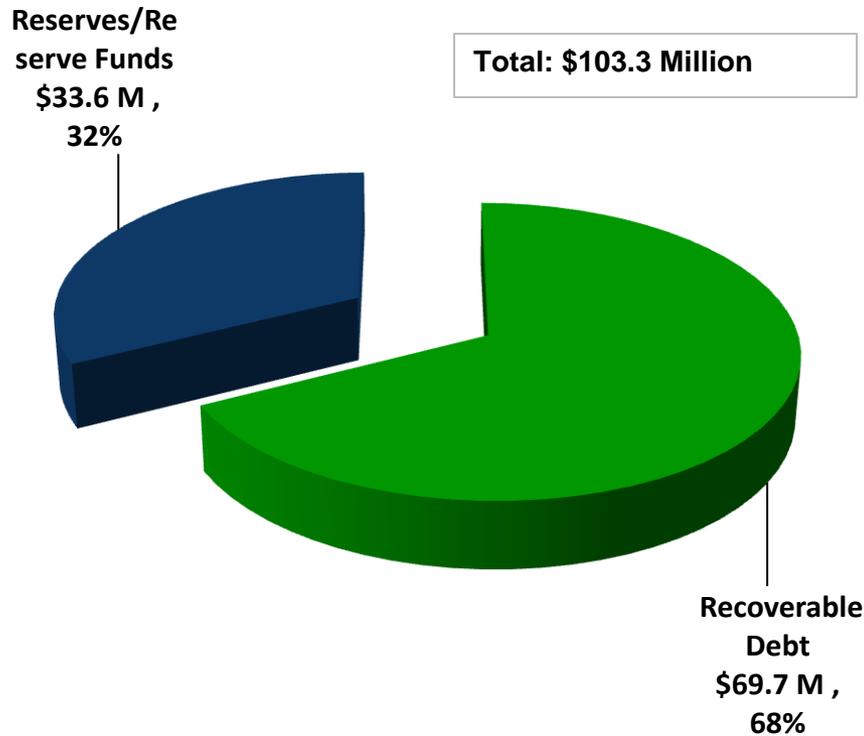


2012 -2021 Capital Plan by Funding Source (\$000s)

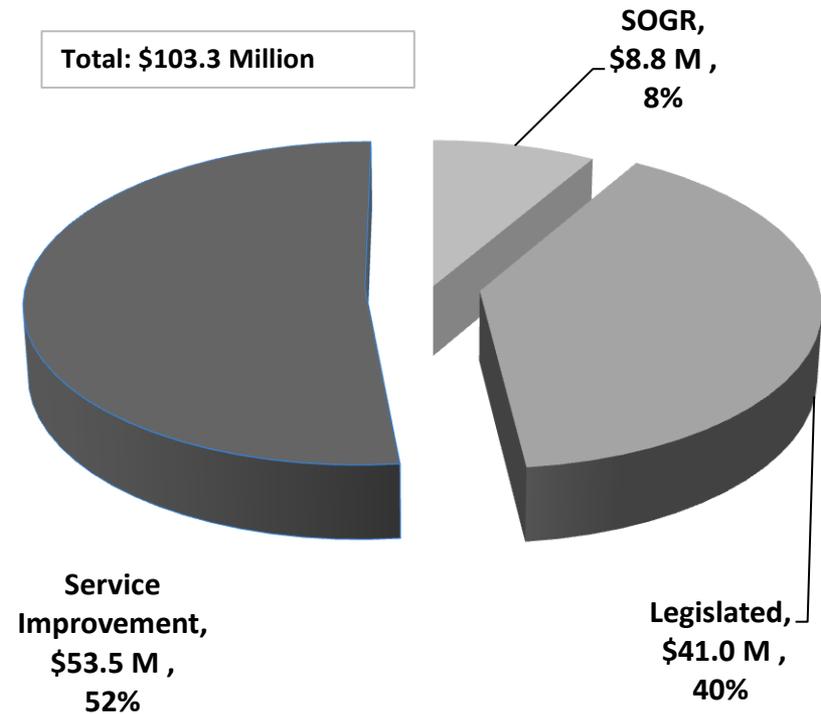


2012 Capital Budget by Project Category & Funding Source

2012 Capital Budget by Funding Source
(in Millions)



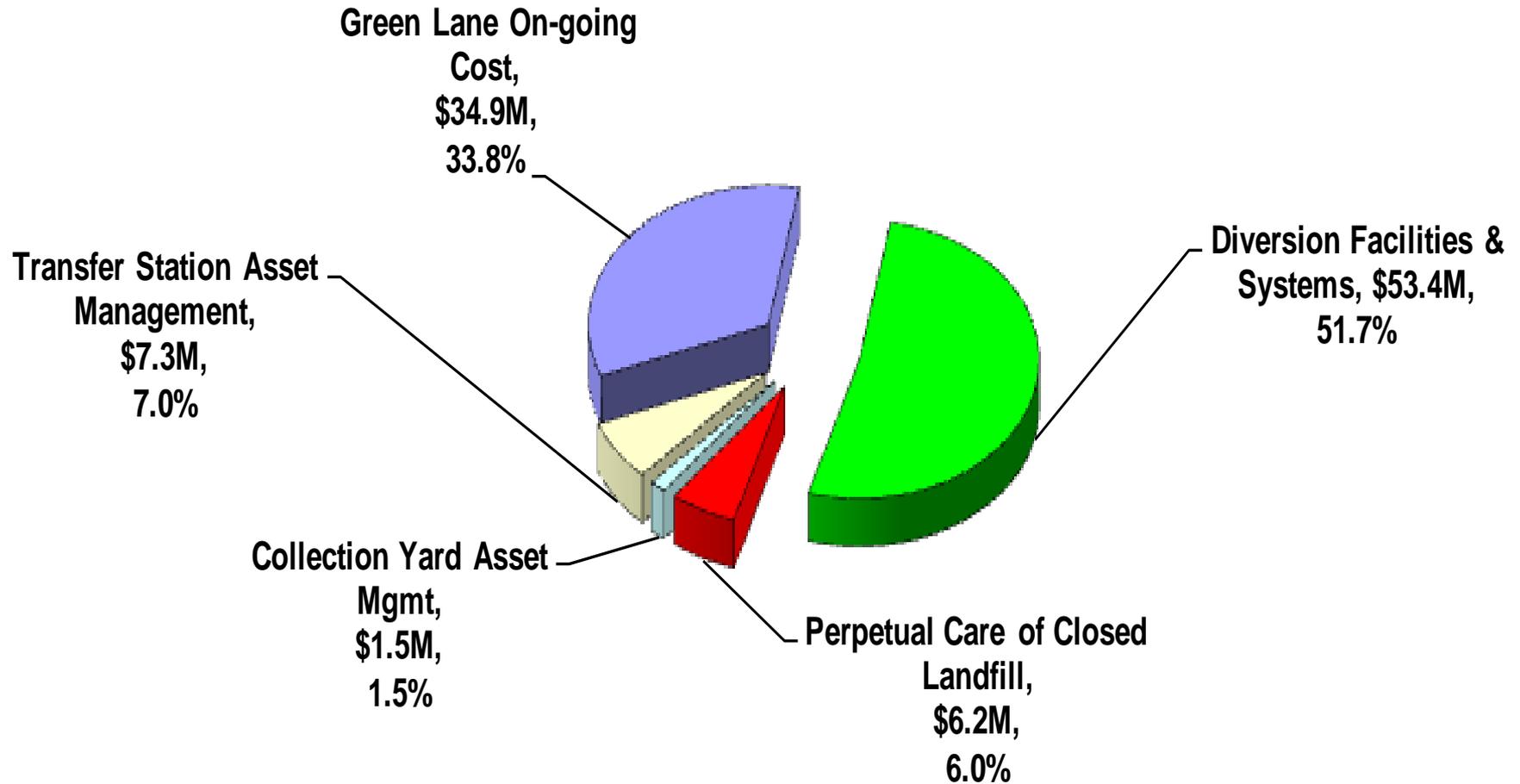
2012 Capital Budget by Project Category
(in Millions)



■ Recoverable Debt ■ Reserves/Reserve Funds

■ SOGR ■ Legislated ■ Service Improvement

Summary of 2012 Recommended Cash Flow by Project (\$103.3M)



2012 Capital Budget Budget

Preliminary 2012 Cash flow: \$103.3M

State of Good Repair:

- Transfer Station Asset Management: \$7.3M
- Collection Yard Asset Management: \$1.5M

Legislated:

- Perpetual Care of Closed Landfills: \$6.2M
- Green Lane Landfill: \$34.9M

Service Improvement:

- Diversion Facilities: \$48.9M
- Diversion Systems: \$4.1 M
- IT Strategic Plan: \$0.4M

