

2023 Interim Solid Waste Management Services Rates and Fees

Date: November 25, 2022

To: Executive Committee

From: Chief Financial Officer and Treasurer and General Manager, Solid Waste Management Services

Wards: All

SUMMARY

This report recommends the adoption by the City Council of interim 2023 Solid Waste Management Services (SWMS) Rates and Fees as set out in this report. The adoption of these interim rates and fees is requested in advance of the 2023 Tax and Rate Supported Operating and Capital Budgets in order to establish these rates and fees and provide City staff with the necessary authority to implement the interim new rates and service fees effective January 1, 2023, consistent with financial modeling and the rate increase requirements presented during the 2022 Budget process.

These interim rates may be amended by City Council when the 2023 Rate supported Operating and Capital Budgets are approved, which is expected in Q1 of 2023. The interim rates are being proposed separately this year due to the timing of the 2022 Municipal Election which has prevented the City from bringing forward the Rate-Supported Budget Process in advance of 2023. This varies to non-election years which typically allows for Rate-Supported Budgets to be considered by Council in December.

The 2022 SWMS Rates and Fees Report, which was approved by City Council concurrently with the 2022 Operating Budget and 2022-2031 Capital Budget and Plan ("10 Year Plan"), was based on the 10 year financial model predicated on a 3% annual increase in SWMS rates and fees *for each year of the 10 Year Plan commencing in 2022 and ending in 2031.*

The recommended interim 3% increase in Solid Waste Management Services rates and fees for 2023 as shown in Table 1 below by customer grouping provides and maintains Council approved service levels unchanged from the prior year and maintains the contribution to the Waste Management Reserve fund in line with last year's forecast to finance future capital investments.

Table 1: Interim Solid Waste Management Services Rates and Fees effective January 1, 2023

Customer Group	Interim Rate Increase	Comments
Multi-Residential	3%	Maintain service levels and fund Capital Program
Single Family and Residential Units Above Commercial (RUAC)	3%	Maintain service levels and fund Capital Program
Bag Tags, Bin Purchase	3%	Maintain service levels and fund Capital Program
Commercial, Divisions, Agencies and Corp., Schools	3%	Maintain service levels and fund Capital Program

Accordingly, this report recommends, effective January 1, 2023, an interim 3% increase in SWMS rates and fees.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer and the General Manager, Solid Waste Management Services recommend that:

1. City Council adopt, effective January 1, 2023, the interim Solid Waste Management Services Rates and Fees as set out in Appendix A.
2. City Council authorize that the necessary amendments be made to the 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 City 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 the General Manager, Solid Waste Management Services.
4. City Council direct that all of the interim rates, fees and charges set out in Appendix A to this report, 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.

FINANCIAL IMPACT

Solid Waste Management Services is a utility funded program that recovers program costs from a combination of user fees and rates, recoverable debt, other charges, the

sale of recyclables, stewardship funding and funding for the transition to Extended Producer Responsibility starting July 1, 2023.

The 2023 interim rate increase of 3% provides funding to support Solid Waste Management Services operations and capital projects, and diversion by reducing materials entering the waste stream and overall waste sent to landfill.

This recommended interim rate increase is consistent with the financial modeling and the annual rate increase forecasted for 2023 during the 2022 Budget Process, as part of the 10 Year Plan approved by Council through adoption of the recommendations in the 2022 SWMS Rates and Fees Report. Consideration during the budget process may result in amendments being made by City Council to the interim rates and service fees.

The interim 3% utility rate increase for 2023 is recommended to maintain the contribution to the Waste Management Reserve fund in line with last year's forecast to finance future capital investments, which includes the construction of the 3rd Anaerobic Digester, Landfill Gas Development initiatives, Long-term Residual Waste Disposal initiative and the Dufferin Waste Facility Site Improvement.

The proposed interim SWMS increase of 3% forecasted during the 2022 Budget process for 2023 and recommended in this report, if approved by City Council, is anticipated to generate approximately \$9.379 million in additional revenue for SWMS operational and capital program needs.

DECISION HISTORY

At its meeting on December 15, 16 and 17, 2021, City Council adopted, effective January 1, 2022, the Solid Waste Management Services rates and service fees to be charged, concurrently with the 2022-2031 Solid Waste Management Service Capital Plan and the 2022 Operating Budget. The 2022 Solid Waste Management Services Rates and Fees report, adopted by City Council, can be viewed at: [Agenda Item History - 2021.EX28.7 \(toronto.ca\)](#)

COMMENTS

ISSUE BACKGROUND

While the City typically establishes its Solid Waste Management Services rates and service fees as part of its annual budget process, given that the municipal election was held this year and only recently concluded, City staff are recommending the adoption of the proposed 2023 interim Solid Waste Management Services rates and fees, effective January 1, 2023, in advance of the 2023 Tax and Rate Supported Operating and Capital Budgets, which is consistent with past practices in election years where the timing of the municipal election prevents the following year's Rate-Supported Budget Process from being completed within the election year. Adopting interim rates and 2023 Interim Solid Waste Rates and Fees

service fees in 2022 will allow the new rates to become effective from January 1, 2023. The recommended interim rate increase is consistent with financial modeling and the rate increase requirements presented during the 2022 Budget Process including the 10 Year Plan approved by City Council.

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SIGNATURE

Heather Taylor
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Matt Keliher
General Manager, Solid Waste Management Services

ATTACHMENTS

Appendix A: Recommended 2023 Interim Solid Waste Management Services Rates and Fees