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Mondelēz Canada Inc.
2660 Matheson Blvd. East
Mississauga, ON
L4W 5M2

T: 289-374-4000
Mondelēzinternational.com

November 22, 2015

Councillor Gary Crawford and Members of the Budget Committee,
10th Floor, West Tower,
City Hall,
100 Queen Street West,
Toronto, Ontario,
M5H 2N2

Dear Councillor Crawford and Committee Members,

Proposed modification to the effluent surcharge protocol

We are writing to express the concern of Mondelēz Canada Inc. (“Mondelēz Canada”) regarding the proposed increases to the Industrial Waste Surcharge Schedule within the City of Toronto. As a significant employer and manufacturer, we are asking that the surcharge schedule remain unchanged and that the motion by Councillor Layton to charge for all four parameters under the Sewer Surcharge Agreement be turned down.

Mondelēz Canada, an indirect subsidiary of Mondelēz International, is a leading snacks company in the country. We manufacture and market some of the country’s most recognized snacks brands like OREO, Mr. Christie, Cadbury and HALLS right here in Toronto. With 4 manufacturing facilities, we employ approximately 1100 residents and, annually, we make a significant contribution to the economy as a manufacturer and taxpayer.

Mondelēz International operates an integrated North American supply chain, and has significant manufacturing assets in Canada, the United States and Mexico. Our greatest competition is with our own supply chain network. We compete with manufacturing facilities across North America and the globe, with lower input costs and less complex operating constraints. Our facilities are continually charged with productivity challenges and pressures to better manage costs and identify efficiencies. As part of a multinational organization, decisions affecting operations can often be made far away purely on economic factors.

Industrial waste surcharge is part of the layering of costs – we manage three levels of taxes, input costs of labour, electricity, raw material, etc. The proposed increases significantly impact our annual costs and margins. **As variable costs continue to rise, it adversely affects our ability to deliver annual productivity metrics and targets, and impacts our ability to compete within our supply chain network.**

On behalf of myself and my fellow Plant Managers within the City of Toronto, thank you for the opportunity to share our concerns, and we would hope that the Budget Committee would seriously reconsider these proposed increases and changes. We would welcome any opportunity to meet with you to discuss this matter.

Sincerely,

pp. Dave Heaven
M. Palozzi

Dave Heaven (On behalf of the following Plant Managers)
Plant Manager
277 Gladstone Avenue

Peter DiPonio, Plant Manager, 370 Progress Road
Brendan Kelly, Plant Manager, 40 Bertrand Avenue
Juan Carlos Torres Rodriguez, Plant Manager, 5 Bermondsey Avenue

cc. Councillor Ana Bailão
Councillor Janet Davis
Councillor Michael Thompson

