



## Decision Letter

### Budget Committee

<b>Meeting No.</b>	19	<b>Contact</b>	Matthew Green, Committee Administrator
<b>Meeting Date</b>	Monday, November 23, 2020	<b>Phone</b>	416-392-4666
<b>Start Time</b>	9:30 AM	<b>E-mail</b>	buc@toronto.ca
<b>Location</b>	Video Conference	<b>Chair</b>	Councillor Gary Crawford

BU19.2	ACTION	Amended		Ward: All
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#### **2021 Rate Supported Budgets - Solid Waste Management Services and Recommended 2021 Solid Waste Rates and Fees**

*Public Notice Given*

#### **Committee Decision**

The Budget Committee recommends to Executive Committee that:

#### Rates and Fees

1. City Council adopt, effective January 1, 2021, the Solid Waste Management Services Rates and Fees as set out in Appendix A to the report (November 6, 2020) from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services.
2. City Council amend Municipal Code Chapter 441 – Fees and Charges, and any other necessary Municipal Code Chapters as may be required to give effect to these Recommendations.
3. City Council authorize the City Solicitor to introduce any necessary Bills required to give effect to Council's decision and authorize the City Solicitor to make 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.
4. City Council direct the General Manager of Solid Waste Management Services to develop and submit the 2022 and 2023 budgets as outlined in Appendix B to the report (November 6, 2020) from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services, representing a 3 percent increase in 2022 and a 3 percent increase in 2023 to be applicable to all Solid Waste Management Services Rates and Fees in order to support the Divisions long term capital plan.
5. City Council direct the General Manager, Solid Waste Management Services to review, as part of the work of the Province's transition to extended producer responsibility programs and the amended Food and Organic Waste Policy Statement, the currently accepted items in the City's existing diversion programs with a primary focus on materials in the Green Bin stream and report back to Council with recommendations on items to remain or exclude from the list of accepted items using a triple bottom line approach which considers financial, environmental and social considerations.

6. City Council direct the General Manager, Solid Waste Management Services to review the current installment of waste collection bins in Parks and open spaces and as a pilot project determine how the quality of recyclable materials generated in Blue Bin recycling can be improved and the quantities of litter disposed of in landfill can be reduced through the expansion of Green Bin organics and the adjustment of waste bin types, quantities and placement within in Parks.

7. City Council request financial support from the Province of Ontario to fully-recover transition costs the City may incur as a result of the Province's anticipated adoption and implementation of measures under the Resource Recovery and Circular Economy Act, 2016 that will implement a new Extended Producer Responsibility model for Ontario, including but not limited to increased service contract costs, specialized professional services support, additional communications, promotion and education support.

8. City Council authorize the General Manager, Solid Waste Management Services, to establish and manage a First Nations Engagement Grant Fund for the Green Lane Landfill Renewable Energy Study Project funded through the capital program for qualifying local First Nations to retain, on a verified basis, technical services such as energy, environmental and/or similar consultants to assist with the engagement process.

9. City Council authorize the General Manager, Solid Waste Management Services, and/or designate, to negotiate and enter into an amending agreement with the City's current mattress recycling contractor for a term up to December 31, 2026, with specific requirements that allow for increased mattress recycling volumes and maintain or exceed existing capture rates for recoverable materials, and on any other terms satisfactory to the General Manager, Solid Waste Management Services, and each in a form satisfactory to the City Solicitor, in support of efforts to increase diversion of these materials from landfill.

10. City Council direct that all the rates, fees and charges set out in Appendix A to the report (November 6, 2020) from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services, adopted by Council in Recommendation 1 and 2 above, continue in full force and effect until such time as they are amended or repealed by City Council.

#### Operating and Capital Budgets

11. City Council approve the 2021 Operating Budget for Solid Waste Management Services of \$361.973 million gross, \$379.110 million revenue and \$17.137 million net for the following services:

<b>Service:</b>	<b>Gross (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Capital from Current Contribution (\$000s)</b>
City Beautification	37,288.4	6,498.9	-30,789.5
Residual Management	39,954.9	10,566.9	-29,388.0
Solid Waste Collection and Transfer	126,552.3	331,810.2	205,257.9
Solid Waste Education and Enforcement	3,854.1	0.3	-3,853.8
Solid Waste Processing and Transport	154,323.6	30,234.0	-124,089.6

<b>Total Program Budget</b>	<b>361,973.3</b>	<b>379,110.3</b>	<b>17,137.0</b>
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12. City Council approve the 2021 staff complement for Solid Waste Management Services of 1,125.3 positions comprised of 47.6 capital position and 1,077.7 operating positions.

13. City Council approve the 2021 technical adjustments to user fees, market rate user fee changes, and other fee changes above the inflationary adjusted rate Solid Waste Management Services identified in Appendix 9 to the 2021 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".

14. City Council approve the 2021 Capital Budget for Solid Waste Management Services with cash flows and future year commitments totaling \$549.159 million as detailed by project in Appendix 6a to the 2021 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services.

15. City Council approve the 2022-2030 Capital Plan for Solid Waste Management Services totalling \$188.295 million in project estimates as detailed by project in Appendix 6b to the 2021 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services.

### Service Levels

16. City Council approve the 2021 service levels for Solid Waste Management Services as outlined in Appendix 1 to the report (November 6, 2020) from the General Manager, Solid Waste Management Services, titled "Recommended 2021 Service Levels - Solid Waste Management Services".

### **Decision Advice and Other Information**

The Budget Committee:

1. Requested the General Manager, Solid Waste Management Services submit a Briefing Note to the December 10, 2020 meeting of the Executive Committee on:

- a. evidence to support reducing the education budget and discontinuing the use of the waste calendar, including a distinction between demographic groups in Toronto; and
- b. the cost of a partial production of the waste calendar to be provided to specific demographics that might benefit from the material.

### **Origin**

(November 6, 2020) Report from the Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services

### **Summary**

This report outlines the recommended 2021 Solid Waste Management Services Rates and Fees arising from the adoption of the 2021 Solid Waste Management Services Operating and Capital Budgets. The recommended rate and fee increases will vary based on customer group and are highlighted in Table 1.

Table 1 highlights the recommended key Solid Waste Management Services Rates and Fees effective January 1, 2021.

Table 1 - 2021 Recommended Rates and Fees Increases (Effective January 1, 2021)

Customer Group	Percent Rate Increase	Comments
Multi-Residential	1.50 percent	Mitigate impact in response to COVID-19
Single Family and Residential Units Above Commercial (RUAC)	1.50 percent	Mitigate impact in response to COVID-19
Bag Tags, Bin Purchase	1.50 percent	Mitigate impact in response to COVID-19
Commercial, Divisions, Agencies and Corporations, Schools	1.50 percent	Mitigate impact in response to COVID-19
Blended Rate	1.50 percent	

The recommended blended 1.5 percent increase in Solid Waste Management Services Rates will continue to provide and maintain Council Approved service levels unchanged from the prior year and fund the 2021 Capital Budget and 10-Year Capital Plan. This is in line with the City's Economic Support and Recovery plan to assist residence and business in the City of Toronto recover from the impact of Covid-19.

The 1.5 percent utility rate increase for 2021 is recommended to maintain the contribution to Waste Management Reserve fund to finance future capital investments, and to address affordability concerns resulting from the pandemic , which results in a loss of approximately \$3.334 million (gross) in previously anticipated revenues when compared to the planned 2.7 percent blended rate increase for 2021.

The 2021 Operating Budget is \$361.973 million, representing an increase of \$1.236 million or 0.3 percent over the 2020 Operating Budget as well as a \$17.137 million contribution to the Waste Management Reserve Fund, all of which are offset by total revenues of \$379.110 million. The marginal increase in operating expenditures is attributable to contractual inflation increases and an increase in debt principal and interest payments to fund the 10-year Capital Budget and Plan as well as other balancing action taken by staff.

The 2021 Capital Budget is \$69.079 million including carry-forwards, which is comprised of \$51.374 million in new 2021 funding and \$17.705 million in funding carried forward from 2020 into 2021. The 2021 Capital Budget and Plan remains generally unchanged from last year focusing on the following key capital objectives and priorities for Solid Waste Management Services:

- To safely and efficiently collect materials from 875,000 homes, business and public spaces by implementing Council's direction on health and safety by installing telematics solutions on vehicles in support of Vision Zero 2.0;
- To manage 900,000 plus tonnes of material in an environmentally and fiscally sustainable manner by accelerating the development of the 3rd Anaerobic Digester;

- To continue investigating long-term disposal options including landfill capacity development and energy from waste as well as site contract renegotiations and strategically using alternate landfill sites; and
- To continue to develop and invest in renewable energy such as Renewable Natural Gas facilities.

## **Background Information**

(November 6, 2020) Report and Attachments 1-2 from the Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services on 2021 Rate Supported Budgets - Solid Waste Management Services and Recommended 2021 Solid Waste Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158189.pdf>

2021 Staff Recommended Capital and Operating Budget Notes - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158358.pdf>

2021 Report 7C - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158359.pdf>

(November 6, 2020) Report and Appendix 1 from the General Manager, Solid Waste Management Services on Recommended 2021 Service Levels - Solid Waste Management Services

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158407.pdf>

(November 6, 2020) Notice of Public Meeting - 2021 Rate Supported Budgets - Solid Waste Management Services and Recommended 2021 Solid Waste Rates and Fees

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158360.pdf>

## **Speakers**

Emily Alfred, Toronto Environmental Alliance