

October 17, 2008

## **Solid Waste Management Budget Launch for 2009**

The 2009 proposed budget for Solid Waste Management Services, launched today at a special meeting of the Budget Committee, outlines the operating and capital budgets and rates required to support the Council approved Target70 Plan to achieve 70% waste diversion from landfill by 2010. For the first time, Solid Waste Management Services presented its new rate-supported budget at the beginning of the 2009 budget process.

The cost to provide services delivered by Solid Waste Management are no longer being charged via the property tax base, but rather through a newly designed Utility Bill, which will outline separate charges for water usage and volume of garbage collected. The Solid Waste Management Fees, based on the new volume-based rate structure, is applicable to residents living in multi-unit buildings (fees effective July 1, 2008) and to those living in single-family houses receiving curb-side service (fees effective this coming November 1, 2008).

The proposed 2009 budget indicates there will be no rate increase for these newly established Solid Waste Management Fees for curb-side rates (single-family houses); bulk rates (multi-unit buildings); or bag fees (cost per bag for eligible small business Yellow Bag Program customers or cost per Garbage Bag Tag for curb side overflow).

### **Budget request**

#### **Operating Budget:**

- Gross expenditures of \$320M (means a 15.7% increase from 2008)
- Waste Management Reserve Fund of \$14.0M
- Staffing levels increased to 57 Solid Waste Management Services positions and an additional two Policy, Planning and Financial Administration positions

#### **Capital Budget:**

On target with approved Target70 Plan

- 2009-2018 Capital Budget, at \$562M, is within 1% of Target70 Plan
- 2009 Capital Budget is \$59M, which is 24% lower than Target70 Plan
- No significant state-of-good repair backlog
- Over \$300M of new diversion facility infrastructure

### **What does the 2009 budget include?**

#### **New and enhanced diversion programs:**

- Start-up of Green Bin Program in multi-unit buildings
- Curb side collection of household durable goods for reuse and recycling
- Adding new items to the Blue Bin recycling program
- Initiating enforcement of mandatory diversion by-law
- In-store packaging reduction initiatives

#### **Enhanced service levels:**

- Door-to-door curb side service to townhomes
- Full access to recycling and Green Bin service for residents living above commercial properties
- Extend household special waste (formerly called Household Hazardous Waste) depot operations to five days per week, in addition to piloting a multi-unit building depot service
- Replace and upgrade existing street litter/recycle bins
- Improved design of waste and diversion systems for special events

#### **New infrastructure to support waste diversion:**

- Two new household durable goods reuse and recycle centres
- New Green Bin processing facility at Disco Transfer Station (in Etobicoke community area) and at Dufferin Transfer Station (in North York community area)
- Design of a third recycling processing facility
- Provision of in-suite recycle bins to all multi-unit building units
- Decision on technology and location for a mixed waste treatment facility

### **What does the decision to retain the current rates mean for residents?**

- Residents living in single-family homes receiving curb side collection service will continue to receive an annual rebate of \$209, which will appear as a pro-rated sum on each Utility Bill, and used to help pay the Solid Waste Management Fee determined by the size of Garbage Bin used to hold the volume of waste the household generates. The fees, after subtracting the rebate, assigned to each size Garbage Bin remain the same as 2008 (Small = \$10 credit; Medium = \$39; Large = \$133; Extra-large = \$190). The cost to residents for bin exchanges remains the same as 2008.
- The cost to purchase a Garbage Bag Tag for each standard-size bag of overflow garbage remains the same (\$3.10 per tag and available in packages of five for \$15.50).
- Owners of multi-unit buildings will continue to receive an annual rebate of \$157 per unit which will be used to offset their Solid Waste Management Fee. The rates charged for collecting either compacted or uncompacted waste remains the same as 2008 (\$28.67 per cubic yard and \$9.56 per cubic yard respectively).

### **Budget challenges to 2009 Programs**

[Please notice and approve addition of more challenges found in final presentation]

#### **Solid waste system undergoing rapid, fundamental change:**

- Impacts 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

#### **Integration of Green Lane Landfill Business Unit:**

- Maintain as a self-financing business unit
- Complete re-direction of waste from Michigan landfill in 2011 (preparing landfill to receive additional waste)

#### **Volatile global economic factors:**

- Fuel prices
- Commodity values
- Exchange rates

### **Customer Profile**

Solid Waste Management delivers services to over one million customers, including 480,000 single-family homes; 500,000 multi-unit homes; 20,000 small businesses and for 6,000 litter/recycle bins; 1,000 special events per year; the City's Agencies, Boards, Commissions and Divisions, in addition to accepting private commercial and industrial waste at transfer stations and the City-owned landfill.

### **Solid Waste Assets**

- 7 transfer stations
- 1 landfill
- 2 recycling centres (Material Recovery Facilities)
- 1 Green Bin processing facility
- 1 temporary reuse centre
- 4 collection yards and 1 litter collection yard
- 161 former landfills
- 6 household special waste depots (formerly called Household Hazardous Waste depots)
- 734 vehicles