



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Environmental Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	January 11, 2021
SUBJECT/REPORT NO:	Delegated Authority to Transition Waste Management Recycling Programs to Individual Producer Responsibility (PW21004) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Scott Hembruff (905) 546-2424 Ext. 5601
SUBMITTED BY:	Craig Murdoch Director, Environmental Services Public Works Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the General Manager of Public Works, or their designate, be authorized and directed to negotiate with Producer Responsibility Organizations for the continued full funding of Tires and Batteries and for the future upload of Electrical and Electronic Equipment and Municipal, Hazardous and Special Waste programs to Individual Producer Responsibility; and,
- (b) That the General Manager of Public Works be authorized to execute contracts with Producer Responsibility Organizations that would upload the financial responsibility of any waste management recycling program to Individual Producer Responsibility in a form acceptable to the City Solicitor.

EXECUTIVE SUMMARY

The Province of Ontario is in the process of transferring the responsibility for recycling programs to the producers who manufacture the products. Each program has a scheduled transition date at which time the Stewardship Ontario programs that provide partial reimbursement to municipalities will end. For Municipalities to transfer these programs to producers under the Individual Producer Responsibility (IPR) framework,

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Delegated Authority to Transition Waste Management Recycling Programs to Individual Producer Responsibility (PW21004) (City Wide) - Page 2 of 6

they must sign agreements with registered Producer Responsibility Organizations (PRO) working on behalf of the producers. If Municipalities choose not to sign these agreements, not only will they lose the partial funding through Stewardship Ontario, but they would have to assume the full financial responsibility for these programs when the Stewardship Ontario programs transition to the new IPR framework.

The Ontario Tire Stewardship Program was transitioned to IPR on January 1, 2019 and has saved the City approximately \$15,000 per year. The battery collection program, which transitioned on July 1, 2020 is estimated to save the City an additional \$8,000 per year.

By uploading the Electrical and Electronic Waste Program (EEE) on January 1, 2021 and the Municipal Hazardous and Special Waste Program (MHSW) on July 1, 2021, it will save the City an estimated \$471,440 per year (\$30,000 for EEE program and \$441,440 for the MHSW).

Staff intend to negotiate with PROs to continue to utilize the City’s Transfer Stations and Community Recycling Centres as collection depots for these materials with the intention of maintaining current service levels.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: If the City chooses to transition the Electrical and Electronic Equipment and the Municipal Hazardous and Special Waste programs, the estimated budget savings are found in Table 1 below;

Table1

Program	Total Cost of Program	Current Stewardship Ontario Funding	Remaining Cost to be Uploaded to Producers (Potential Budget Savings)
Electrical and Electronic Equipment (EEE)	\$ 50,000.00	\$ 20,000.00	\$ 30,000.00
Municipal, Hazardous and Special Waste (MHSW)	\$ 643,440.00	\$ 202,000.00	\$ 441,440.00
Totals	\$ 693,440.00	\$ 222,000.00	\$ 471,440.00

* Above costs are estimates based on 2020 operating budget

SUBJECT: Delegated Authority to Transition Waste Management Recycling Programs to Individual Producer Responsibility (PW21004) (City Wide) - Page 3 of 6

Staffing: There are no staffing implications related to the recommendation in this Report.

Legal: Legal Services will be consulted on any contract negotiated between the City and an eligible PRO.

HISTORICAL BACKGROUND

The Ministry of Environment, Conservation and Parks (MECP) has directed Stewardship Ontario to wind up recycling programs based on the following schedules;

- Ontario Tire Stewardship (OTS) Program:

This program ended on December 31, 2018. At the time of transition, the contractor operating the City's transfer stations and community recycling centres (TS/CRCs) signed with a designated PRO. As a result, the City was no longer invoiced for the cost of used tires collected at these sites from residents. Although this agreement is expected to be valid for the life of the TS/CRC operations contract, this program is included in Report PW21004 to provide staff with the ability to negotiate with a PRO if necessary.

- Battery Incentive Program:

This program ended on June 30, 2020. As the cost of this program was under \$10,000 per year, the City of Hamilton's Procurement Policy allowed staff to negotiate directly with a battery PRO. With the support of Legal Services, a one-year contract from July 1, 2020 to June 30, 2021, was finalized between the City and Call2Recycle which has transitioned the cost of this program to the individual battery producers. This program is included in Report PW21004 to provide staff with the ability to renegotiate the current contract with Call2Recycle or negotiate with an alternative PRO if necessary.

- Ontario Electronics Stewardship (OES) Program:

This program is scheduled to end on December 31, 2020 and manages all of the waste Electrical and Electronic Equipment (EEE) collected at the TS/CRCs from residents. The regulation outlining how this transition will take place was released on September 21, 2020 by the Ministry of Environment, Conservation and Parks (MECP). Due to the tight timeline, negotiations with EEE PRO companies will take place in early 2021. As discussions will take

SUBJECT: Delegated Authority to Transition Waste Management Recycling Programs to Individual Producer Responsibility (PW21004) (City Wide) - Page 4 of 6

place after the transition date, staff will work with PROs to determine if retro-active payments will form part of the contract.

- **Municipal Hazardous or Special Waste (MHSW) Program:**

This program is scheduled to end on June 30, 2021 and manages all the designated MHSW materials collected at the TS/CRCs from residents. The regulation outlining how this transition will take place has not yet been released by the MECP but is expected in the spring of 2021.

Staff intend to negotiate with PROs to continue to utilize the City's Transfer Stations and Community Recycling Centres as collection depots for these materials with the intention of maintaining current service levels.

If the City of Hamilton (City) chooses not to transition the Electrical and Electronic Equipment and the Municipal Hazardous and Special Waste programs, the City would be responsible for 100% of the cost to operate these if they are to continue. Potential budget savings resulting from the transfer to producers is estimated to be approximately \$471,440. If the City chooses not to transition these recycling programs, the total cost would be approximately \$693,440 annually and would result in a budget pressure of \$222,000 from the Stewardship Ontario funding that would be lost.

For each program, PROs must register with the Resource Productivity and Recovery Authority (the Authority). The PROs work on behalf on producers to ensure that they meet their annual collection targets set by the MECP. The PROs also work with municipalities to reimburse them for any costs related to collecting, transporting and recycling eligible products.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Resource Recovery and Circular Economy Act, 2016

- O. Reg. 225/18: Tires, and
- O. Reg 30/20: Batteries, and
- O. Reg. 389/16: Waste Electrical and Electronic Equipment

RELEVANT CONSULTATION

The Recommendations in Report PW21004 were prepared in consultation with staff from the Corporate Services Department, Financial Services and Taxation (Procurement Section) and Legal and Risk Management Services (Legal Services Section).

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The City of Hamilton currently has well established recycling programs for tires, batteries, EEE and MHSW materials for home owners to access. By entering into agreements with registered PROs, the City would be able to maintain current service levels for residents for the above-mentioned programs while the PROs would be responsible for the costs of collecting, transporting and recycling these materials. Therefore, saving the City an estimated \$441,440 annually.

ALTERNATIVES FOR CONSIDERATION

Option 1: The City could decide to continue to collect these materials at the TS/CRCs without signing with a PRO. In this case, the City would be responsible for the entire cost of the programs.

Financial: The cost to operate these recycling programs would be approximately \$693,440 annually which would result in a budget pressure of \$222,000 from the Stewardship Ontario funding that would be lost.

Staffing: N/A

Legal: N/A

Option 2: The City could stop collecting these materials at the TS/CRCs. This would reduce the level of service for residents and could contribute to illegal dumping if there are no alternative programs for residents to access.

Financial: Eliminating these programs completely would result in a potential savings of approximately \$441,440 annually.

Staffing: N/A

Legal: N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

SUBJECT: Delegated Authority to Transition Waste Management Recycling Programs to Individual Producer Responsibility (PW21004) (City Wide) - Page 6 of 6

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Not applicable