

WRAP-UP NOTES TO BUDGET COMMITTEE (February 13, 2019)
2019 Staff Recommended Operating Budget
Rate Supported Programs and Agencies
Summary of Budget Review Process
(\$000s)



RE: BU3.1, BU3.2, BU3.3

PART I: RECOMMENDED FINANCIAL ADJUSTMENTS

	Approved Positions	2019 Operating Budget (\$000s)			Incremental Increase (\$000s)	
					2020	2021
		Gross	Revenue	Net	Net	Net
2019 Staff Recommended Toronto Water Operating Budget*	1,805.6	463,869.0	1,331,236.7	(867,367.8)	(24,469.7)	(21,009.8)
2019 Staff Recommended Solid Waste Management Services Operating Budget*	1,122.8	391,620.1	411,620.2	(20,000.2)	159.3	(6,134.5)
2019 Staff Recommended Toronto Parking Authority Operating Budget	328.5	100,599.4	167,137.6	(66,538.2)	(318.4)	(661.5)
2019 Staff Recommended Rate Operating Budget: January 28, 2019	3,256.9	956,088.4	1,909,994.5	(953,906.3)	(24,628.8)	(27,805.8)
Budget Committee Program/Agency Budget Briefing: February 4-6, 2019 - No Changes						
2019 Staff Recommended Toronto Water Operating Budget	1,805.6	463,869.0	1,331,236.7	(867,367.8)	(24,469.7)	(21,009.8)
2019 Staff Recommended Solid Waste Management Services Operating Budget	1,122.8	391,620.1	411,620.2	(20,000.2)	159.3	(6,134.5)
2019 Staff Recommended Toronto Parking Authority Operating Budget	328.5	100,599.4	167,137.6	(66,538.2)	(318.4)	(661.5)
2019 Staff Recommended Rate Operating Budget: February 6, 2019	3,256.9	956,088.4	1,909,994.5	(953,906.3)	(24,628.8)	(27,805.8)

* The net revenue of \$867,367.8 thousand for Toronto Water and \$20,000.2 thousand for Solid Waste Management Services represents Capital-from-Current Contribution amount to be transferred to the respective reserve funds to fund capital projects in the 10-Year Capital Budget and Plan.

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PART I : FINANCIAL ADJUSTMENTS						
	Approved Positions	2019 Operating Budget (\$000s)			Incremental Increase	
		Gross	Revenue	Net	2020 (\$000s)	2021 (\$000s)
					Net	Net
Budget Committee - February 13, 2019						
Financial Impact related to Motions						
Toronto Water (1b)						
Change of the industrial waste surcharge program formula for the calculation of surcharge fees be applied to all treatable parameters that exceed the sewers by-law limits, instead of only the one parameter that exceeds the sewer by-law limits by the greatest amount.	0.0	0.0	203.6	(203.6)	(203.6)	(203.6)
Financial Impact related to Motions Sub-Total	0.0	0.0	203.6	(203.6)	(203.6)	(203.6)
Total Impact from Supplementary Items	0.0	0.0	203.6	(203.6)	(203.6)	(203.6)

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Budget Committee: **February 13, 2019**

PART II: REQUESTED REPORTS AND BRIEFING NOTES

Agenda Item	Requested Action	Status / Response	Action Requested
BU3.1 – Toronto Water			
<p><u>Briefing Note #29</u></p>	<p>That the General Manager, Toronto Water provide budget briefing notes on the following:</p> <ol style="list-style-type: none"> 1. <i>A list of the businesses charged under the Industrial Water Surcharge Program, and the parameters that they are exceeding to receive the surcharge.</i> 2. <i>A recommendation to move the Industrial Water Surcharge Program toward full cost recovery.</i> 	<p>A budget briefing note entitled "<i>Industrial Waste Surcharge Agreement Fee Review</i>" was distributed on Feb 12, 2019 for the Feb 13, 2019 Budget Committee meeting that provides information on the Industrial Waste Surcharge policy and previous staff recommendations regarding full cost recovery.</p> <ul style="list-style-type: none"> • Companies that exceed the wastewater sanitary concentration limits under the City's Sewers By-law for five specific and treatable parameters are given the option of entering into an Industrial Waster Surcharge Agreement (IWSA) or minimum surcharge permit with the City. Currently these companies are only charged a fee based on the highest surcharge parameter, rather than all surcharge parameters discharged in excess of the Sewers By-law limits, which does not provide for full cost recovery. • This briefing note provides a list of companies that have the Industrial Waster Surcharge Agreement with the City and all surcharge parameters discharged by those companies in excess of the Sewers By-law limits. • It also outlines the annual adjustment factors to achieve full cost recovery should these companies be charged fee for all surcharge parameters exceeding the Sewers By-law. 	<p>Receive for Information</p>

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PART II: REQUESTED REPORTS AND BRIEFING NOTES

Agenda Item	Requested Action	Status / Response	Action Requested
<p>(cont'd)</p> <p>Briefing Note #29</p>		<ul style="list-style-type: none"> The difference between the costs recovered from all active surcharge agreement holders based on the current surcharge fee structure and the cost incurred by the City for treatment is approximately \$1.221 million. Using the 6 year phase-in approach that gradually adjusts industrial waste surcharge fees, which would allow companies sufficient time to address process changes and budget for the adjustment and add \$0.204 million to Toronto Water revenues annually over that period, Toronto Water would be able to achieve full cost recovery in 2024. 	
<p>Briefing Note #30</p>	<p>That the General Manager, Toronto Water provide a budget briefing note:</p> <p><i>"That examines the options for modifying the Block 2 Water Rate to provide economic benefits for large water consumption manufacturer's and present the implications for the increase of the discount rate using a range of 1 percent to 5 percent and consider a phase-in of options over a number of years."</i></p>	<p>A budget briefing note entitled "Water Rate Structuring" was distributed on Feb 12, 2019 for the Feb 13, 2019 Budget Committee meeting that provides various Block 2 water rate decrease options that would benefit large industrial water consumers.</p> <ul style="list-style-type: none"> Depending on the option, potential benefits to the large industrial consumers can range from: <ul style="list-style-type: none"> \$7.685 million over 10 years (1% Block 2 rate reduction) \$37.263 million over 10 years (5% Block 2 rate reduction phased in equally over 2 years) \$38.616 million over 10 years (5% Block 2 rate reduction). Any decrease from the proposed Block 2 rate will result in a revenue loss to Toronto Water that will 	<p>Receive for Information</p>

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PART II: REQUESTED REPORTS AND BRIEFING NOTES			
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(cont'd) Briefing Note #30		have to be absorbed by other rate payers or be offset through reductions to Toronto Water's 10 year capital financing reserve balance of an equal amount and a corresponding reduction in the 10-year capital plan.	
BU3.3 - Toronto Parking Authority			
Briefing Note #11	That the President, Toronto Parking Authority provide a budget briefing note on the following: <i>"An explanation for the "Service and Rent" expenditure rise from \$32.8 in 2018 to \$57 million for 2019, and for why "Other Expenditures" (previously containing between \$21-23 million for 2016-2018) is currently blank"</i>	A budget briefing note entitled " <i>Changes to Service and Rent Expenditures</i> " was distributed on Feb 12, 2019 for the Feb 13, 2019 Budget Committee meeting that provides an explanation of the changes to the 'Service and Rent' and 'Other Expenditures' categories in the 2019 Staff Recommended Operating Budget for Toronto Parking Authority. <ul style="list-style-type: none"> • Prior to the 2019 Budget process, the 'Other Expenditures' category solely reflected the cost of municipal taxes incurred by the Toronto Parking Authority. • The municipal taxes expense item has been re-categorized into the appropriate expense category in Toronto Parking Authority's 2019 Staff Recommended Operating Budget. • In 2019, municipal taxes will cost the TPA \$24.434 million, which is incorporated in the \$57.026 million identified in the 'Service and Rent' expenditure category. 	Receive for Information

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PART II: REQUESTED REPORTS AND BRIEFING NOTES

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<u>Briefing Note #12</u>	<p>That the President, Toronto Parking Authority provide a budget briefing note on the following:</p> <ol style="list-style-type: none"> 1. <i>In consultation with the General Manager, Transportation Services, on the metrics of the discounts given as part of the King Street Pilot and whether these incentives continue to be necessary.</i> 2. <i>The General Manager, Transportation Services and the Chief Planner and Executive Director, City Planning on data to assist City Council with reviewing whether Toronto Parking Authority discounts are still necessary.</i> 	<p>A budget briefing note entitled "King Street Transit Pilot: Parking Discounts" was distributed on Feb 12, 2019 for the Feb 13, 2019 Budget Committee meeting that provides the financial impacts of the parking discounts in support of the King Street Transit Pilot for Toronto Parking Authority.</p> <ul style="list-style-type: none"> • As of December 31, 2018, the parking discount offered in support of the King Street Transit Pilot cost Toronto Parking Authority a total of \$509,520, with a total number of 78,868 uses in 2018. • The estimated impact in 2019 for the provision of the King Street parking discount for a six month period is approximately \$300,000. • A comprehensive evaluation report on the pilot will be submitted to the Executive Committee in March 2019, inclusive of data collected on the pilot through to December 31, 2018. <ul style="list-style-type: none"> ○ Findings from the evaluation will cover various metrics aligned with the project's three objectives: move people more efficiently on transit; support business and economic prosperity; and improve public space. 	Receive for Information

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PART III: MOTIONS			
Agenda Item	Requested Action	Status / Response	Action Requested
BU3.1 – Toronto Water			
Motion	That City Council direct that: <i>"Effective January 1, 2019, City Council approve that the industrial waste surcharge program formula for the calculation of surcharge fees be applied to all treatable parameters that exceed the sewers by-law limits, instead of only the one parameter that exceeds the sewer by-law limits by the greatest amount, allowing full cost recovery for the wastewater services provided by the City, such surcharge to be phased in over a six year period to mitigate impacts to existing companies."</i>	<ul style="list-style-type: none"> Approval of the industrial waste surcharge program formula for the calculation of surcharge fees to be applied to all treatable parameters that exceed the sewers by-law limits, will result in a revenue increase of approximately \$0.204 million per year, over a six year period, starting in 2019, for a total of approximately \$1.221 million. 	Refer to Final Wrap-up Meeting on February 20, 2019
<u>2018 Capital and Operating Budgets (EX31.2)</u>	At its meeting of February 12, 2018 In consideration of the 2018 Operating Budget for Parks, Forestry and Recreation, City Council approved the following Motion: <i>"Request the General Manager, Toronto Water bring forward for Council consideration as part of the 2019 budget process a one-time contribution of \$3 million to the Tree Canopy Reserve which would increase Toronto Water's contribution towards tree planting and maintenance from \$1.95 million to \$4.95 million to include funds for front lawn and boulevard sod repair and replacement after completion of various capital works.."</i>	<ul style="list-style-type: none"> This request was considered as new/enhanced business case during the 2019 budget process. It is not included in the 2019 Staff Recommended Operating Budget, since the Motion refers to front lawn and boulevard sod repair and replacement work that is regularly performed by Toronto Water after completion of capital projects for which no additional funding is required. 	Refer to Final Wrap-up Meeting on February 20, 2019
BU3.2 – Solid Waste Management Services			
<u>Member Motion (MM2.3)</u>	City Council on January 30 and 31, 2019, adopted the following: <i>1. City Council direct the General Manager, Solid Waste Management Services to provide each City Councillor the opportunity to host a second Community Environment Day and to undertake the administrative process of booking one additional</i>	<ul style="list-style-type: none"> At its meeting on January 31, 2019, City Council directed the Notice of Motion MM2.3 'Community Environment Days – Don't Divide 3 by 2' to be considered as part of the 2019 Budget process. 	Refer to Final Wrap-up Meeting on February 20, 2019

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PART III: MOTIONS

Agenda Item	Requested Action	Status / Response	Action Requested
<p>(cont'd)</p> <p><u>Member Motion (MM2.3)</u></p>	<p><i>Community Environment Day per Ward for Councillors who request it, in preparation for the 2019 season, with the implementation of the days pending the outcome of the 2019 Budget process.</i></p> <p><i>2. City Council direct the General Manager, Solid Waste Management Services to revise the Community Environment Day booking policy, such that events can be booked on any day of the week and not restricted to weekends.</i></p> <p><i>3. City Council direct that the opportunity for City Councillors to host a second Community Environment Day become the new City of Toronto standard.</i></p>	<ul style="list-style-type: none"> • The 2019 Staff Recommended Operating Budget for Solid Waste Management Services includes expenditures of \$0.605 million for one Community Environment Day in each ward. • Increasing the number of Community Environment Days to two in each ward would result in a change to the proposed 2019 service level of one Community Environment Day per ward. 	
BU3.3 – Toronto Parking Authority			
<p>Motion</p>	<p>That City Council request the Toronto Parking Authority Board to request the President, Toronto Parking Authority to report to Budget Committee on the following for consideration prior to the 2020 Budget Process:</p> <p><i>1. Ridership changes at Bike Share stations directly adjacent to the Richmond/Adelaide and Bloor St W bike lanes, from before implementation to implementation.</i></p> <p><i>2. The feasibility and financial impact of extending Bike Share travel times from 30 minutes to 45 minutes for annual members.</i></p>		<p>Refer to Final Wrap-up Meeting on February 20, 2019</p>

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PART IV: REFERRALS AND REPORTS FOR CONSIDERATION

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BU3.1 – Toronto Water																					
<p><u>Operating Budget Notes</u></p>	<p>The City Manager and Chief Financial Officer & Treasurer recommend that:</p> <ol style="list-style-type: none"> <i>City Council approve the 2019 Staff Recommended Operating Budget for Toronto Water of \$463.869 million gross, \$867.368 million net capital-from-current contribution for the following services:</i> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Gross</th> <th style="text-align: right;">Net</th> </tr> <tr> <th style="text-align: left;"><u>Service:</u></th> <th style="text-align: right;"><u>(\$000s)</u></th> <th style="text-align: right;"><u>(\$000s)</u></th> </tr> </thead> <tbody> <tr> <td>Water Treatment & Supply:</td> <td style="text-align: right;">201,369.5</td> <td style="text-align: right;">384,894.2</td> </tr> <tr> <td>Wastewater Collection & Treatment:</td> <td style="text-align: right;">231,185.0</td> <td style="text-align: right;">508,270.2</td> </tr> <tr> <td>Stormwater Management:</td> <td style="text-align: right;"><u>31,314.4</u></td> <td style="text-align: right;"><u>(25,796.6)</u></td> </tr> <tr> <td>Capital-from-Current Contribution</td> <td style="text-align: right;"><u>463,869.0</u></td> <td style="text-align: right;"><u>867,367.7</u></td> </tr> </tbody> </table> <ol style="list-style-type: none"> <i>City Council approve the 2019 service levels for Toronto Water as outlined in Appendix 3 of this report, and associated staff complement of 1,805.7 positions, comprising of 84.4 capital positions and 1,721.3 operating positions.</i> <i>City Council direct the General Manager, Toronto Water to provide an update on the implementation progress of the Utility Cut Program, including costs and benefits, through the 2020 Budget process.</i> <i>This report be considered concurrently with the 2019 Water and Wastewater Consumption Rates and Service Fees Report</i> 		Gross	Net	<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>	Water Treatment & Supply:	201,369.5	384,894.2	Wastewater Collection & Treatment:	231,185.0	508,270.2	Stormwater Management:	<u>31,314.4</u>	<u>(25,796.6)</u>	Capital-from-Current Contribution	<u>463,869.0</u>	<u>867,367.7</u>	<p>The Budget Notes present the 2019 Staff Recommended Operating Budget for Toronto Water and reflect Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <ul style="list-style-type: none"> Approval of the 2019 Staff Recommended Operating Budget for Toronto Water will result in an \$867.368 million capital-from-current contribution. It reflects an increase of \$16.617 million or 3.7% over the 2018 Approved Budget gross expenditures of \$447.252 million and an increase of 25.333 million or 3% over the 2018 Approved Capital Contribution Budget of \$842.035. In addition to the Base Budget of \$455.884 million gross and \$873.185 million in capital contribution, approval of the 2019 Staff Recommended Operating Budget will result in approval of \$7.985 million gross in new/enhanced funding for new initiatives such as utility cut repairs and chamber adjustment program, bulk water fill station pilot project and provision of dedicated staff resources for insurance/risk management, legal services and Ontario One Call locate tickets clearing, funded from capital projects and reserve funds. 	<p>Refer to Final Wrap-up Meeting on February 20, 2019</p>
	Gross	Net																			
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>																			
Water Treatment & Supply:	201,369.5	384,894.2																			
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<p>(cont'd)</p> <p><u>Operating Budget Notes</u></p> <p><u>Report</u></p> <p><u>Appendices: C D</u></p>	<p><i>from the Chief Financial Officer & Treasurer and the Acting General Manager for Toronto Water.</i></p> <p>A report entitled "2019 Water and Wastewater Consumption Rates and Service Fees" was distributed on Jan 21, 2019 for the February 4, 2019 Budget Committee meeting which recommends that:</p> <ol style="list-style-type: none"> 1. <i>City Council consider this report concurrently with the 2019-2028 Toronto Water Capital Plan and the 2019 Toronto Water Operating Budget.</i> 2. <i>City Council adopt:</i> <ol style="list-style-type: none"> a. <i>Effective April 1, 2019, the combined water and wastewater consumption rates charged to metered consumers as shown below and in Appendix C attached to this report;</i> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="background-color: #d3d3d3;">Annual Consumption</th> <th style="background-color: #d3d3d3;">Paid on or before the due date, \$/m3</th> <th style="background-color: #d3d3d3;">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;">3.9549</td> <td style="text-align: center;">4.1630</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;">2.7684</td> <td style="text-align: center;">2.9141</td> </tr> </tbody> </table>	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")	3.9549	4.1630	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")	2.7684	2.9141	<p>This report presents the recommended 2019 water and wastewater consumption rates and service fees and reflects Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <p>The report recommends the following rate increases effective April 2019:</p> <ul style="list-style-type: none"> • An increase of 3.98% to the water and wastewater consumption rates charged to metered and flat rate customers. • Inflationary increases to various water and wastewater service fees. <p>Approval of this report will also result in the:</p> <ul style="list-style-type: none"> • Implementation and monitoring of a bulk water fill station pilot (Bulk Water Pilot) for the supply, sale and delivery of bulk potable water for industrial, commercial or institutional purposes. • Introduction of a new fee for the metered water to be dispensed at any bulk water station owned and operated by the City, including under the Bulk Water Pilot, based on the Block 1 water and wastewater consumption rate, effective April 1, 2019. 	<p>Refer to Final Wrap-up Meeting on February 20, 2019</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")	3.9549	4.1630										
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")	2.7684	2.9141										

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<p>(cont'd)</p> <p>Report</p> <p>Appendices: C D</p>	<p>b. <i>Effective April 1, 2019, an increase of 3.98% to the water and wastewater consumption rates (paid on or before the due date) charged to flat rate consumers, as set out in Appendix C attached to this report;</i></p> <p>c. <i>Effective April 1, 2019, the water and wastewater service fees as set out in Appendix D attached to this report;</i></p> <p>3. <i>City Council adopt with respect to assistance for low-income seniors and low-income disabled persons:</i></p> <p style="padding-left: 40px;">a. <i>Effective April 1, 2019, the water rebate for eligible low-income seniors and low-income disabled persons be set at a rate of \$1.1864 /m3, representing a 30% reduction from the Block 1 rate (paid on or before the due date);</i></p> <p>4. <i>City Council authorize the implementation and monitoring of a bulk water fill station pilot (Bulk Water Pilot) on the following conditions:</i></p> <p style="padding-left: 40px;">a. <i>Municipal Code Chapter 851 - Water Supply, be amended to authorize the supply, sale and delivery of bulk potable water dispensed from a bulk water station owned and operated by the City for industrial, commercial or institutional purposes only.</i></p> <p style="padding-left: 40px;">b. <i>Effective April 1, 2019, Municipal Code Chapter 441 - Fees and Charges, Appendix D, Schedule 2, Water Services, be amended to include a new fee for the metered water to be dispensed at any bulk water</i></p>	<ul style="list-style-type: none"> • It is recommended that the General Manager, Toronto Water report back to the Infrastructure and Environment Committee on the outcome of the Bulk Water Pilot once completed. 	

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<p>(cont'd)</p> <p>Report Appendices: C D</p>	<p><i>station owned and operated by the City, including under the Bulk Water Pilot, based on the Block 1 water and wastewater consumption rate.</i></p> <p>c. <i>The Bulk Water Pilot be undertaken by Toronto Water for a minimum of 2 years at Toronto Water's Disco Yard located at 150 Disco Road (Etobicoke), or alternate Toronto Water facility at the discretion of the General Manager of Toronto Water, and that it be operated seasonally, from approximately April to October, with 24-hour access.</i></p> <p>d. <i>The General Manager, Toronto Water be delegated the authority to implement, administer and monitor the Bulk Water Pilot including the authority to develop all related program policies and procedures, to procure all related goods and services necessary to implement and conduct the Bulk Water Pilot and to negotiate, enter into and execute any agreements necessary to give effect to the Bulk Water Pilot on terms and conditions acceptable to the General Manager, Toronto Water, and in a form acceptable to the City Solicitor.</i></p> <p>e. <i>The General Manager, Toronto Water report back to the Infrastructure and Environment Committee on the outcome of the Bulk Water Pilot once completed.</i></p> <p>5. <i>City Council authorize that the necessary amendments be made to Municipal Code Chapter 441 - Fees and Charges, Municipal Code, Chapter 849 - Water and Sewage Services and Utility Bill, Municipal Code Chapter 851 - Water Supply,</i></p>		

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BU3.2 – Solid Waste Management Services			
<p>Operating Budget Notes</p>	<p>The City Manager and Chief Financial Officer & Treasurer recommend that:</p> <p>1. <i>City Council approve the 2019 Staff Recommended Operating Budget for Solid Waste Management Services of \$391.620 million gross, \$(20.000) million net for the following services:</i></p>	<p>The Budget Notes for Solid Waste Management Services present the 2019 Staff Recommended Operating Budget and reflect Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <ul style="list-style-type: none"> • Approval of the 2019 Staff Recommended Operating Budget for Solid Waste Management Services will result in a \$20.000 million capital-from-current contribution. It reflects an increase of \$8.178 million or 2.1% over the 2018 Approved Budget gross expenditures of \$383.442 million and a decrease of \$1.746 million or 8% under the 2018 	<p>Refer to Final Wrap-up Meeting on February 20, 2019</p>

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<p>(cont'd)</p> <p><u>Operating Budget Notes</u></p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">Gross (\$000s)</th> <th style="text-align: right; width: 20%;">Net (\$000s)</th> </tr> </thead> <tbody> <tr> <td>Service:</td> <td></td> <td></td> </tr> <tr> <td>City Beautification</td> <td style="text-align: right;">36,812.5</td> <td style="text-align: right;">35,010.2</td> </tr> <tr> <td>Solid Waste Collection & Transfer</td> <td style="text-align: right;">125,910.7</td> <td style="text-align: right;">(187,020.1)</td> </tr> <tr> <td>Solid Waste Processing & Transport</td> <td style="text-align: right;">144,752.5</td> <td style="text-align: right;">94,306.3</td> </tr> <tr> <td>Residual Management</td> <td style="text-align: right;">78,640.9</td> <td style="text-align: right;">32,204.1</td> </tr> <tr> <td>Solid Waste Education & Enforcement</td> <td style="text-align: right;">5,503.6</td> <td style="text-align: right;">5,499.4</td> </tr> <tr> <td>Capital-from-Current Contribution</td> <td style="text-align: right;"><u>391,620.1</u></td> <td style="text-align: right;"><u>(20,000.1)</u></td> </tr> </tbody> </table> <p>2. <i>City Council approve the 2019 service levels for Solid Waste Management Services as outlined in Appendix 3 of this report, and associated staff complement of 1,122.8 positions, comprising 42.2 capital positions and 1,080.6 operating positions.</i></p> <p>3. <i>City Council approve the 2019 new user fees and other fee changes above the inflationary adjusted rate for Solid Waste Management Services identified in Appendix 6A & 6B, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".</i></p> <p>4. <i>This report be considered concurrently with the report entitled "2019 Rate Supported Budgets – Solid Waste Management Services and Recommended 2019 Solid Waste Rates and Fees" (January, 2019) from the Chief Financial Officer and General Manager for Solid Waste Management Services.</i></p>		Gross (\$000s)	Net (\$000s)	Service:			City Beautification	36,812.5	35,010.2	Solid Waste Collection & Transfer	125,910.7	(187,020.1)	Solid Waste Processing & Transport	144,752.5	94,306.3	Residual Management	78,640.9	32,204.1	Solid Waste Education & Enforcement	5,503.6	5,499.4	Capital-from-Current Contribution	<u>391,620.1</u>	<u>(20,000.1)</u>	<p>Approved Capital Contribution Budget of \$21.747 million.</p> <ul style="list-style-type: none"> • In addition to the Base Budget of \$391.307 million in gross expenditures, approval of the 2019 Staff Recommended Operating Budget will result in approval of \$0.313 million gross in funding for enhanced initiatives. Enhanced initiatives include 3.75 new positions for additional litter pick-up in alleys, laneways, and parks. 	
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<p>Report Appendices: A B</p>	<p>A report entitled <i>"2019 Rate Supported Budgets - Solid Waste Management Services and Recommended 2019 Solid Waste Rates and Fees"</i> was distributed on Jan 6, 2019 for the February 4, 2019 Budget Committee meeting which recommends that:</p> <ol style="list-style-type: none"> 1. <i>City Council adopt the 2019 Solid Waste Management Services Rates and Fees as set out in Appendix A to the report, dated January 30, 2019, from the General Manager, Solid Waste Management Services, and the Chief Financial Officer and Treasurer, retroactive to January 1, 2019.</i> 2. <i>City Council consider this report concurrently with the 2019 Recommended Capital Budget, 2020-2028 Recommended Capital Plan and the 2019 Recommended Operating Budget of the Solid Waste Management Services Division.</i> 3. <i>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.</i> 4. <i>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 Chief Financial Officer and Treasurer, and General Manager Solid Waste Management Services.</i> 5. <i>City Council direct the following Renewable Natural Gas Initiatives:</i> 	<p>This report presents the recommended 2019 Solid Waste Management Services Rates and Fees and reflects Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <p>The report recommends the following rate changes effective January 2019:</p> <ul style="list-style-type: none"> • An increase of 1.0% for multi-residential; • An increase of 2.0% for single family and residential units above commercial; • An increase of 5.2% for bag tags and bin purchases; • An increase of 5.2% for commercial, divisions, agencies, corporations, schools and tipping; and • An increase of 2.2% to the blended rate. <p>Approval of this report will also result in the:</p> <ul style="list-style-type: none"> • Exemption of the renewable natural gas initiative from the City's Carbon Credit Policy; • Development of a Multi-Year Financial Strategy and rate structure; and • Development of a Single Family Residential Low-Income Relief Program. 	<p>Refer to Final Wrap-up Meeting on February 20, 2019</p>

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<p>(cont'd)</p> <p>Report Appendices: A B</p>	<ul style="list-style-type: none"> a. <i>Fully exempt the Solid Waste Management Services renewable natural gas initiative, including any and all environmental attributes that may result from the program, from the City's Carbon Credit Policy;</i> b. <i>Place net revenues that the City derives from the future sale of renewable natural gas and/or any associated environmental attributes generated under the Solid Waste Management Services renewable natural gas initiative in the Solid Waste Management Reserve Fund XR1404 for the exclusive use of Solid Waste Management Services, which will be used to fund projects identified within the Council approved Long Term Waste Management Strategy and other environmentally sustainable initiatives; and</i> c. <i>Allow only Solid Waste Management Services to hold any unsold environmental attributes associated with the Solid Waste Management Services renewable natural gas initiative on behalf of the City, and the authority to sell the attributes.</i> 6. <i>City Council direct that all the rates, fees and charges set out in Appendix A to this report, adopted by Council in Recommendation 1 above, continue in full force and effect until such time as they are amended or repealed by City Council.</i> 7. <i>City Council direct the General Manager, Solid Waste Management Services, and the Executive Director of Financial Planning, to develop a Multi-Year Financial Strategy and rate</i> 		

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<p>(cont'd)</p> <p>Report Appendices: A B</p>	<p><i>structure for the Program and report back to Budget Committee.</i></p> <p>8. <i>City Council authorize the General Manager, Solid Waste Management Services, or their designate, to develop and implement a Single Family Residential Low-income Relief Program in accordance with the description provided in the report, dated January 30, 2019, from the General Manager, Solid Waste Management Services, and the Chief Financial Officer and Treasurer, including, but not limited to, automatic enrollment for certain qualifying customers.</i></p>		

BU3.3 – Toronto Parking Authority

<p>Item 3.3a</p> <p>Letter Report</p>	<p>The letter dated Jan 26, 2019 from the Board of Directors of the Toronto Parking Authority entitled "<i>Bike Share Program Financial Considerations</i>", recommends that:</p> <p>1. <i>Forwarded the report (November 20, 2018) from the Acting President, Toronto Parking Authority including the following recommendations of the Acting President, to City Council, through the Budget and Executive Committees, for consideration in the 2019 and future years' Budget processes:</i></p> <p style="margin-left: 20px;">a. <i>City Council approve the principle that Bike Share as a municipal service is an integral component in the City's transportation, transit and mobility network, and as such, there is considerable merit in continuing City investment and support in the program.</i></p> <p style="margin-left: 20px;">b. <i>City Council acknowledges that user/operating revenues alone will not completely cover ongoing operating</i></p>	<p>This report entitled "<i>Bike Share Program Financial Considerations</i>" recommends financial principles for the operation of the Bike Share Toronto Program and actions to fund the outstanding capital and operating deficits of the program including:</p> <ul style="list-style-type: none"> • Outstanding capital requirements from 2016 in the amount of \$301,000; • Remaining cumulative operating cash deficits from 2013-2016 in the amount of \$1,054,000; • 2017 operating cash deficit of \$2,148,000; and • Projected 2018 operating cash deficit of \$2,279,000. <ul style="list-style-type: none"> • The 2019 Staff Recommended Operating Budget for Bike Share Toronto includes \$6.145 million in gross expenditures, \$0.025 million net. The revenue budget for Bike Share Toronto of \$6.120 million includes \$1.500 million in sponsorship funding, 	<p>Refer to Final Wrap-up Meeting on February 20, 2019</p>
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<p>(cont'd)</p> <p>Item 3.3a</p> <p>Letter Report</p>	<p><i>expenses of Bike Share, and municipal subsidy will likely be required to offset capital requirements (State of Good Repair and expansion) and net operating deficits.</i></p> <p>c. <i>City Council approve the "Financial Sustainability Principles" set out in this report, and that funding current outstanding, as well as future Bike Share capital programs and operating deficits, as necessary, be considered as part of the annual budget cycle in accordance with these principles, namely.</i></p> <p>i. <i>Efficiency in operations - the need to continually optimize the expense side of operating the Bike Share system;</i></p> <p>ii. <i>Securing system sponsorship and advertising - as key elements to offset operating deficits and ensure the long-term financial sustainability of Bike Share;</i></p> <p>iii. <i>Commitment to municipal funding subsidies – to address any system shortfalls as well as capital programs, recognizing the value of the municipality continuing to invest in a Bike Share program;</i></p> <p>iv. <i>Subsidy funding would not rely on property tax sources, debt financing or impact operating budgets; and</i></p> <p>v. <i>Future years' net surplus operating funds, if any, be deposited to the Bike Share Reserve.</i></p>	<p>\$4.000 million in user fee revenue, and \$0.620 million in other revenue. It is recommended that Toronto Parking Authority report back to City Council upon securing a long-term sponsor. This is reflected in the 2019 Budget Notes for Toronto Parking Authority.</p> <ul style="list-style-type: none"> • The report also recommends that the 2019 Capital Budget for Toronto Parking Authority include \$1.500 million in Section 37 & Section 45 Planning Act Reserve Funds for the purpose of Bike Share expansion. This is reflected in the 2019 Budget Notes for Toronto Parking Authority. 	

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<p>(cont'd)</p> <p>Item 3.3a</p> <p>Letter Report</p>	<p><i>d. City Council authorize that, in accordance with the principles set out in Recommendation c above, current outstanding unallocated Capital and Operating cash deficits, for Bike Share be funded as follows:</i></p> <p><i>i. Outstanding 2016 capital requirements in the amount of \$301,000: from interest accruing on Metrolinx funds and retained by Toronto Parking Authority (\$123,500); and from the Bike Share Reserve XQ-0013 (\$177,500);</i></p> <p><i>ii. Remaining 2013-2016 cumulative operating cash deficit which has not been covered by existing Bike Share Reserve funds, in the amount of \$1,054,000 from the Public Realm Reserve Fund XR-1410;</i></p> <p><i>iii. 2017 Operating cash deficit of \$2,148,000 from the Public Realm Reserve;</i></p> <p><i>iv. 2018 Operating final cash deficit amount, currently projected to be \$2,279,000, from the Public Realm Reserve Fund XR-1410;</i></p> <p><i>v. Proposed 2019 capital expansion, municipal share under the Ontario Municipal Computer Cycling Program, in the amount of \$1.5 million from received Section 37 and 45 funds.</i></p> <p><i>e. City Council direct that its previous request, namely that the Chief Planner and Executive Director, City Planning and the General Manager, Transportation Services report back on a review of Toronto's parking standards for new</i></p>		

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<p>(cont'd)</p> <p>Item 3.3a</p> <p>Letter Report</p>	<p><i>multi-unit residential and commercial developments with the objective to consider the expansion of public bike sharing programs at net zero costs to the City, be revisited.</i></p>																	
<p>Operating Budget Notes</p>	<p>The City Manager and Chief Financial Officer & Treasurer recommend that:</p> <ol style="list-style-type: none"> <i>City Council approve the 2019 Staff Recommended Operating Budget for Toronto Parking Authority of \$100.599 million gross, (\$66.538 million) net for the following services:</i> <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>On-Street Parking</td> <td style="text-align: right;">12,091.6</td> <td style="text-align: right;">(45,500.4)</td> </tr> <tr> <td>Off-Street Parking</td> <td style="text-align: right;">82,362.8</td> <td style="text-align: right;">(21,062.8)</td> </tr> <tr> <td>Bike Share</td> <td style="text-align: right;"><u>6,145.0</u></td> <td style="text-align: right;"><u>25.0</u></td> </tr> <tr> <td>Total Program Budget</td> <td style="text-align: right;"><u>100,599.4</u></td> <td style="text-align: right;"><u>(66,538.2)</u></td> </tr> </tbody> </table> <i>City Council approve the 2019 service levels for Toronto Parking Authority as outlined in Appendix 3 of this report, and associated staff complement of 328.5 operating positions.</i> <i>City Council consider the operating revenues of \$0.766 million net in 2019; \$1.516 million net in 2020; \$1.565 million net in 2021; \$1.538 million net in 2022; \$2.075 million net in 2023; \$2.675 million net in 2024; \$3.158 million net in 2025; \$2.620 million net in 2026; \$1.640 million in 2027; and \$0.375 million net resulting from the approval of the 2019 Capital</i> 		Gross (\$000s)	Net (\$000s)	On-Street Parking	12,091.6	(45,500.4)	Off-Street Parking	82,362.8	(21,062.8)	Bike Share	<u>6,145.0</u>	<u>25.0</u>	Total Program Budget	<u>100,599.4</u>	<u>(66,538.2)</u>	<p>The Budget Notes for Toronto Parking Authority present the 2019 Staff Recommended Operating Budget and reflect Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p>	<p>Refer to Final Wrap-up Meeting on February 20, 2019</p>
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<p>(cont'd)</p> <p>Operating Budget Notes</p>	<p><i>Budget for inclusion in the 2019 and future year operating budgets.</i></p> <p>4. <i>City Council direct the President, Toronto Parking Authority to report back to Council in 2019 once they have identified and secured a long-term sponsor for the Bike Share Program.</i></p>		