



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Waste Management Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	April 2, 2024
<b>SUBJECT/REPORT NO:</b>	Recycling Services for Non-Eligible Properties Following the Transition of the Blue Box Program (PW24021) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Glenn Watt (905) 546-2424 Ext. 5439
<b>SUBMITTED BY:</b>	Angela Storey Director, Waste Management Public Works Department
<b>SIGNATURE:</b>	

## RECOMMENDATION

- (a) That Council authorize the continuation of the present service level for collection and processing of recyclables in blue box and blue cart, for properties that the Blue Box Program Regulation (O. Reg. 391/21) deemed non-eligible for collection, during the transition period of April 1, 2025, to December 31, 2025;
- (b) That Council approve the collection and processing of Blue Box Program recyclables from eligible special events under the current contract with GFL Inc. during the transition period of April 1, 2025, to December 31, 2025; and
- (c) That the General Manager, Public Works or designate be authorized to execute any required agreements with Circular Materials Ontario and/or Circular Materials Ontario's contractor for the collection and processing of recyclables from non-eligible properties during the transition period of April 1, 2025, until December 31, 2025.

## EXECUTIVE SUMMARY

In accordance with the Blue Box Program Regulation (O. Reg. 391/21) that was enacted by the provincial government on June 3, 2021, the municipal Blue Box Program is transitioning to a producer responsibility model, where producers will be fully

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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.

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responsible for the collection and processing of designated recyclable materials from eligible sources, such as single-family homes, multi-residential buildings, and applicable long term care facilities. As scheduled, municipalities began transitioning on July 1, 2023, and the transition is set to continue until December 31, 2025. The City of Hamilton was given a transition date of April 1, 2025, after which it will no longer be responsible for providing Blue Box services to these eligible sources.

For properties that currently receive Blue Box collection service from the City and are now deemed non-eligible under the Regulation, they will not be transitioned to producer responsibility and will not receive Blue Box collection through the producer responsibility organization following transition on April 1, 2025. These non-eligible properties include businesses, places of worship, special events and City facilities, such as recreation centres, municipal buildings, and public libraries.

Appendix “A” to Report PW24021 provides an infographic highlighting eligible and non-eligible properties. This service level gap created by the Regulation results in municipalities having to determine whether to continue to provide Blue Box services to non-eligible properties beyond the transition date, and if so, how to manage these operations. Report PW24021 deals with servicing the non-eligible properties only during the transition period of April 1, 2025 – December 31, 2025. If applicable, staff will bring an additional report to Public Works Committee in Q1 2025 regarding the collection and processing of recyclables for non-eligible properties beginning January 1, 2026.

Report PW24021 is recommending that the City of Hamilton continue to provide Blue Box collection and processing services for the estimated 3,005 non-eligible properties that currently receive this service through the City. The estimated cost to provide this service during the transition period of April 1, 2025 – December 31, 2025, is \$473,000. The budget for this program is already accounted for in the overall Waste Management Division budget for the Recycling Program.

Continuing to provide Blue Box collection to non-eligible properties during the transition period will ensure that all properties eligible under the City of Hamilton Solid Waste Management By-law (20-221) receive collection and processing of their Blue Box material right through to the end of the transition period. Staff have worked with the Producer Responsibility Organization, Circular Materials Ontario, and the City’s existing recycling collection Contractor, Green For Life Inc., on the costing for the continuation of the service during the transition period. It is not yet known who the collection contractor will be for the Hamilton catchment area following the transition period, beginning January 1, 2026. This information should be available later this year and at that time, if applicable, staff will prepare a report for Public Works Committee to consider if the City will continue to service non-eligible properties after December 31, 2025. This approach is consistent with corporate waste diversion and environmental goals and aligns with

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most other municipalities that have already transitioned their Blue Box Program under the Regulation.

**Alternatives for Consideration – See Page 8**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Table 1 below provides the estimated number and type of non-eligible properties that would be impacted by the Recommendation in Report PW24021.

Table 1: Estimated number of non-eligible properties receiving Blue Box collection by the City

Property Type	Number of Properties
City Facilities	195
Businesses and other non-eligible properties such as places of worship	2,800
Special Events	10
Total	3,005

The net operating cost of the City's Blue Box Program is projected to be \$13.785 million in 2024 and \$3.943 million in 2025 following transition of the Blue Box Program on April 1. As seen in Table 2 below, the cost associated with Recommendation a) in Report PW24021 is \$473,000 for the period of April 1, 2025 – December 31, 2025. This would result in a total net operating cost of \$4.41 million for the Blue Box Program in 2025. \$473,000 includes a per-stop cost to collect recyclables from non-eligible properties by a collector contracted by Circular Materials Ontario and a \$200 cost per tonne for processing the recyclables at a processing facility contracted by Circular Materials Ontario. If approved, the \$473,000 for this service will continue to be included in the 2025 Tax Operating budget for the Waste Management Division.

Table 2: Costs related to providing Blue Box collection during the transition period to non-eligible properties:

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Non-Eligible Property Type	Estimated Annual Costs (full year)	Estimated Cost During Transition Period (pro-rated 9 months)
City Facilities	\$107,000	\$80,000
Businesses and other non-eligible properties	\$514,000	\$ 383,000
Special Events	\$10,000	\$10,000
Total	\$631,000	\$473,000

Staffing: N/A

Legal: N/A

### **HISTORICAL BACKGROUND**

On June 3, 2021, the Ministry of Environment, Conservation and Parks released O. Reg. 391/21 (Regulation) that transitions the current Blue Box Program to Individual Producer Responsibility and as of January 1, 2026, will transfer 100% of the cost and operating responsibility of the eligible Blue Box Program to producers of paper products and packaging. The Regulation includes the following objectives:

- Establishing a common curbside Blue Box collection system across Ontario which will service municipalities and First Nation communities;
- Expanding the type of materials accepted in the Blue Box program; and
- Offering Blue Box collection services to eligible sources including multi-unit residential buildings, schools, some public spaces, and not-for-profit retirement homes and long-term care homes.

The transition schedule released with the Regulation assigned April 1, 2025 as the transition date for the City of Hamilton which will result in a transition period for the City between April 1, 2025, to December 31, 2025.

On August 12, 2022, Report PW22064 was approved by Council confirming the City's decision to opt out of servicing eligible properties under the Blue Box Program on behalf of producers during the transition period and this was communicated to the Resource Productivity and Recovery Authority. Eligible sources include properties such as single-family homes, multi-residential buildings, and applicable long term care facilities. Unfortunately, the Regulation classified a number of properties as non-eligible sources and these properties, such as businesses, city facilities, places of worship and special events, are not included in the transitioned properties that will receive recycling collection or processing from the Producer Responsibility Organization following transition. Many City of Hamilton municipal facilities have established blue box recycling

programs which encourages participation in waste reduction efforts, matches the program residents have at home and provides a level a service the public has come to expect.

Report PW24021 is recommending that the City of Hamilton continue to provide Blue Box collection and processing services for approximately 3,005 non-eligible properties that currently receive this service at an estimated cost of \$473,000 during the transition period of April 1, 2025 – December 31, 2025. As it is not yet known who the collection contractor will be for the Hamilton catchment area following the transition period, beginning January 1, 2026, staff will prepare a report for Public Works Committee to consider if the City will continue to service non-eligible properties after December 31, 2025.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The City of Hamilton Solid Waste Management By-law (20-221) regulates waste collection and services carried out by the City. This By-law will need to be revised to align with Council's decision on servicing non-eligible properties prior to Hamilton's transition date of April 1, 2025.

Continuing to provide Blue Box collection at properties where garbage is also collected supports waste diversion goals in the City's Solid Waste Management Master Plan guiding principles:

- 1) The Glanbrook Landfill is a valuable resource, especially in the context of Ontario's impending landfill shortage. The City of Hamilton must minimize waste and optimize the use of the City's diversion and disposal facilities; and
- 2) The City of Hamilton must lead and encourage the changes necessary to adopt the principles of waste minimization.

## **RELEVANT CONSULTATION**

- Public Works Department - Corporate Facilities and Energy Management Division, Facility Operations and Maintenance Section
- Corporate Services Department – Financial Planning, Administration and Policy Division, Finance and Administration Section
- Corporate Services Department – Legal Services – Legal and Risk Management Services
- Municipal Scan – other Ontario Municipalities that have transitioned or are preparing to transition to see how they are servicing their non-eligible sources during the transition period.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Report PW24021 is recommending that the City of Hamilton continue to provide Blue Box collection and processing services for approximately 3,005 non-eligible properties that currently receive this service at an estimated cost of \$473,000 during the transition period of April 1, 2025 – December 31, 2025. The rationale for this recommendation touches on factors related to the continuation of service, time required to determine post-transition service levels, service levels being provided by other municipalities, the continued need to divert waste from landfill and leading by example.

### **Service Continuity during Transition**

Providing continued collection and processing of Blue Box Program material from non-eligible properties during the transition period will reduce the impact to them as it will defer the need for non-eligible property owners to source their own recycling collection and processing service providers. Given that residential/eligible sources will continue to be serviced in a status quo manner during the transition period, staff felt it equitable to continue to offer the Program to our currently serviced non-eligible properties as well.

### **Ability to Evaluate Long-Term Options**

Currently, there is very little information available in respect to costs and logistics of providing Blue Box services to non-eligible properties post-transition (January 1, 2026, and onward); however, as seen in Report PW24021 the information is available to determine the cost to continue the service during the transition period. This includes that the Producer Responsibility Organization, Circular Materials Ontario's contractors will be permitted to co-collect Blue Box material from eligible and non-eligible properties in the same collection vehicle in addition to a flat rate of \$200 per tonne for processing. This combined service results in greatly reduced collection costs compared to using separate vehicles for different property types and the City has an opportunity to participate in the program at reduced cost. It has been communicated to municipalities that co-collection will not be permitted post-transition.

Due to the Program still being finalized for municipalities transitioning in 2025, more time is required for the City to make an informed decision on Blue Box services post-transition.

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### Municipal Scan and Transition Experience

Table 3 identifies the decisions of the 23 municipalities surveyed on continuing to provide Blue Box service to non-eligible properties during the transition period. 61% of these municipalities have decided to continue to collect Blue Box material from non-eligible properties during the transition period, 22% have not made decisions yet, and 17% have decided to discontinue collecting Blue Box material from non-eligible properties. This indicates that, for the transition period, the trend is for municipalities to continue to collect Blue Box material from non-eligible properties.

Table 3: Municipal decisions on continuing Blue Box collection to non-eligible properties during the transition period:

	Will Continue Service to Non-Eligible Properties	Undecided on Servicing Non-Eligible Properties	Will Not Continue Service to Non-Eligible Properties
Number of Municipalities	14	5	4

In addition to the trend of municipal decisions, most of those municipalities that have transitioned and decided to continue to collect Blue Box material from non-eligible properties have reported few issues with this service being carried out by the Circular Materials Ontario’s contractor.

### Waste Diversion and the Environment

Continuing to provide Blue Box service to non-eligible properties during the transition period supports the City’s waste diversion goals and actions to decrease the City’s impact on climate change. Diverting waste is the most direct way to secure the remaining life of the Glanbrook Landfill. By continuing to collect recyclables from non-eligible properties, such as businesses and City facilities, that the City also collects garbage from, the City can prevent these materials from ending up in the landfill, where they would generate methane, a potent greenhouse gas, which aligns with the City’s goal of achieving net zero emissions by 2050.

### Leading by Example

By continuing recycling services at its municipal facilities during the Blue Box transition, the City would continue to demonstrate its goal to be a leader in managing waste. By

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doing so, the City sets a positive example for residents, reinforcing the importance of recycling and sustainability initiatives. This commitment aligns with public expectations, reduces risk of recyclables going to landfill, ensures operational continuity, reinforces recycling habits at home and contributes to environmental stewardship. Maintaining consistent services during this transition showcases the City's dedication to responsible waste management and encourages others to follow suit.

**ALTERNATIVES FOR CONSIDERATION**

Alternative 1 - Continue Blue Box collection service for City owned facilities and eligible special events (not businesses, places of worship, etc.)

Council could direct staff to only continue to provide Blue Box Program collection services during the transition period for City owned facilities, such as Municipal Service Centres, recreation centres, long-term care homes, and daycare centres, as well as festivals and special events that are organized or supported by the City. Staff have confirmed that providing collection service to City events can be managed under the current contract. This option would have decreased costs than providing Blue Box Program service to all non-eligible properties while at the same time continuing to provide residents with the ability to access the Blue Box Program when visiting City facilities. The City would discontinue Blue Box Program services for businesses, places of worship, and other non-eligible properties and those property owners would be required to source their own contractor for the collection of Blue Box materials at their own expense.

Financial: The net operating cost of the City's Blue Box Program is projected to be \$13.785 million in 2024 and \$3.943 million in 2025. The costs associated with Alternative 1 is approximately \$80,000. This would increase the total net operating costs of the Blue Box Program in 2025 to \$4.02 million. The \$80,000 required to continue to collect recyclables from City-owned facilities includes a \$200 per tonne cost for processing the recyclables (cost confirmed by Circular Materials Ontario) as well as collection costs. The \$80,000 for this service will continue to be included in the 2025 Tax Operating budget for the Waste Management Division.

Staffing: N/A

Legal: N/A

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Alternative 2 - Discontinue Blue Box collection service for all non-eligible properties

Council could direct staff to stop providing Blue Box Program collection services to all non-eligible properties, including City facilities, businesses, and special events. This would result in the elimination of any costs related to the City collecting or processing Blue Box Program material starting on April 1, 2025. At that time, non-eligible properties would be required to source their own contractor for the collection of Blue Box materials at their own expense.

Financial: Implementing this option would result in a cost avoidance of \$473,000 in 2025.

Staffing: N/A

Legal: N/A

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PW24021 – Properties Deemed Eligible or Non-Eligible Under the Blue Box Program Regulation