

WRAP-UP NOTES TO BUDGET COMMITTEE (November 13, 2015)
2016 Recommended Operating Budget
Rate Supported Programs and Agencies
Summary of Budget Review Process
(\$000s)



RE: BU14.1, BU14.2

PART I : RECOMMENDED FINANCIAL ADJUSTMENTS						
	Approved Position (Operating)	2016 Operating Budget (\$000s)			2016 (\$000s)	2017 (\$000s)
		Gross	Revenue	Net	Net	Net
2016 Staff Rec'd Operating Budget - Solid Waste Management as at November 3, 2015	1,108.7	389,009.4	389,009.4		4,677.7	2,968.5
2016 Staff Rec'd Operating Budget - Toronto Parking Authority as at November 3, 2015	302.4	84,742.6	136,988.4	(52,245.8)	(1,905.8)	(1,466.9)
2016 Staff Rec'd Operating Budget - Toronto Water as at November 3, 2015	1,756.7	1,158,478.6	1,158,478.6		16,918.8	12,184.6

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Budget Committee – November 13, 2015

PART II : REQUESTED REPORTS AND BRIEFING NOTES

Agenda Item / Report Name	Requested Actions	Status / Response	Action Requested
BU13.3			
Toronto Parking Authority Operating Briefing Note #1	A briefing note entitled " <i>Review of On-Street Parking Revenue</i> " prepared by Toronto Parking Authority was distributed on November 6 for the Budget Committee Meeting on November 13, 2015.	This briefing note provides a comprehensive description of the recent performance of the on street parking program (single space meters and pay-and-display machines) to describe that revenue- producing hours available at paid parking locations have been reduced since 2013, due to temporary and permanent removal of parking spaces, non-revenue users and peak period extensions, thus resulting in flat or slightly declining revenues over the past two years, in spite of increased utilization or higher rates at the remaining spaces. The Briefing Note also identifies initiatives that are underway to mitigate the revenue pressures such as on-street rate changes and adding additional spaces.	Receive for Information

Budget Committee – November 13, 2015

PART III : MOTIONS

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

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Budget Committee – November 13, 2015

PART IV: REFERRALS AND REPORTS FOR CONSIDERATION

Agenda Item / Report Name	Requested Action	Status / Response	Action Requested															
BU13.1																		
Budget Committee Item (BU13.1a) Letter Toronto Water	The letter dated June 17, 2015 from the Public Works and Infrastructure Committee, entitled "2016 Service Level Review - Public Works and Infrastructure Committee Programs", forwards the presentation (June 17, 2015) from the General Manager, Toronto Water – "2016 Service Level Review" to the Budget Committee, the City Manager and the Deputy City Manager and Chief Financial Officer, for consideration as part of the 2016 Budget Process.	The Public Works Committee referred all presentation to the Budget Committee.	Receive for information															
Budget Committee Item (BU13.1) Staff Recommended 2016 Rate Supported Budgets – Toronto Water Operating Analyst Notes	The City Manager and Chief Financial Officer recommend that: <ol style="list-style-type: none"> 1. City Council approve the 2016 Recommended Operating Budget for Toronto Water of \$439.489 million gross, and \$718.990 million net in capital-from-current contribution for the following services: <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Gross</u> (\$000s)</th> <th style="text-align: center;"><u>Net</u> (\$000s)</th> </tr> </thead> <tbody> <tr> <td>Water Treatment & Supply:</td> <td style="text-align: right;">194,207.50</td> <td style="text-align: right;">317,985.80</td> </tr> <tr> <td>Wastewater Collection & Treatment:</td> <td style="text-align: right;">221,935.80</td> <td style="text-align: right;">420,795.20</td> </tr> <tr> <td>Stormwater Management:</td> <td style="text-align: right;"><u>23,345.60</u></td> <td style="text-align: right;"><u>(19,791.30)</u></td> </tr> <tr> <td>Total Program Budget</td> <td style="text-align: right;"><u>439,488.80</u></td> <td style="text-align: right;"><u>718,989.80</u></td> </tr> </tbody> </table> 2. City Council approve the 2016 recommended service levels for Toronto Water as outlined on pages 15,18 and 20 of this report, and associated staff complement of 1,756.65 positions. 3. This report be considered concurrently with the 2016 Water and Wastewater Consumption Rates and Service Fees Report from the Deputy City Manager and Chief Financial Officer and General Manager for Toronto Water. 		<u>Gross</u> (\$000s)	<u>Net</u> (\$000s)	Water Treatment & Supply:	194,207.50	317,985.80	Wastewater Collection & Treatment:	221,935.80	420,795.20	Stormwater Management:	<u>23,345.60</u>	<u>(19,791.30)</u>	Total Program Budget	<u>439,488.80</u>	<u>718,989.80</u>	The Operating Analysts' Notes for Toronto Water present the 2016 Staff Recommended Operating Budget and reflect Budget Committee's decisions up to and including its meeting of November 6, 2015.	Defer to the November 24, 2015 Budget Committee Meeting
	<u>Gross</u> (\$000s)	<u>Net</u> (\$000s)																
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Budget Committee – November 13, 2015

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<p>Budget Committee Item (BU13.1)</p> <p>Staff Recommended 2016 Rate Supported Budgets – Toronto Water</p> <p>Rate Report</p>	<p>The City Manager, the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water recommend that:</p> <p>1. Council adopt:</p> <p style="padding-left: 20px;">a. Effective January 1, 2016, the combined water and wastewater consumption rates charged to metered consumers as shown below and in Appendix B attached to this report;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Annual Consumption</th> <th style="width: 20%;">Paid on or before the due date, \$/m3</th> <th style="width: 20%;">Paid after the due date, \$/m3</th> </tr> </thead> <tbody> <tr> <td>Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")</td> <td style="text-align: center;">3.4500</td> <td style="text-align: center;">3.6316</td> </tr> <tr> <td>Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30% reduction from the Block 1 Rate ("Block 2 rate')</td> <td style="text-align: center;">2.4149</td> <td style="text-align: center;">2.5419</td> </tr> </tbody> </table> <p style="padding-left: 20px;">b. Effective January 1, 2016, an increase of 8% to the water and wastewater consumption rates charged to flat rate consumers, as set out in Appendix B attached to this report;</p> <p style="padding-left: 20px;">c. Effective January 1, 2016, the water and wastewater service fees, as set out in Appendix C attached to this report;</p> <p style="padding-left: 20px;">d. Effective April 1, 2016, wastewater services fees Ref. No 1.1, 1.2, 1.3 and 1.4 as shown below and in Appendix C attached to this report;</p>	Annual Consumption	Paid on or before the due date, \$/m3	Paid after the due date, \$/m3	Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")	3.4500	3.6316	Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30% reduction from the Block 1 Rate ("Block 2 rate')	2.4149	2.5419	<p>This report presents the recommended 2016 water and wastewater consumption rates and service fees and reflects Budget Committee's decisions up to and including its meeting of November 6, 2015.</p>	<p>Defer to the November 24, 2015 Budget Committee Meeting</p>
Annual Consumption	Paid on or before the due date, \$/m3	Paid after the due date, \$/m3										
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Budget Committee – November 13, 2015

PART IV: REFERRALS AND REPORTS FOR CONSIDERATION

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Budget Committee Item (BU13.1) Staff Recommended 2016 Rate Supported Budgets – Toronto Water Rate Report (Con't)	Ref. No.	Fee Description	Fee basis	Proposed 2016 fee		
	1.1	Industrial Waste Surcharge - Biochemical Oxygen Demand (BOD) or Phenolics (4AAP)	Per Kilogram	\$0.64		
	1.2	Industrial Waste Surcharge - Total Suspended Solids (TSS)	Per Kilogram	\$0.70		
	1.3	Industrial Waste Surcharge - Total Phosphorus (TP)	Per Kilogram	\$2.24		
	1.4	Industrial Waste Surcharge - Total Kjeldahl Nitrogen (TKN)	Per Kilogram	\$1.43		
	<p>e. Effective January 1, 2016, the water rebate for eligible low-income seniors and low-income disabled persons be set at a rate of \$1.035 /m3, representing a 30% reduction from the Block 1 rate (paid on or before the due date).</p> <p>2. Council authorize that effective January 1, 2016 the Block 2 process use rate for eligible properties in the industrial property tax class be applicable to volume of water consumed over 5,000 cubic metres per year (m3/year), and as such, that the eligibility criteria for the Block 2 rate be changed to require that an eligible customer must have an annual consumption of over 5,000 m3/year instead of 6,000 m3/year.</p> <p>3. Council authorize that the necessary amendments be made</p>					

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Budget Committee Item (BU13.1) Staff Recommended 2016 Rate Supported Budgets – Toronto Water Rate Report (Con't)	<p>to Municipal Code Chapter 441 - Fees and Charges, Municipal Code, Chapter 849 - Water and Sewage Services and Utility Bill, and Municipal Code Chapter 681- Sewers, and any other necessary Municipal Code Chapters as may be required, to give effect to these Recommendations.</p> <p>4. Council grant authority to the City Solicitor to introduce any necessary Bills required to implement these recommendations, subject to any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Deputy City Manager & Chief Financial Officer and General Manager, Toronto Water.</p> <p>5. The appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.</p>		
BU13.2			
Budget Committee Item (BU13.2a) Letter Solid Waste Management Services	<p>The letter dated June 17, 2015 from the Public Works and Infrastructure Committee, entitled " <i>2016 Service Level Review - Public Works and Infrastructure Committee Programs</i>", forwards the presentation (June 17, 2015) from the General Manager, Solid Waste Management Services – "<i>2016 Service Level Review</i>" to the Budget Committee, the City Manager and the Deputy City Manager and Chief Financial Officer, for consideration as part of the 2016 Budget Process.</p>	<p>The Public Works Committee referred all presentation to the Budget Committee.</p>	<p>Receive for information</p>

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<p>Budget Committee Item (BU13.2)</p> <p>Staff Recommended 2016 Rate Supported Budgets – Solid Waste Management Services</p> <p>Operating Analyst Notes</p>	<p>The City Manager and Chief Financial Officer recommend that:</p> <ol style="list-style-type: none"> City Council approve the 2016 Recommended Operating Budget for Solid Waste Management Services of \$389.009 million gross, \$0 million net for the following services: <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Service:</u></th> <th style="text-align: right;"><u>Gross</u> <u>(\$000s)</u></th> <th style="text-align: right;"><u>Net</u> <u>(\$000s)</u></th> </tr> </thead> <tbody> <tr> <td>City Beautification</td> <td style="text-align: right;">33,659.30</td> <td style="text-align: right;">32,304.40</td> </tr> <tr> <td>Solid Waste Collection & Transfer</td> <td style="text-align: right;">114,651.80</td> <td style="text-align: right;">(172,002.60)</td> </tr> <tr> <td>Solid Waste Processing & Transport</td> <td style="text-align: right;">128,968.40</td> <td style="text-align: right;">78,037.50</td> </tr> <tr> <td>Residual Management</td> <td style="text-align: right;">105,542.90</td> <td style="text-align: right;">55,474.70</td> </tr> <tr> <td>Solid Waste Education & Enforcement</td> <td style="text-align: right;"><u>6,187.00</u></td> <td style="text-align: right;"><u>6,186.00</u></td> </tr> <tr> <td>Total Program Budget</td> <td style="text-align: right;"><u>389,009.40</u></td> <td style="text-align: right;"><u>0.00</u></td> </tr> </tbody> </table> <ol style="list-style-type: none"> City Council approve the 2016 recommended service levels for Solid Waste Management Services as outlined on pages 14, 17, 20, 23, and 26 of this report, and associated staff complement of 1,108.74 positions. City Council approve the 2016 recommended new user fees, recommended technical adjustments to user fees, recommended market rate user fee changes, recommended rationalized user fees, and other fee changes above the inflationary adjusted rate for Solid Waste Management Services identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 “Fees and Charges”. City Council request the General Manager, Solid Waste Management Services consult with the Financial Planning 	<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>	City Beautification	33,659.30	32,304.40	Solid Waste Collection & Transfer	114,651.80	(172,002.60)	Solid Waste Processing & Transport	128,968.40	78,037.50	Residual Management	105,542.90	55,474.70	Solid Waste Education & Enforcement	<u>6,187.00</u>	<u>6,186.00</u>	Total Program Budget	<u>389,009.40</u>	<u>0.00</u>	<p>The Operating Analysts' Notes for Solid Waste Management Services present the 2016 Staff Recommended Operating Budget and reflect Budget Committee's decisions up to and including its meeting of November 6, 2015</p>	<p>Defer to the November 24, 2015 Budget Committee Meeting</p>
<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>																						
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<p>Budget Committee Item (BU13.2)</p> <p>Staff Recommended 2016 Rate Supported Budgets – Solid Waste Management Services</p> <p>Operating Analyst Notes (Con't)</p>	<p>Division to finalize the Solid Waste Management Services performance measures prior to the 2017 Budget Process.</p> <p>5. City Council request the General Manager, Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer to report back to the Public Works and Infrastructure Committee prior to the 2017 Budget process on the results of a study regarding price hedging agreements as a means of stabilizing, directly or indirectly, Solid Waste Management Services annual revenue from the sale of its recyclable materials.</p> <p>6. This report be considered concurrently with the “Recommended 2016 Solid Waste Rates” (November, 2015) report from the Deputy City Manager and Chief Financial Officer and Acting General Manager for Solid Waste Management Services.</p> <p>7. City Council direct the City Solicitor to submit the necessary bills to City Council required to implement City Council's decision.</p>		

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<p>Budget Committee Item (BU13.2)</p> <p>Staff Recommended 2016 Rate Supported Budgets – Solid Waste Management Services</p> <p>Rate Report</p>	<p>The Acting General Manager, Solid Waste Management Services, and the Deputy City Manager & Chief Financial Officer recommend that:</p> <ol style="list-style-type: none"> 1. City Council adopt a three (3) per cent increase on all Solid Waste Rates and Fees in 2016 as set out in Appendix A to become effective on January 1, 2016; 2. City Council approve the harmonization of the Residual Management Landfill Disposal: Biosolids and Water Treatment Residue fee per tonne to the ABC&Ds Waste loads delivered directly to Transfer Stations fee per tonne and a Roll-off Services Fee as set out in Appendix A; 3. City Council consider this report concurrently with the 2016 Recommended Capital Budget, 2017-2025 Recommended Capital Plan and the 2016 Recommended Operating Budget of the SWMS Division; and 4. City Council direct the City Solicitor to submit the necessary bills to City Council required to implement the above recommendations. 	<p>This report presents the recommended 2016 Solid Waste rates and service fees and reflects Budget Committee's decisions up to and including its meeting of November 16, 2015.</p>	<p>Defer to the November 24, 2015 Budget Committee Meeting</p>

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Budget Committee – November 13, 2015

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BU13.3																		
Budget Committee Item (BU13.3) Staff Recommended 2016 Rate Supported Budgets – Toronto Parking Authority Operating Analyst Notes	<ol style="list-style-type: none"> City Council approve the 2016 Recommended Operating Budget for Toronto Parking Authority of \$84.743 million gross, (\$52,245.8) million net for the following services: <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Gross (\$000s)</th> <th style="text-align: right;">Net (\$000s)</th> </tr> </thead> <tbody> <tr> <td>Off-Street Parking</td> <td style="text-align: right;">70,179.90</td> <td style="text-align: right;">(17,637.00)</td> </tr> <tr> <td>On-Street Parking</td> <td style="text-align: right;">13,649.60</td> <td style="text-align: right;">(34,608.80)</td> </tr> <tr> <td>Bike Share</td> <td style="text-align: right;"><u>913.10</u></td> <td style="text-align: right;"><u>0.00</u></td> </tr> <tr> <td>Total Program Budget</td> <td style="text-align: right;"><u>84,742.60</u></td> <td style="text-align: right;"><u>(52,245.80)</u></td> </tr> </tbody> </table> City Council approve the 2016 recommended service levels for the Toronto Parking Authority as outlined on pages 13, 16, and 18 of this report, and associated staff complement of 302.4 positions. City Council approve the 2016 recommended maximum delegated market rate user fee change for Toronto Parking Authority identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 “Fees and Charges”. City Council direct the President of the Toronto Parking Authority and the General Manager of Transportation Services to explore opportunities to increase On-Street parking spaces in the City of Toronto. City Council direct the Deputy City Manager and Chief Financial Officer and the President of the Toronto Parking Authority to report to Budget Committee on an updated Income Sharing Renewal Agreement no later than April 		Gross (\$000s)	Net (\$000s)	Off-Street Parking	70,179.90	(17,637.00)	On-Street Parking	13,649.60	(34,608.80)	Bike Share	<u>913.10</u>	<u>0.00</u>	Total Program Budget	<u>84,742.60</u>	<u>(52,245.80)</u>	<p>The Operating Analysts' Notes for Toronto Parking Authority present the 2016 Staff Recommended Operating Budget and reflect Budget Committee's decisions up to and including its meeting of November 6, 2015.</p>	<p>Defer to the November 24, 2015 Budget Committee Meeting</p>
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Budget Committee – November 13, 2015

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Budget Committee Item (BU13.3) Staff Recommended 2016 Rate Supported Budgets – Toronto Parking Authority Operating Analyst Notes (cont')	30, 2016, and that the existing Income Sharing Agreement with the Toronto Parking Authority which expires on December 31, 2015, be extended until such time as Council considers an updated Income Sharing Agreement.		