

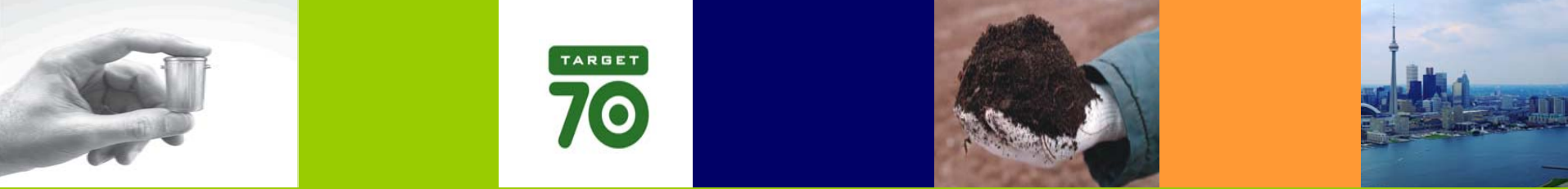


Solid Waste Management Services

2009 Capital & Operating Budget

Public Launch October 17, 2008



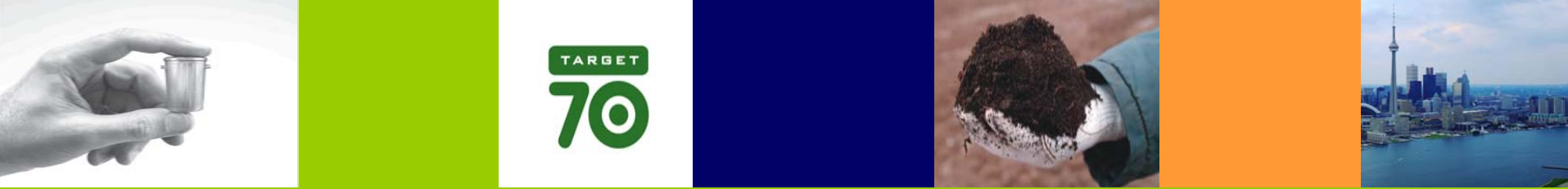


Solid Waste Management Services Overview

Serve over 1 million units

- 480,000 single unit homes
- 500,000 multi-unit homes
- 20,000 small commercial
- 6,000 litter/recycle bins / 1,000 Special Events Per Year
- City Agencies, Boards, Commissions & Divisions
- Private commercial and industrial waste accepted at transfer stations and Landfill

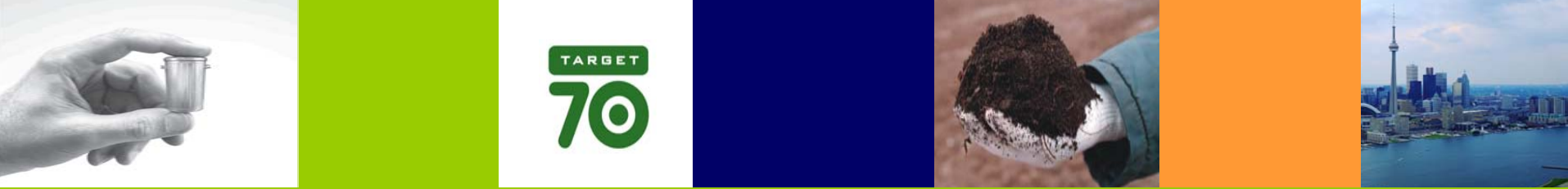




Solid Waste Management Services - Assets

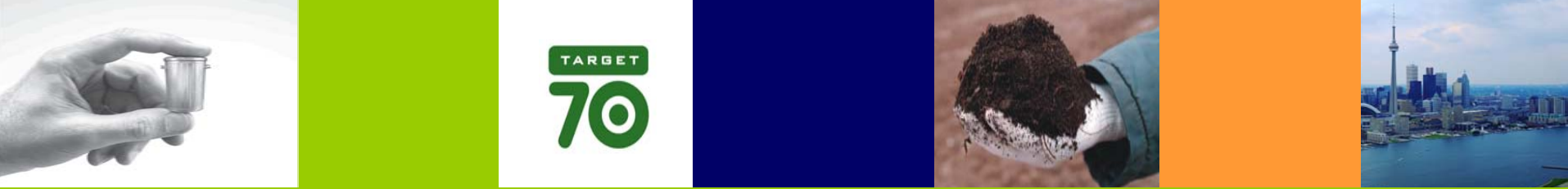
- 7 Transfer Stations
- 1 Landfill
- 2 Material Recovery Facilities (MRF)
- 1 Green Bin Processing Facility
- 1 Temporary Reuse Centre
- 4 Collection Yards and 1 Litter Collection Yard
- 161 Former Landfills
- 6 Household Hazardous Waste (HHW) Depots
- 734 Vehicles





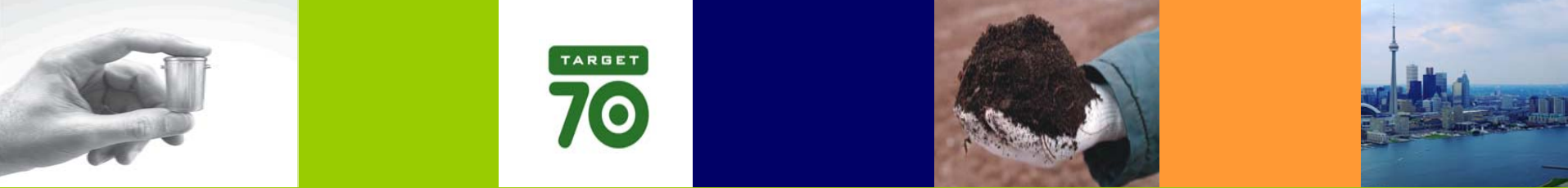
Michigan Disposal

- Currently shipping approx. 75/tractor trailer loads per day
 - ❖ Down from peak of 142 per day in 2002
- Border Closure Legislation 'on hold' subject to achievement of negotiated reduction targets
 - ❖ City of Toronto achieved 2007 reduction goals
 - ❖ On track to stop Michigan shipments December 31, 2010
 - Redirect all residual waste to Green Lane Landfill



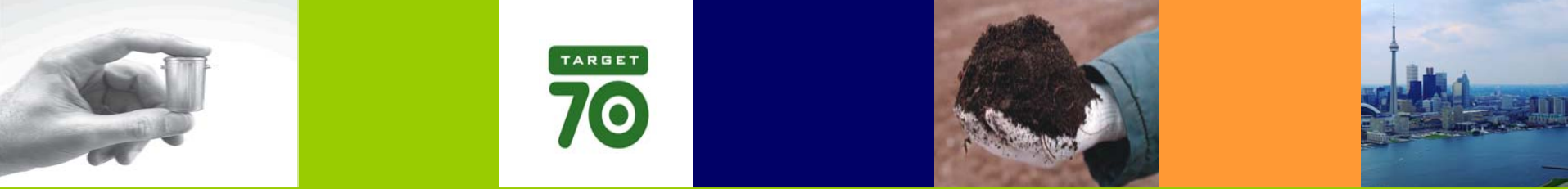
Strategic Direction

- Multi-Year Business Plan approved by Council in 2005
- Target 70 approved by Council in 2007
 - ❖ Create Solid Waste Utility
 - 100% rate supported operating and capital budgets
 - ❖ Volume based Solid Waste Rate
 - Drives waste diversion behaviour change
 - Generates \$54M incremental annual revenue to support new diversion initiatives
 - ❖ Detailed plan to move from 42% to 70% diversion
 - Extends volume based Green Lane Landfill life to 2034



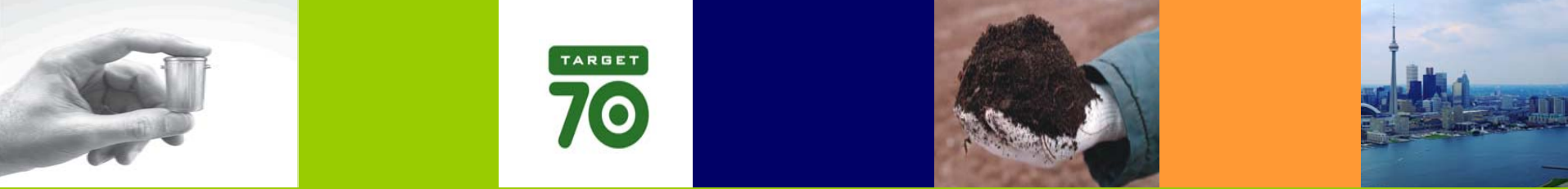
Diversion Statistics

	2007 Actual	2008 Projected	2009 Estimate
Single Unit Homes	59%	61%	63%
Mult-Unit Residences	13%	18%	23%
City Facilities / Public Space	43%	45%	47%
Over-All	42%	44%	48%



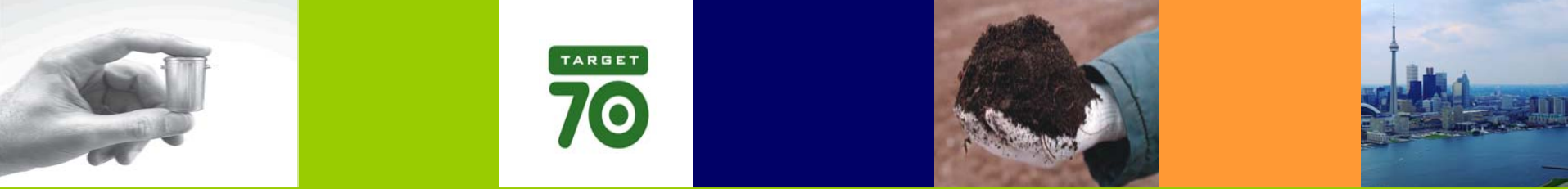
Solid Waste 2009 Budget Provides

- New & Enhanced Diversion Programs
- Enhanced Service Levels
- New Infrastructure to Support Waste Diversion



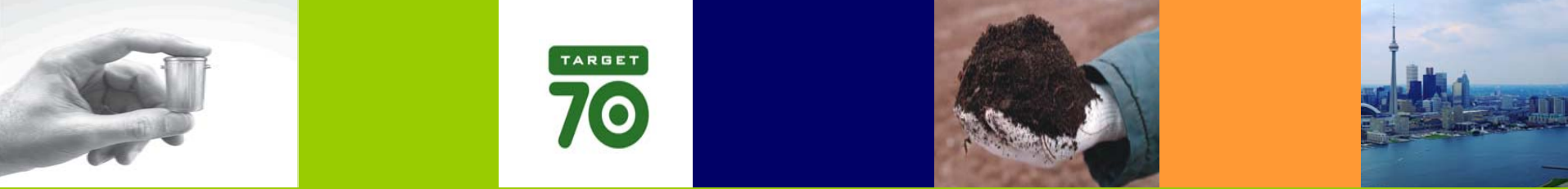
New & Enhanced Diversion Programs:

- Start-up of Green Bin program in multi-unit buildings at a rate of 300 complexes/month
- Curbside collection of household durable goods for reuse and recycling
- Add new items to Blue Bin recycling program
- Initiate enforcement of mandatory diversion by-laws
- In-store packaging reduction initiatives



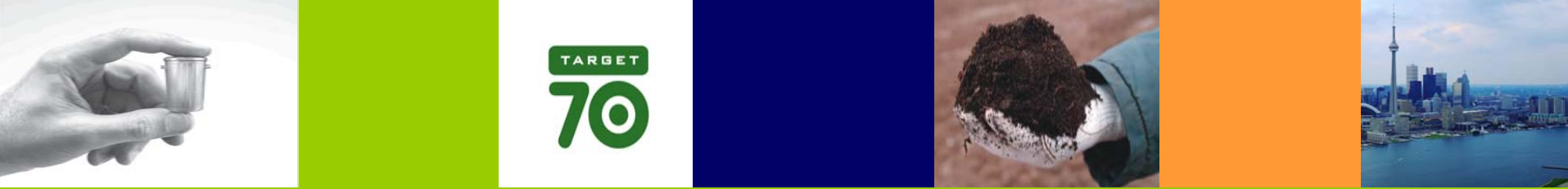
Enhanced Service Levels:

- Door-to-door curbside service for townhomes
- Full access to Blue Bin & Green Bin service for residential units above commercial
- Extend household special waste depot operations to 5 days per week
 - ❖ Pilot multi-unit mobile depot
- Replace and upgrade existing street litter/recycle bins
- Improved design of waste & diversion systems for special events



New Infrastructure to Support Waste Diversion:

- 2 new household durable goods reuse and recycle centres
- New Green Bin processing facility at Disco and Dufferin Transfer Stations
- Design of third recycling processing facility
- Provision of in-suite recycle bins to all multi-unit homes
- Decision on technology and location of mixed waste treatment facility

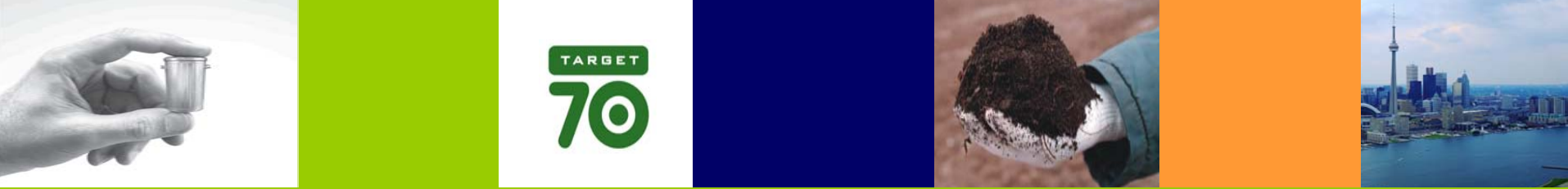


2009 Program Issues

- Solid waste system undergoing rapid, fundamental change
 - ❖ Impacting over 1 million customers
 - ❖ Re-engineering all operational systems
 - ❖ Very limited 2008 data

- Volatile Year 1 Rate Revenue
 - ❖ Resident bin selection changes
 - ❖ Re-design of multi-unit building processes and systems
 - ❖ Simultaneous introduction of new diversion initiatives

- Capacity of Division to deliver multiple service enhancements
 - ❖ Highly integrated and inter-dependent programs
 - ❖ Facility siting challenges



2009 Program Issues

- Integration of Green Lane Landfill Business Unit
 - ❖ Cost neutral business unit
 - ❖ Complete re-direction of waste from Michigan in 2011

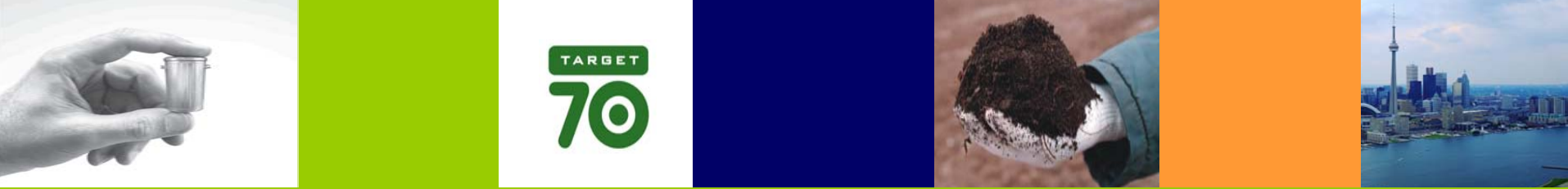
- Volatile Global Economic Factors
 - ❖ Fuel prices
 - ❖ Commodity values
 - ❖ Exchange rates



Solid Waste Management Services

2009 Operating Budget





2009 Operating Budget Overview

➤ Recommended 2009 Operating Budget Consistent With Target 70 Council Approved Plan

❖ Gross Expenditures

- Up \$43.4M over 2008
- 15.7% increase

❖ Volume Based Rate Revenue

- Annualization of 2008 partial year \$164.5M
- 0% increase in per unit rate

❖ 2009 Reserve Contribution

- \$14.0M

❖ Staffing Levels

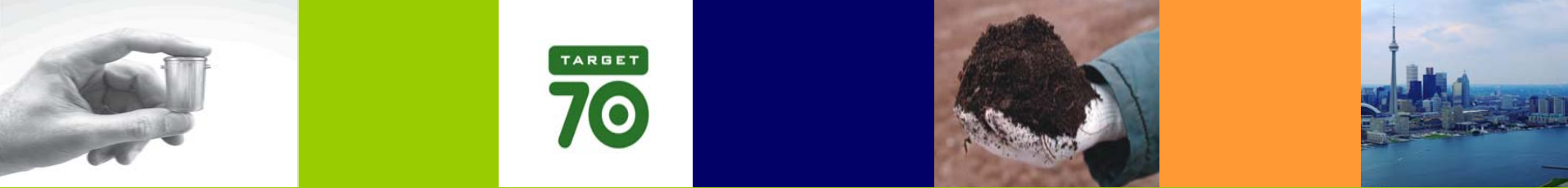
- 57 SWMS positions (4.3%)
- Additional 2 PPFA positions



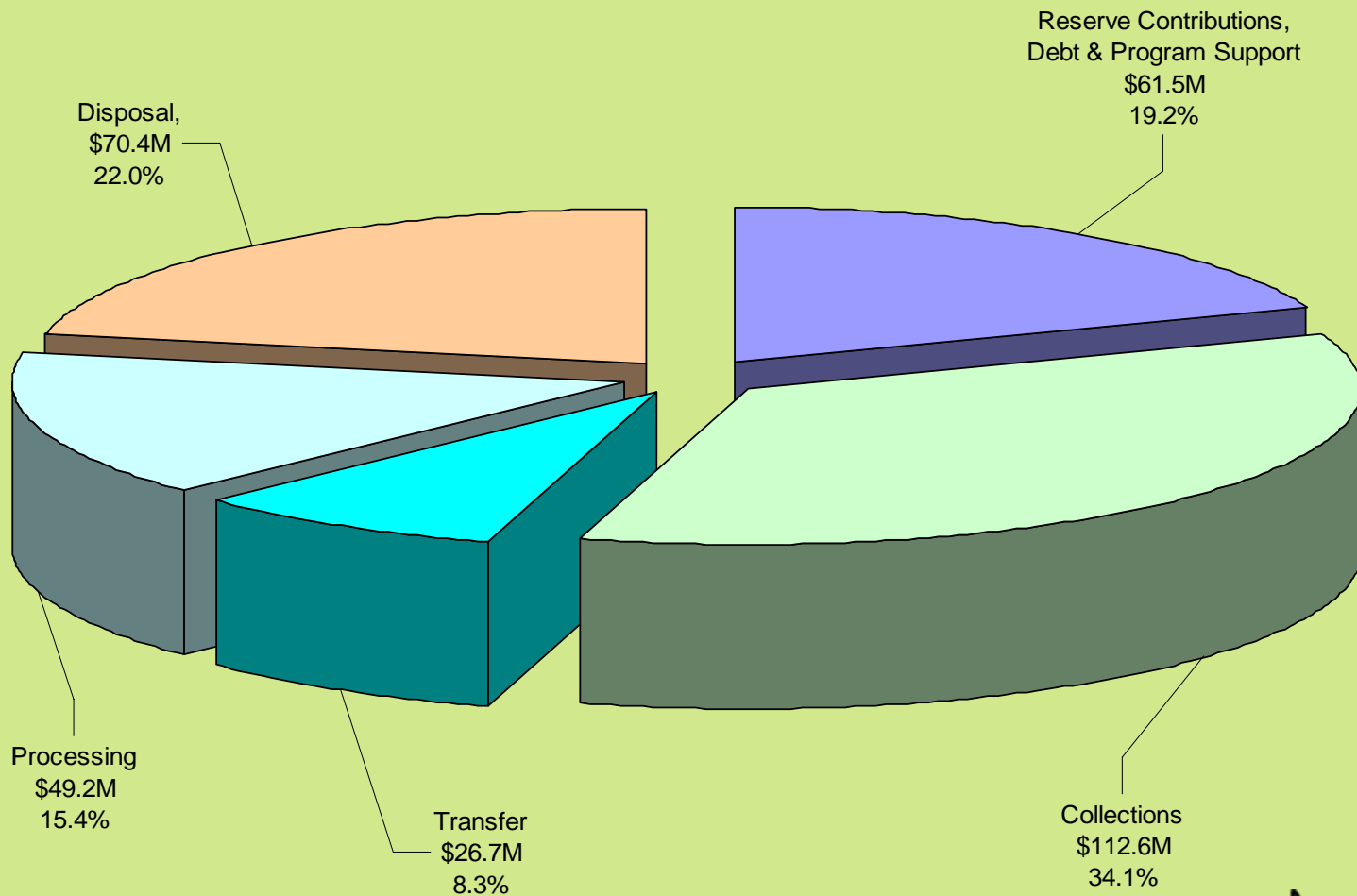


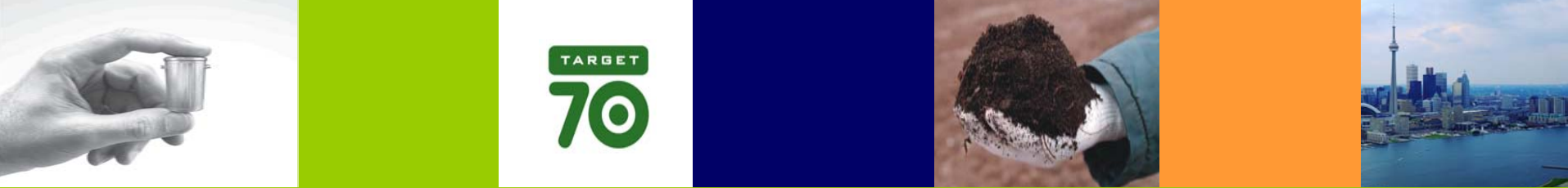
Staffing Changes Summary

Project / Initiative	New Staff
Target 70 Reuse Centre Additional Recycling Additional Green Bin Education / Outreach Volume Based Rate	41.1
Customer Service SWMS Call Centre (Temp Jan - June 2009)	3.0
HHW Extended Hours	2.1
Ambassador Project Co-ordinate 3R's Education Program	1.0
New Infrastructure & Contract Administration Co-ordination of New Capital Programs	1.0
Collection Contract Renewal Delivery of Recycled Materials to City's MRF	2.0
Emerald Ash Borer Additional Haulage/Grinding	3.0
Special Events Special Events Co-ordination	2.0
Street Furniture Rollout Plan/Review/Inspect installation of New Litter Bins	2.0
Total SMSM	57.2
PPFA - Increased Complexity & Demands for Service	2.0

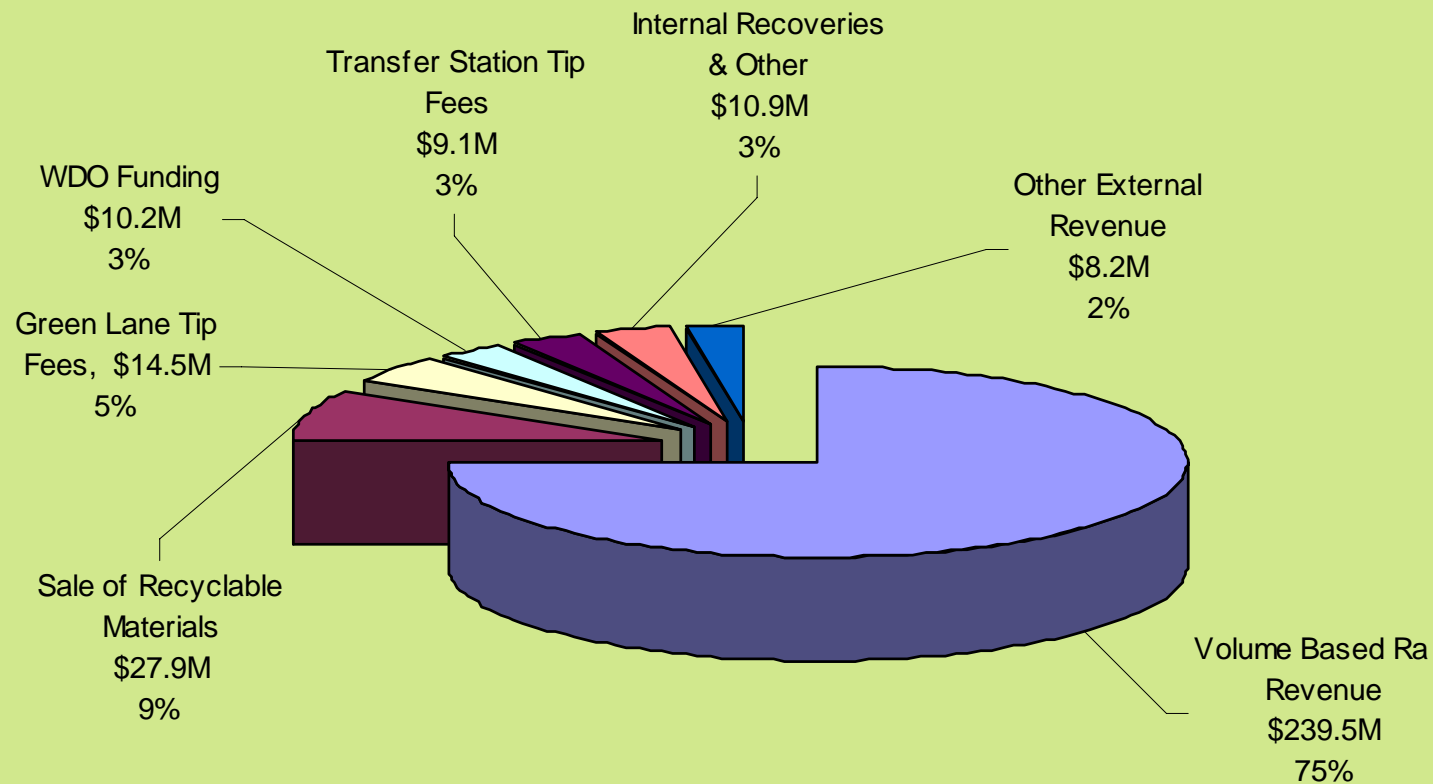


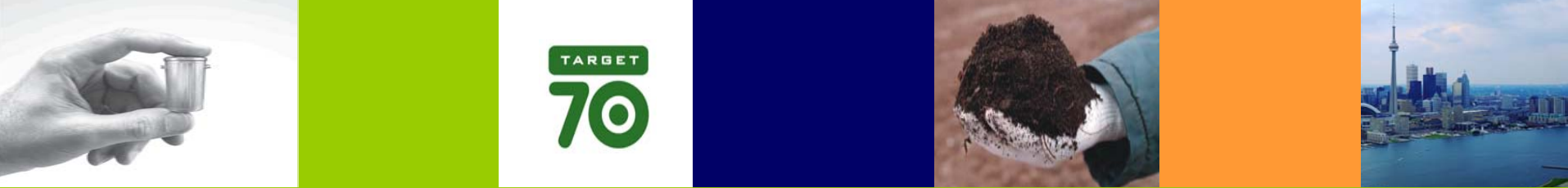
2009 Expenditures By Service





2009 Revenue Sources





Year 1 Transition Issues – Revenue Volatility

+ Single Unit Home Bin Selection

	S	M	L	XL	2007 Revenue Per HH
Target 70 Estimate	30%	30%	30%	10%	\$271/HH/YR
Actual Orders to Date	24%	37%	31%	8%	\$277/HH/YR

+ Multi-Unit Waste Rate

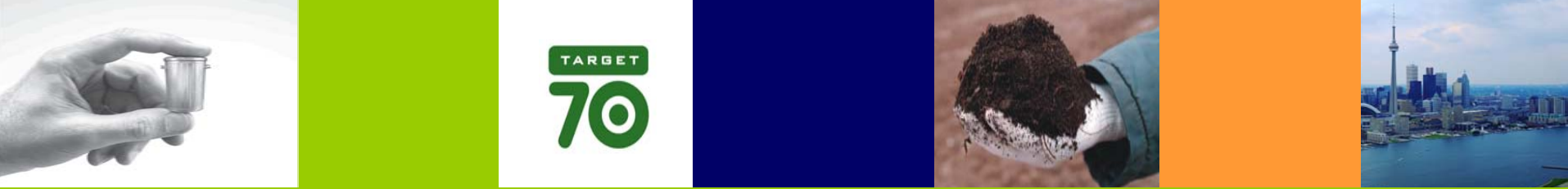
- * Collection data indicates week 1 - 8 volume is higher than projected
- * First bills to be delivered through October and November

+ Extra Tag Sales

- * Five free tags provided to end of 2009

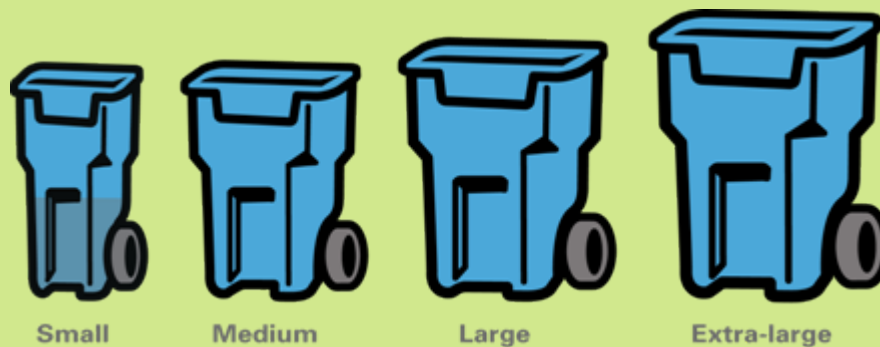
- SF & MF Households Count

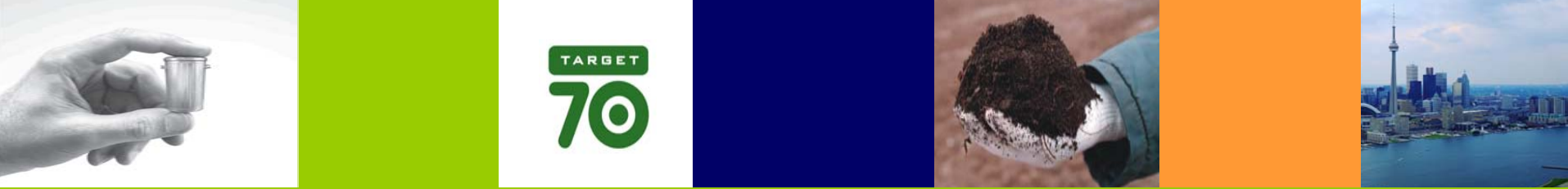
- * Program roll-out is still underway
- * House counts are trending lower than Target 70 Plan



Solid Waste Management Services

2009 – 2018 Capital Budget

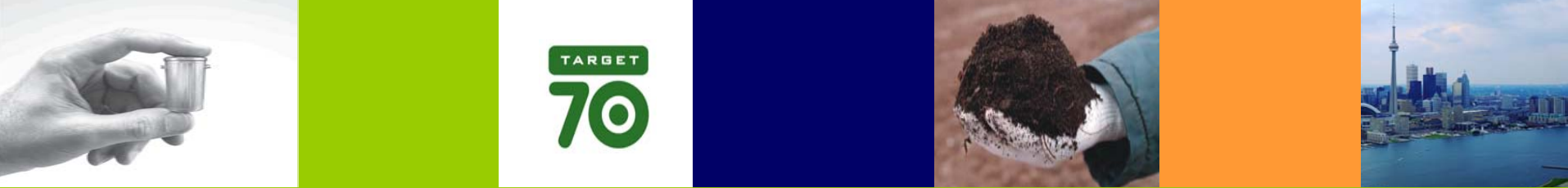




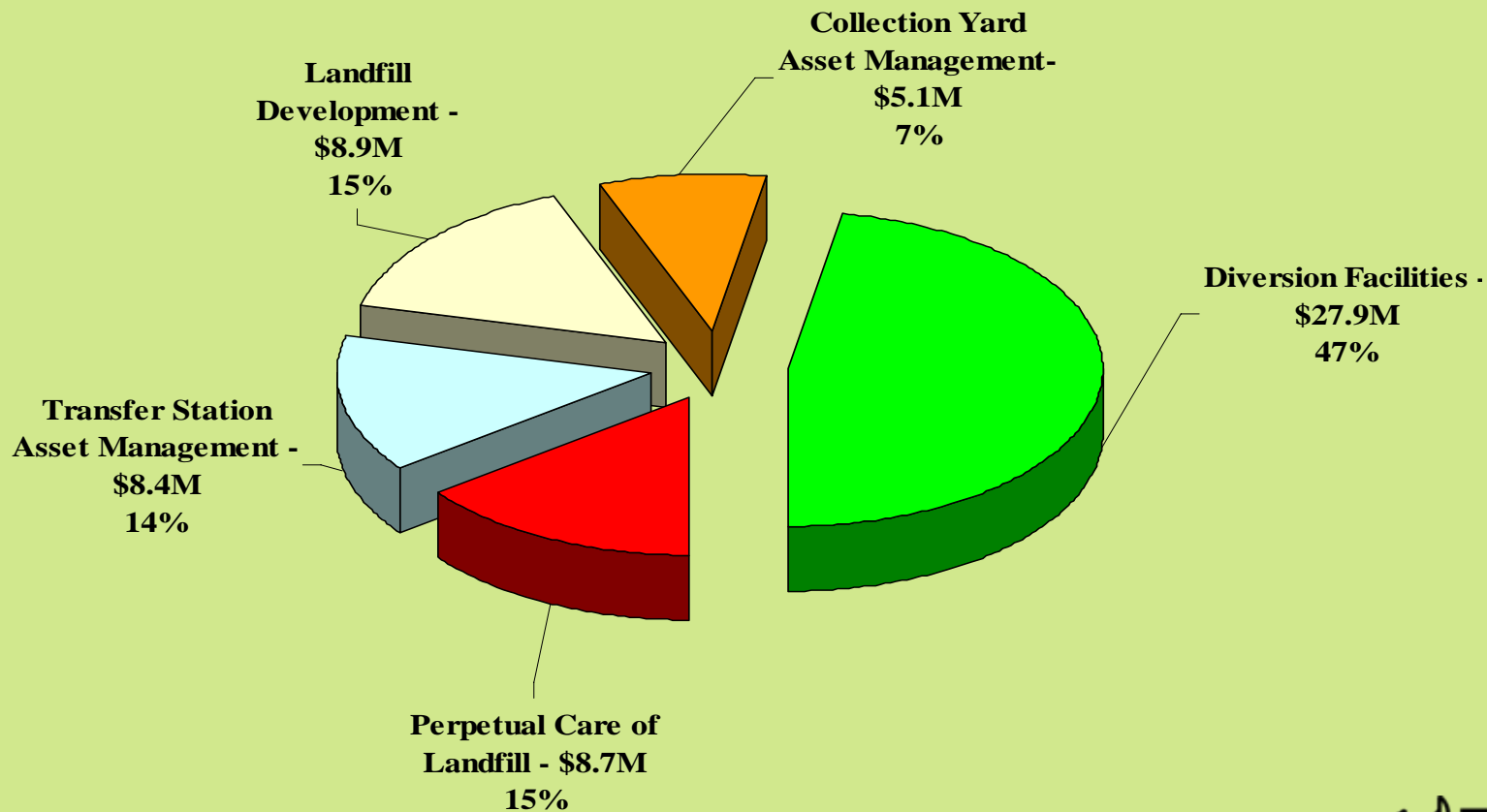
2009 Capital Budget Overview

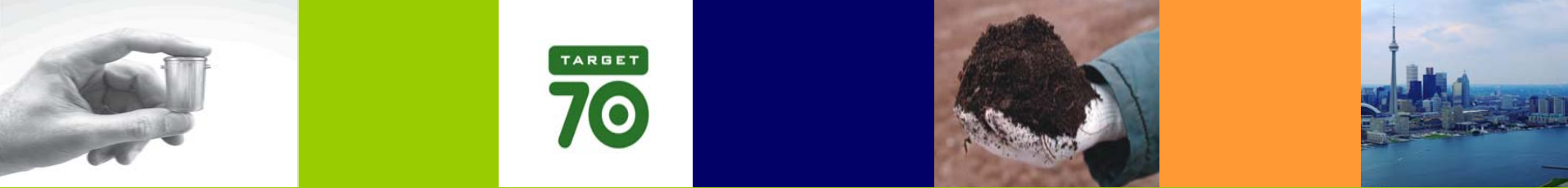
❖ 2009 Capital Budget consistent with Target 70 Plan

- 2009 - 2018 Capital Budget within 1% of the Target 70 Plan
- 2009 Capital Budget is 24% lower than Target 70 Plan
- No significant state of good repair backlog
- Over \$300 million of new diversion facility infrastructure in plan

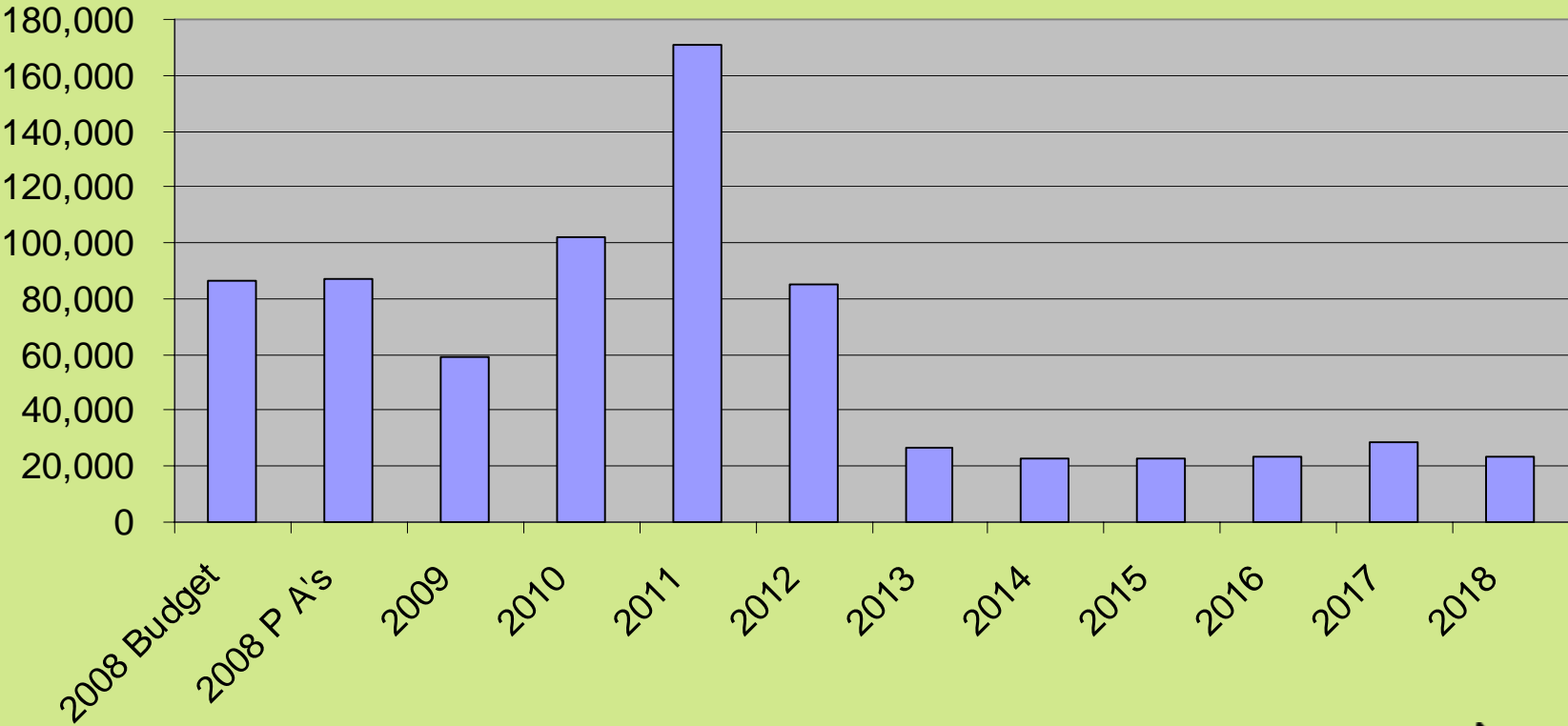


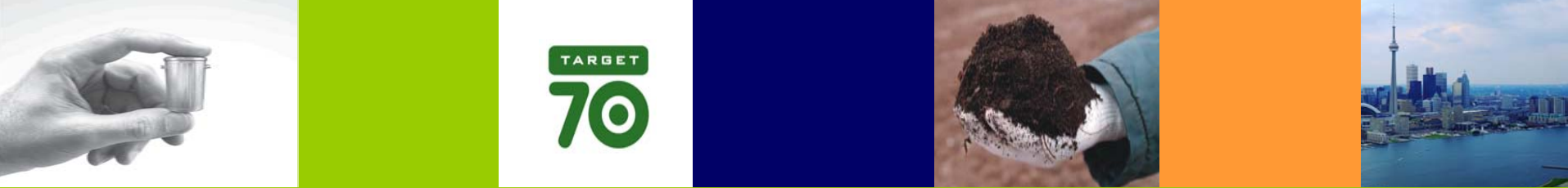
Summary of 2009 Recommended Cash Flow by Project (\$59.1M)





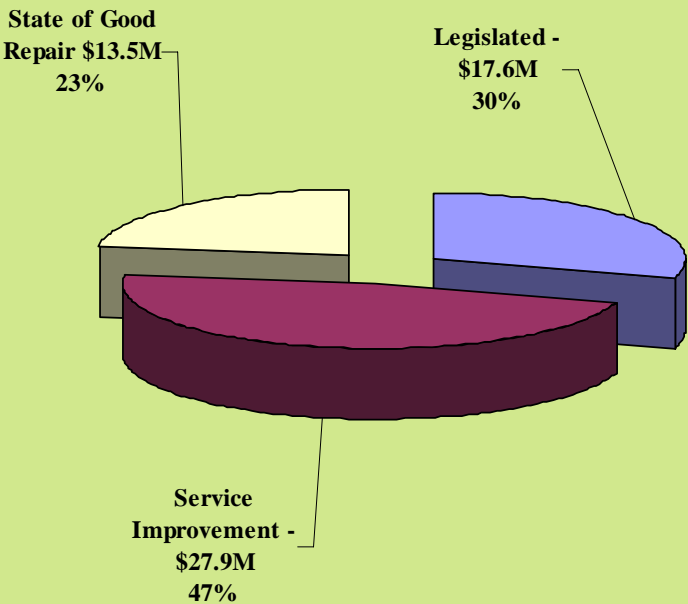
Projected Capital Expenditures: 2009-2018



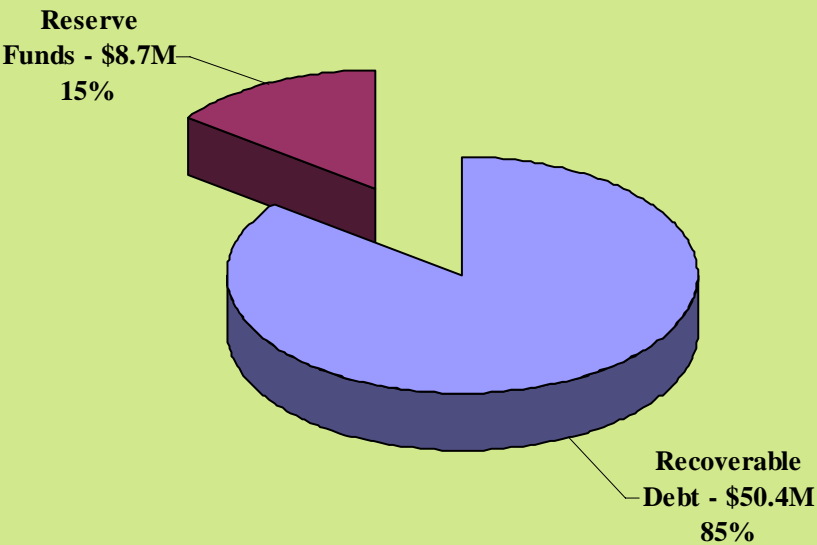


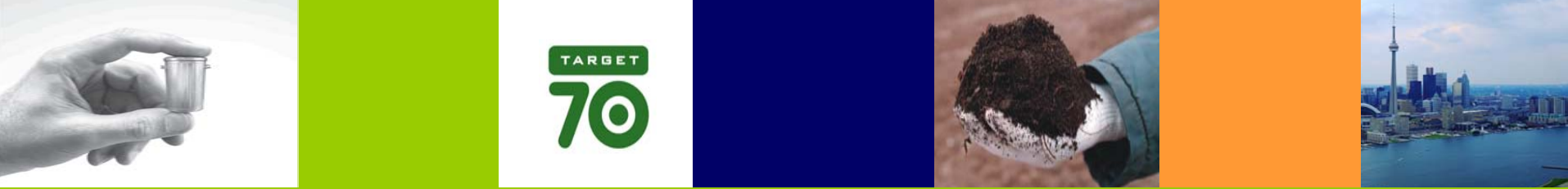
2009 Recommended Cash Flow By Category and Financing Source - \$59.1M

By Category



By Financing Source





Recommended 2009 Rate

Recommend 0% increase for 2009

❖ Rationale

- Timing of 2008 program launch
- Need longer term revenue trend information prior to any rate change
- 10 Year projected reserve balance consistent with Target 70 Plan due to several unanticipated factors
 - New WDO funding
 - Lower borrowing costs



2009 Proposed Curb Side Rates

	2008	2009	Percent Increase
Solid Waste Fees per unit	S = \$199	S = \$199	0%
	M = \$248	M = \$248	0%
	L = \$342	L = \$342	0%
	XL = \$399	XL = \$399	0%
Bin Exchange Fees	November 2008 – January 2009 = \$10		0%
	February 2009 – December 2009 = \$20		0%
Bin Replacement Fees	S = \$50	S = \$50	0%
	M = \$55	M = \$55	0%
	L = \$60	L = \$60	0%
	XL = \$65	XL = \$65	0%
Rebate per unit	\$209	\$209	0%



2009 Proposed Bulk Rates

Size	2008	2009	Percent Increase
Solid Waste Fees per unit	S = \$150	S = \$150	0%
	M = \$175	M = \$175	0%
	L = \$205	L = \$205	0%
	XL = \$235	XL = \$235	0%
Cubic Yard Fees for excess waste	\$9.56 uncompacted \$28.67 compacted	\$9.56 uncompacted \$28.67 compacted	0%
Rebate per unit	\$157	\$157	0%

2009 Proposed Bag Fees

	2008	2009	Percent Increase
Fee Per Tag	\$3.10	\$3.10	0%