



# **CITIZEN CENTRED SERVICES “B”**

## **SOLID WASTE MANAGEMENT SERVICES**

### **2006 OPERATING BUDGET OVERVIEW**

**Presentation to Works Committee Review January 11, 2006**

# Mission Statement

The Solid Waste Management Services Division's mission is to provide effective and efficient waste management and resource recovery services to residents, visitors and businesses in the City of Toronto in order to maintain a clean and healthy City and to minimize the impact of waste on the environment.

## Strategic Direction - 3 Years

- Multi-Year Solid Waste Management Services Business Plan was approved by Council on June 16, 2005
  
- The plan details the steps necessary to achieve the 60%, source separated diversion goal. The major initiatives are;
  - Complete the roll-out of the Green Bin Program to single family homes by October 2005
  - Pilot and then consider implementation of source separated organics in multi-family residences 2007 – 2010
  - Single stream recycling and next generation recycling container for residents
  - Add New recycling materials (plastic tubs and lids, polystyrene and plastic bags) to our collection program
  - Mandatory diversion enforcement and waste limits
  - Reuse and recycle centres for durable goods

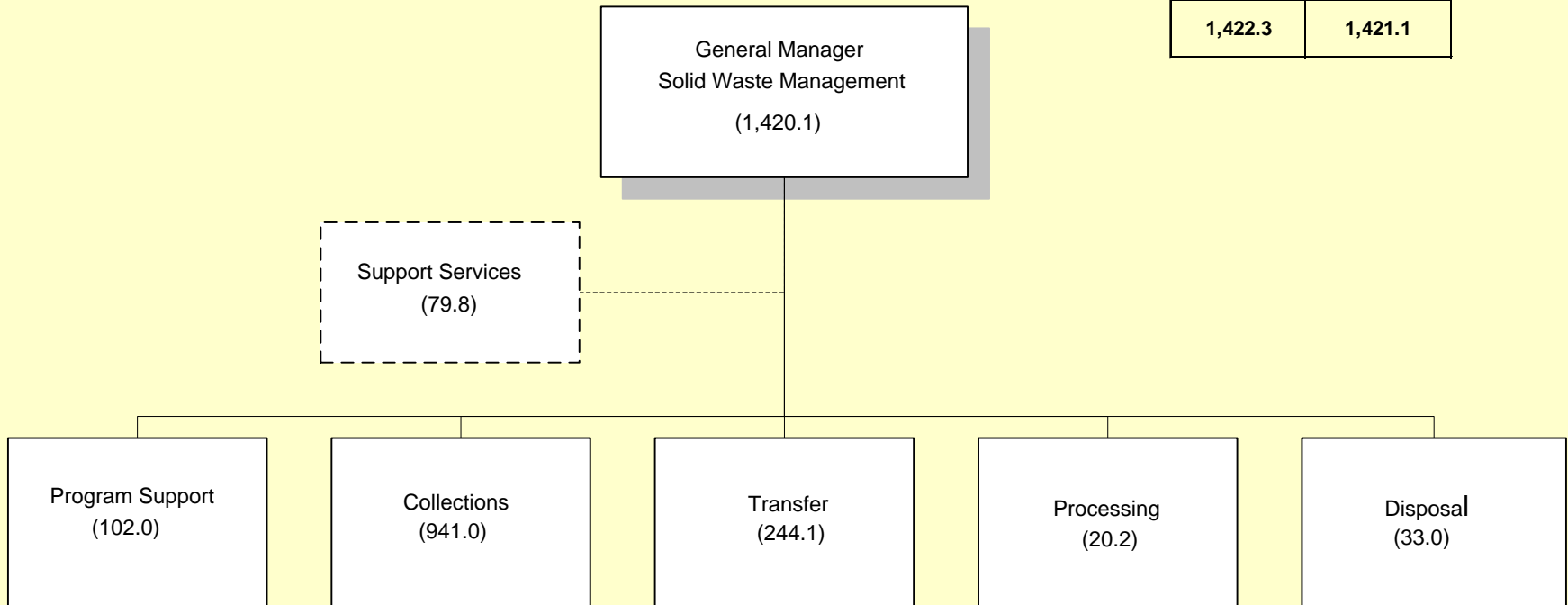
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## Strategic Direction – 3 Years (cont'd)

- For the estimated 40% of waste that cannot be source separated for re-use, recycle or compost, examine New & Emerging technologies to achieve Council's 100% diversion from landfill goal. New & Emerging Technologies treatment options include;
  - Mechanical
  - Thermal
  - Biological
  - Chemical
- The aggressive waste diversion initiatives will result in a projected annual operating budget increase of approximately 7% through 2012
- This year's operating budget request aligns with Council's priorities to;
  - Make Toronto a clean & beautiful City, and
  - Improve public service

# 2006 Program Map

Staffing Levels	
2005 Approved	2006 Proposed
1,422.3	1,421.1



# Service Level Indicators / Performance Measures

<b>Performance Measure Description</b>	<b>2004 Actuals</b>	<b>2005 Projected Actual</b>	<b>2006 Proposed</b>
Tonnes of Waste Disposed	861,325	717,617	713,157
Single Home Residential Diversion Rate	49%	56%	61%
Multi-Unit Residential Diversion Rate	12%	13%	18%
Total Residential Diversion Rate	36%	41%	45%
Tonnes of Residential Waste Diverted	311,600	358,000	399,000
Net Cost per Household	\$153.09	\$154.31	\$167.02
Net Cost per Tonne	\$128.45	\$142.61	\$151.12

# Accomplishments - Previous 3 Years

- Rolled-out the Green Bin Program in single family households throughout the City
- Constructed and commissioned two new single stream recycling facilities
- Secured funding from Waste Diversion Ontario (WDO) for the residential blue box recycling program
- Complied with Michigan legislation allowing for the continued export of waste to a Michigan Landfill site
- Completed and began implementation of the Solid Waste Management Services Multi-Year Business Plan
- Assumed leadership role in Litter Reduction Strategy (e.g. Litter Audits, 20-Minute Makeover and Multi-Departmental Spring Clean-up Initiative)

(cont'd)

## Accomplishments - Previous 3 Years (cont'd)

- Implemented initiatives to increase Multi-Unit Residential Waste Diversion (e.g. Enforcement of mandatory waste diversion bylaw, SSO collection pilots and Recycling Improvement plans for Multi-Unit Residences)
- Increased contribution to Equipment Replacement Reserve to a sustainable level
- Began annual contribution to the Perpetual Care Reserve Fund
- Increased tonnage related to the Leaf and Yard Waste Program



## Policy, Legislative or Political Issues Related to the 2006 Budget

- Council approved Waste Diversion Task Force 2010 diversion goals and Multi-Year Business Plan
- Liability for perpetual care of former closed landfill sites
- Legislation regarding waste being disposed of in Michigan

## Opportunities for City-Wide Collaboration

- Street Furniture Harmonization
- Clean & Beautiful City
- Bylaw Enforcement transfer to Former UDS

## 2006 Base Budget Pressures

The 2006 Net Operating Budget Request of \$182.9 million is \$17.6 million greater than the 2005 Approved Net Operating Budget, of which;

\$12.2 million is related to prior-year impacts and corporate adjustments, such as;

- economic factors
- annualization of diversion initiatives
- loss of one-time Perpetual Care Reserve Fund funding
- COLA, fringe benefit adjustment & wage harmonization awards
- Annualization of positions approved in 2005

\$5.4 million is related to other base budget adjustments, such as the following pressures;

- Lower revenues for the receipt of paid waste
- Increased Support Services costs
- Impact of a delay in implementing Multi-Unit Waste Reduction Levy

Offset by savings/revenues, such as;

- Lower waste disposal costs
- Increased Waste Diversion Ontario funding

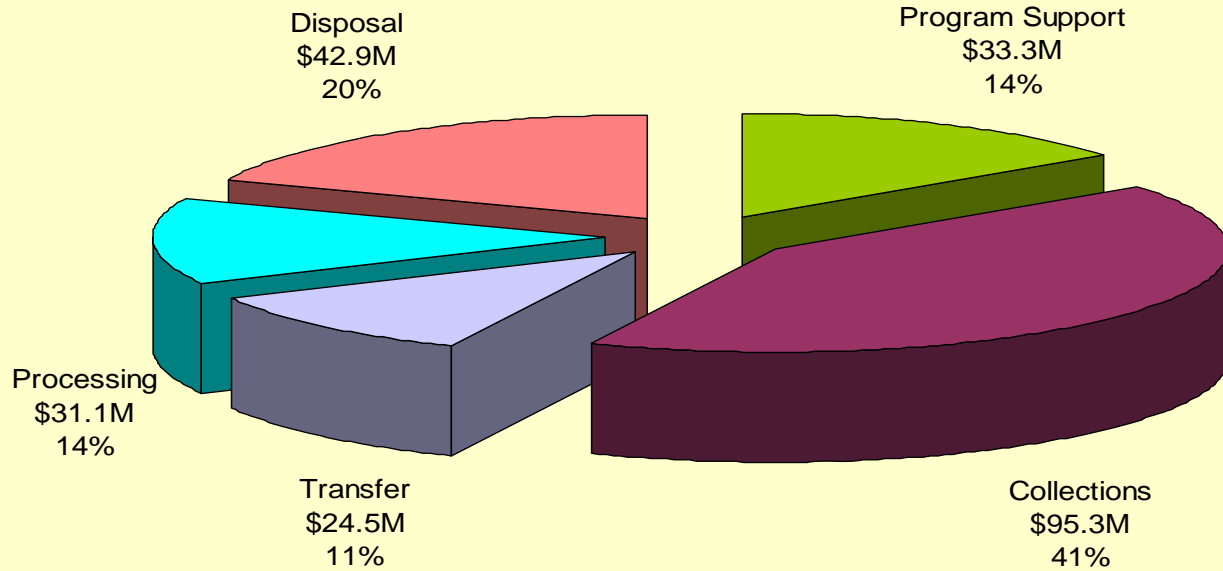
# 2006 Proposed Budget Pressures

Category of Change	Amount (\$000's)	% Increase (Decrease) Over Net
<b>2005 Approved Operating Budget (Net)</b>	<b>165,288.2</b>	
Prior Year Impacts (Annualizations, in-year approvals)	10,397.3	6.3%
Economic Factors	1,794.8	1.1%
Other Base Changes	5,090.9	3.1%
Revenues	293.2	0.2%
<b>Sub-Total (Net)</b>	<b>17,576.2</b>	<b>10.6%</b>
<b>2006 Requested Budget (Net)</b>	<b>182,864.4</b>	
Service Level Reductions / Adjustments	(9,208.8)	
Recommended New / Enhanced Service Changes	0.0	
<b>2006 Proposed Operating Budget (Net)</b>	<b>173,655.6</b>	
<b>Net Target</b>	<b>168,594.0</b>	
<b>Net (Under) / Over Target</b>	<b>5,061.6</b>	<b>3.0%</b>

## Proposed Recommended Reductions (Net \$000's)

<b>Reductions</b>	<b>\$</b>
Eliminate contribution to the Perpetual Care Reserve Fund	(3,166.5)
Increase revenues from the Sale of Recyclable Materials	(2,000.0)
Reclassify amended Multi-Unit Residential Waste Reduction Levy from a Base Budget Change to New & Existing Service Change	(2,023.9)
Reduction to overall request by Collection Services	(808.1)
Reduction to overall request by Transfer Services	(425.0)
Reduce provision for the purchase of Replacement Recycling Containers	(253.8)
Reduced processing costs for Source Separated Organics	(200.0)
Reduce contracted hours related to litter vacs	(200.0)
Increase Gapping	(131.5)
<b>Total Reductions towards Base Budget Target</b>	<b>(9,208.8)</b>

# 2006 Proposed Budget by Service Gross Expenditures \$227.1 Million



BASE BUDGET COMPARISON (\$000s)				
	2005 Approved Budget	2006 Budget Submission	\$ Increase (Decrease)	% Incr. (Decr.)
Gross Expenditures	225,219.3	227,091.3	1,872.1	0.8%
Revenues	59,931.1	53,435.8	(6,495.3)	(10.8%)
Net	165,288.2	173,655.6	8,367.4	5.1%
No. of Positions	1,422.3	1,421.1	(1.2)	(0.1%)

TARGET REDUCTION (\$000s)	
2006 Proposed Operating Budget	173,655.6
Net Target	168,594.0
Over / (Under )Target	(5,061.6)

# New & Enhanced Requested / Recommended – (Net \$000's)

New & Enhanced	Requested Net	Recommended Net
Multi-Unit Waste Reduction Levy (*)	1,610.0	0.0
Enforcement of Mandatory Waste Diversion ByLaw (**)	359.2	0.0
Waste Reduction Bag Limit from 6 to 5 (**)	305.8	0.0
Clean & Beautiful City	187.1	0.0
SSO Collection in Apartments	160.3	0.0
Haulage and Transfer Operation of Single Stream & SSO Materials	265.6	0.0
Support Services Chargeback	155.2	0.0
Technical Services Chargeback	50.9	0.0
<b>Total New &amp; Enhanced</b>	<b>3,094.0</b>	<b>0.0</b>

(\*) This initiative was approved during the approval of the 2005 Operating Budget. However, subsequent Council approvals have adversely affected the original financial impacts of this initiative

(\*\*) These initiatives were approved by Council and were to be given consideration during the 2006 Budget Review Process

## Division Specific and/or Cross Cluster Issues

- Continued Implementation of the 2010 Waste Diversion Plan and Multi-Year Business Plan
- Higher Support Services Division costs due to the re-allocation of funding from the Water Rate to the Tax Levy
- Ongoing funding for perpetual care expenditures related to former landfill sites
- Resolution of waste management fees for the ABCD's