

EX29.19

Decision Letter

Budget Committee

Meeting No.	36	Contact	Josephine Archbold, Administrator
Meeting Date	Friday, November 10, 2017	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 1, City Hall	Chair	Councillor Gary Crawford

BU36.2	ACTION	Amended		Ward:All
--------	--------	---------	--	----------

2018 Rate Supported Budgets - Solid Waste Management Services and Recommended 2018 Solid Waste Rates and Fees

Committee Decision

The Budget Committee recommends that:

Rates and Fees

1. City Council adopt the Solid Waste Management Services Rates and Fees in 2018 as set out in Appendix A to the report (October 31, 2017) from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer, to become effective on January 1, 2018.
2. City Council consider the report (October 31, 2017) from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer concurrently with the 2018 Recommended Capital Budget, 2018-2027 Recommended Capital Plan and the 2018 Recommended Operating Budget of the Solid Waste Management Services Division.
3. City Council authorize that the necessary amendments be made to Municipal Code Chapter 441 - Fees and Charges, and any other necessary Municipal Code Chapters as may be required, to give effect to these Recommendations.
4. City 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 Acting Chief Financial Officer and General Manager, Solid Waste Management Services.
5. City Council direct that all the rates, fees and charges set out in Appendices A to the report (October 31, 2017) from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer, adopted by Council in Recommendation 1 above, continue in full force and effect until such time as they are amended or repealed by Council.

Capital Budget

6. City Council approve the 2018 Recommended Capital Budget for Solid Waste Management Services with a total project cost of \$56.857 million, and 2018 cash flow of \$114.406 million and future year commitments of \$149.404 million comprised of the following:

a. New Cash Flow Funds for:

i. 36 new / change in scope sub-projects with a 2018 total project cost of \$56.857 million that requires cash flow of \$8.516 million in 2018 and future year cash flow commitments of \$9.597 million for 2019; \$15.135 million for 2020; \$5.195 million for 2021; \$4.930 million for 2022; \$3.561 million for 2023; \$3.241 million for 2024; \$3.241 million for 2025; \$0.441 million for 2026 and \$3 million for 2027;

ii. 25 previously approved sub-projects with a 2018 cash flow of \$84.285 million; and future year cash flow commitments of \$47.445 million for 2019; \$18.022 million for 2020; \$12.580 million for 2021; \$14.001 million for 2022; \$3.515 million for 2023; \$1 million for 2024; \$1million for 2025; and \$3.5 million for 2026;

b. 2017 approved cash flow for 18 previously approved sub-projects with carry forward funding from 2017 into 2018 totalling \$21.605 million.

7. City Council approve the 2019 - 2027 Recommended Capital Plan for Solid Waste Management Services totalling \$384.671 million in project estimates, comprised of \$23.792 million for 2019; \$28.801 million for 2020; \$32.442 million for 2021; \$39.853 million for 2022; \$53.918 million for 2023; \$48.932 million for 2024; \$42.128 million for 2025; \$54.237 million for 2026 and \$60.568 million in 2027.

8. City Council consider the operating costs of \$2.044 million net in 2018; \$(0.961) million net in 2019; \$0.095 million net in 2020; \$0.105 million net in 2021; \$(0.019) million net in 2022; \$(0.022) million for 2023; \$(0.026) million for 2024; \$(0.029) million for 2025; \$0.046 million for 2026 and \$0.046 million in 2027, resulting from the approval of the 2018 Recommended Capital Budget for inclusion in the 2018 and future year operating budgets.

9. City Council approve 3 new temporary capital positions for the delivery of 2018 capital projects and that the duration for each temporary position not exceed the life and funding of its respective projects / sub-projects.

10. City Council consider the 2018 - 2027 Recommended Capital Budget and Plan - Solid Waste Management Services concurrently with the report (October 31, 2017) from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer.

Operating Budget

11. City Council approve the 2018 Recommended Operating Budget for Solid Waste Management Services of \$382.163 million gross, \$23.026 million capital contribution for the following services:

<u>Service</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
City Beautification	36,590.9	34,953.3
Residual Management	79,839.4	33,793.8

Solid Waste Collection & Transfer	119,910.7	(182,211.1)
Solid Waste Education & Enforcement	6,303.8	6,299.8
Solid Waste Processing & Transport	139,518.2	84,138.4
Total Program Budget	382,163.0	(23,025.8)

12. City Council approve the 2018 service levels for Solid Waste Management Services as outlined on pages 15, 18, 21, 24, and 27 of this report, and associated staff complement of 1,116.74 positions, comprising 34.53 capital positions and 1,082.21 operating positions.
13. City Council approve the fee changes for Solid Waste Management Services identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
14. City Council consider the 2018 Recommended Operating Budget - Solid Waste Management Services concurrently with the report (October 31, 2017) from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer.
15. City Council direct that Solid Waste Management Services and the Financial Planning Division report to Budget Committee on a multi-year rate strategy for the 2019 Budget Process.

Decision Advice and Other Information

The Budget Committee requested:

1. The General Manager, Solid Waste Management Services, to report to the Executive Committee, on November 29, 2017, on options in 2018 to enhance diversion rates, especially organics and especially in multi-residential units.
2. The General Manager, Solid Waste Management Services, to report to the Budget Committee, as part of the 2019 Budget process, on an expedited process to divert organics and thus work towards our committed 70 percent diversion target.

Origin

(October 31, 2017) Report from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer

Summary

This report outlines the recommended 2018 Solid Waste Management Services Rates and Fees arising from the concurrent adoption of the 2018 Recommended Solid Waste Management Services Operating and Capital Budgets. Recommended rate and fee increases will vary based on customer group.

Table 1 highlights the recommended key Solid Waste Management Services Rates and Fees beginning January 1, 2018.

Table 1 - 2018 Recommended Rate and Fee Increases

Customer Group	% Rate Increase	Comments

Multi-Residential	1.0%	Same as 2017
Single Family & Residential Units Above Commercial	2.0%	Same as 2017
Bag Tags, Bin Purchase	2.1%	Rate of Inflation (2017 CPI)
Commercial, Divisions, Agencies and Corporations, Schools, Tipping	5.2%	Same as 2017
Blended Rate	1.9%	Lower than 2017 (2.2% blended)

The proposed blended 1.9 percent increase in Solid Waste Rates and Fees is anticipated to generate \$5.743 million in additional revenue in 2018. This recommended increase is required to fund the necessary reserve contributions that would ensure sufficient funds to implement Solid Waste Management Services' capital plan, offset inflationary costs on contracts, address escalating costs for fleet maintenance, and cover lost revenue.

The 2018 Recommended Operating Budget is \$382.163 million, an increase of \$0.501 million over 2017 or 0.1 percent, including a \$23.026 million reserve contribution, all of which is offset by total revenues of \$405.189 million. The 2018 Recommended Capital Budget is \$114.406 million, which is comprised of \$92.801 million in new 2018 funding, as well as \$21.605 million in funding carried forward from 2017 into 2018. These combined budgets reflect the cost to maintain the City Council approved service levels for Solid Waste Management Services.

A key priority for Solid Waste Management Services in 2018 is the continued implementation of the Waste Strategy, which includes making advancements in waste reduction and further diversion opportunities (funding efforts to increase the residential diversion rate from 52 percent in 2016 to 53 percent in 2018, and a target of 56 percent by 2022), as well as ensuring the long term fiscal sustainability of the Division. This is aligned with Council Strategic Action #7 (Develop a Long Term Solid Waste Management Strategy).

Given that 2018 is an election year and the first meeting of the new Council usually takes place in February of the following year, this report recommends that the rates, fees and charges adopted by City Council effective January 1, 2018 continue in full force and effect until such time as they are amended or repealed by Council.

Background Information

(October 31, 2017) Report from the General Manager, Solid Waste Management Services and the Acting Chief Financial Officer on 2018 Rate Supported Budgets - Solid Waste Management Services and Recommended 2018 Solid Waste Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108308.pdf>

Attachment 1 - Appendix A - Recommended 2018 Solid Waste Management Services Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108562.pdf>

(October 27, 2017) Public Notice - 2018 Rate Supported Budgets - Solid Waste Management Services and Recommended 2018 Solid Waste Rates

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108461.pdf>

(October 27, 2017) Public Notice - Appendix A - Recommended 2018 Solid Waste Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108449.pdf>

(November 3, 2017) 2018 Staff Recommended Capital Budget Notes - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108711.pdf>

(November 3, 2017) 2018 Staff Recommended Operating Budget Notes - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-108712.pdf>

Communications

(November 9, 2017) E-mail from Carol Minaker (BU.Supp.BU36.2.1)

Speakers

Emily Alfred, Toronto Environmental Alliance
Councillor Janet Davis