



City of Hamilton Report for Consideration

To: Chair and Members
Public Works Committee

Date: July 7, 2025

Report No: PW25046

Subject/Title: Recycling Service for Non-Eligible Properties
Beginning January 1, 2026

Ward(s) Affected: City Wide

Recommendations

- 1) That staff **BE AUTHORIZED**, to continue the collection and processing of recyclables from all non-eligible properties that were serviced prior to April 1, 2025, and large special events, for the period of January 1, 2026 to December 31, 2026;
- 2) That staff **BE AUTHORIZED** to fund the first quarter of the program from January 1, 2026 to March 31, 2026, in the amount of \$706,000 from Reserve 112270 – Waste Management Recycling prior to the approval of the 2026 Tax budget;
- 3) That the annual funding requirement for 2026 of \$2,824,000, **BE CONSIDERED** as part of the 2026 Tax budget, and in alignment with the City's current waste collection contract which expires on March 31, 2029;
- 4) That subject to approval of the extension of the program that staff **BE AUTHORIZED** to alter the recycling collection schedules for non-eligible properties with collection days recommended by Green For Life Environmental Inc., to allow for more favourable pricing; and,
- 5) That staff **BE DIRECTED** to report back to the Public Works Committee, the costs for continuing the collection and processing of recyclables from non-eligible properties and large special events after the expiration of the current waste collection contract with Green For Life Environmental Inc., following a competitive procurement process.

Key Facts

- On April 1, 2025, the City of Hamilton transitioned to a Producer Responsibility model under the Ontario Blue Box Regulation. Only certain properties, including residential, schools and specified long term care homes are eligible for collection, under the new regulation.
- Other sites such as businesses, city facilities, places of worship, and daycares are considered non-eligible and are no longer covered by the Regulation. There are 2,499 such properties in Hamilton, and the City is responsible for their recycling services if it chooses to continue them.
- Through Report PW24021, Council approved maintaining Blue Box collection for all 2,499 non-eligible sources with the City's current recycling contractor, Green For Life Environmental Inc., until December 31, 2025.
- The purpose of this report is to seek approval to continue Blue Box collection and processing services for all 2,499 properties, starting on January 1, 2026, with weekly pickup, and the development of a collection schedule to maximize collection efficiency and lower collection costs.

Financial Considerations

The cost to continue to provide recycling collection services included in Report PW25046 is approximately \$2,824,000 in 2026 and is subject to applicable annual escalations due to the consumer price index and fuel costs. The funding for this program is currently budgeted across the different Recycling Program Dept IDs. As the 2026 Operating Budget will not be approved until the end of the first quarter in 2026, the first three months, January to March 2026 will be funded by Reserve 112270 – Waste Management Recycling. Following budget approval, the Reserve would be paid back.

The City's multi-year Tax Budget does not reflect this potential investment and represents an additional residential tax impact of 0.2% if adopted.

For comparison, the cost to provide this service during transition (April 1, 2025 to December 31, 2025) is approximately \$566,000. The difference in cost is due to material from both eligible (residential) and non-eligible (businesses and City buildings) properties being collected in the same collection vehicle on a shared / continuous route. The Regulation restricts this beyond December 31, 2025.

The net operating cost of the City's Blue Box Program in 2024 was \$13,700,000 and was budgeted to be \$4,415,000 in 2025. The costs in 2025 include being fully responsible for the Blue Box Program in Hamilton until April 1, 2025, the collection and processing of blue box material from all non-eligible properties from April 1, 2025 to December 31, 2025, and the operating expenses for the Material Recycling Facility at 1579 Burlington Street East.

There are no direct staffing impacts (FTE impacts) associated with the recommendations or alternatives. The Waste Management Division has a Project Manager for Waste Collections Contracts as part of existing complement.

Background

The Provincial Blue Box Program Regulation (O. Reg. 391/21) was enacted by the provincial government on June 3, 2021 and required all municipalities and First Nation Communities to transition to a Producer Responsibility model for the collection and processing of blue box materials.

All municipalities were scheduled to transition between July 1, 2023 and December 31, 2025. The City of Hamilton was assigned the transition date of April 1, 2025.

The Regulation makes the Producers of paper and packaging products financially responsible for the collection and recycling at eligible properties including residential, schools and specified long term care homes. Other property types, such as businesses, city facilities, places of worship and day care centres are deemed non-eligible and municipalities continue to bear the costs, should they continue to be provided with the service.

In preparation for transition in April 2025, staff brought forward Report PW24021 to the Public Works Committee on April 2, 2024 recommending that the City of Hamilton continue to provide the collection of recyclables to non-eligible properties during the transition period between April 1, 2025 and December 31, 2025. Report PW24021 was approved and the recycling material from these properties continues to be collected by the City through Green For Life Environmental Inc.

Report PW25046 is the report back to the Public Works Committee to provide more information on the costs and consideration of continuing a Blue Box Collection Program to non-eligible properties post-transition, beginning January 1, 2026.

Analysis

During transition between April 1, 2025, to December 31, 2025, under the current collection contract, curbside recycling collection services are provided to 2,499 non-eligible properties as well as qualifying special events at a total budgeted cost of \$566,000. Under the Blue Box Regulation, these sources of blue box material are considered non-eligible properties, meaning that Producers are not required to collect and process blue box material from them. A breakdown can be found in Table 1.

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

Property Type	Number of Properties
City Facilities	184

	Non-eligible properties	2,315
	Total	2,499

Report PW25046 recommends that the City of Hamilton continue providing Blue Box collection and processing services for all non-eligible properties currently collected by the City. The rationale to continue collecting blue box material from all non-eligible properties includes ensuring that blue box materials from all sources are properly processed reducing landfill waste, providing a level of equity amongst all properties that currently receive this service, demonstrating that the City will lead by example, and providing the service while allowing time for the province to address non-eligible properties.

Report PW25046 recommends that the continuation of this service be funded by the levy. Staff have discussed options for funding that include a Recycling tax levy or user fee to applicable properties who subscribe to this service however more investigation is needed on how this could be implemented.

Staff found during a recent municipal scan that there is no trend in what direction other municipalities are taking with non-eligible properties. Table 2 identifies the decisions of 24 municipalities surveyed on continuing to collect blue box material from non-eligible properties beginning January 1, 2026. 25% of these municipalities have approval to continue to collect blue box material from at least some non-eligible properties (some municipalities in this group are servicing all non-eligible properties while others are only servicing those in downtown / Business Improvement Areas), 50% have not made decisions yet, and 25% have approval to discontinue collecting blue box material from non-eligible properties. It is important to note that one municipality approved to continue servicing non-eligible properties will be imposing a waste management fee for service and another will require businesses to purchase bag-tags or subscribe to a collection bin for the continued collection of blue box recyclables.

Table 2: Municipal Decisions on continuing collection of Blue Box material to non-eligible properties beginning January 1, 2026

	Will Continue Service to Non-Eligible Properties	Undecided on Servicing Non-Eligible Properties	Will Not Continue Service to Non-Eligible Properties
Number of Municipalities	6	12	6
Municipalities	Barrie, Peel Region, Richmond Hill, Sarnia,	Brantford, Essex-Windsor, Guelph, Halton Region, London, Markham,	Chatham-Kent, Durham Region, Kingston, Norfolk County, Simcoe

	Toronto, Waterloo Region	Muskoka, Niagara Region, Ottawa, Peterborough, Sault Ste. Marie, Sudbury	County, Thunder Bay
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Proposed Amendments to the Regulations

On June 4, 2025, the Ministry of Environment, Conservation and Parks released proposed amendments to both the Blue Box Regulation and the Resource Recovery and Circular Economy Act, 2016. Staff are currently reviewing the proposed amendments and will be responding to them to comment on how the proposed amendments would impact the City of Hamilton Waste Management programs. Of specific interest to this report, the proposed amendment to the Resource Recovery and Circular Economy Act includes an amendment that could require Producer Responsibility Organizations to make an offer to municipalities to collect recycling from small businesses. The Ministry of Environment, Conservation and Parks heard loud and clear prior to Transition that arranging collection for these limited locations is neither environmentally nor financially reasonable and is not affordable for many communities. Staff are awaiting more information on how this would be administered and what the financial impact would look like.

Waste Diversion and the Environment

Diverting waste is the most direct way to secure the remaining life of Hamilton's only operating landfill, 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 taking up valuable space in the landfill. It is estimated that approximately 500 tonnes of recyclable material are generated from non-eligible properties in the City annually.

Equity Amongst Non-Eligible Properties

Providing the service of collecting blue box material from all non-eligible properties currently receiving the service demonstrates the City's commitment to providing a high level of customer service to all its customers. The City committed to providing waste collection services and are continuing the service without being selective.

Leading by Example

By continuing to collect blue box material at its municipal facilities, the City would continue to demonstrate its goal to be a leader in waste management. By doing so, the City sets a positive example for residents, reinforcing the importance of recycling and waste diversion initiatives. This commitment aligns with public expectations, reduces recyclables going to landfill, ensures operational continuity, reinforces recycling habits at home, and contributes to environmental stewardship.

Province Addressing Non-Eligible Properties

City Waste Management staff continue to advocate to the province to expand the list of eligible properties that Producers are responsible for providing a Blue Box Program to include businesses and other currently non-eligible property types. Continuing this service for, at minimum, an additional 39 months, will give time to see if the regulation changes. Cancelling the service too soon could lead to these properties losing interest in recycling and putting them in the City's garbage stream instead.

Feedback from Business Improvement Areas

At the Business Improvement Area Sub-Committee there was consensus that the continuation of the collection of recyclable material from these properties is a service level that should continue past January 1, 2026. These businesses currently face financial challenges, and many will not take on an additional financial burden of paying for the private collection of blue box materials. In these cases, blue box material would be disposed of in the garbage and potentially illegally dumped. In addition, these properties pay commercial taxes for services such as waste collection and it is not the role of Business Improvement Areas to fund services such as the collection of blue box material. The point was also made by this stakeholder group that Businesses within the Business Improvement Areas contribute to the financial well-being of the City and service reduction in any way is a concern.

Recommended Approach

The costs for the continued collection of recyclables from non-eligible properties will increase significantly after January 1, 2026, compared to costs for the same service today. The increase is based on restrictions being introduced on January 1, 2026 that limit the collection in the same vehicle as recyclables from eligible properties.

To mitigate the cost increase, Report PW25046 recommends adjusting the collection schedule through the City's contractor to improve efficiency. This schedule adjustment results in costs being approximately 56% lower than if the current collection schedule was maintained, which is presented as Alternative 3, for comparison purposes and is summarized on Table 3.

In addition to City facilities and other non-eligible properties, the City also provides recycling collection to approximately 10 large special events per year. These large special events are characterized by:

- Having at least 1,000 attendees;
- Being located on City property;
- Are organized by non-profit organizations;
- Having food service; and
- Being located where infrastructure is in place to support collection.

Smaller events on City property are generally held in parks or City facilities. For these events, City staff provide additional waste and recycling receptacles. Since these

events are at non-eligible locations, they will be included in the City ongoing recycling services.

Table 3 provides a comparison of the annual costs for the recommended approach included in Report PW25046 with the annual costs to maintaining current service levels and collection schedule.

Table 3: Costs related to collecting and processing Blue Box materials from all non-eligible properties

Non-eligible Property Type	Estimated Annual Cost of Recommendation, Weekly Collection with revised Schedule	Estimated Annual Cost to Continue with Existing Service Levels and Collection Schedule
City Facilities	\$239,000	\$469,000
Business and other non-eligible properties	\$2,581,000	\$6,034,000
Large Special Events	\$4,000	\$4,000
Total	\$2,824,000	\$6,507,000

Alternatives

There are several alternative options to providing the recommended level of service after December 31, 2025,

Alternative 1 - Continue Blue Box collection service for City-owned facilities and special events only

Council could direct staff to only continue to provide the collection of blue box material from City-owned facilities, such as municipal service centres and recreation centres, as well as large special events that are organized or supported by the City. The City would discontinue the collection of blue box material for businesses, places of worship, and other non-eligible properties, requiring those property owners to source their own contractor for the collection of blue box materials at their own expense.

The annual costs associated with Alternative 1 are approximately \$239,000.

The transition to the Province's Individual Producer Responsibility (IPR) model, shifts the financial and operational burden of recycling to producers of paper products and packaging. This change aims to streamline recycling processes and reduce municipal costs. Continuing to service businesses and other non-eligible sources could strain municipal budgets and divert funds from other essential and strategic priorities. Furthermore, aligning with provincial regulations ensures consistency and compliance

across municipalities, promotion a more efficient and standardized recycling system. Other municipalities such as Durham Region, Kingston, and Thunder Bay, have decided to discontinue collecting blue box materials from non-eligible properties.

Alternative 2 - Continue Blue Box collection service for City facilities, large special events, and non-eligible properties located within Business Improvement Areas and enhanced collection areas with a revised collection schedule. Discontinue Blue Box collection service for non-eligible properties outside of these areas.

Council could direct staff to continue collecting blue box materials from City facilities, large special events, and non-eligible properties located within Business Improvement Areas and enhanced collection areas on a revised collection schedule determined by Green For Life Environmental Inc.

The 11 Business Improvement Areas are:

- Ancaster Village
- Barton Village
- Concession Street
- Downtown Dundas
- Downtown Hamilton
- International Village
- Locke Street
- Ottawa Street
- Stoney Creek
- Waterdown Village
- Westdale Village

The four areas currently defined as enhanced collection areas are:

- King Street West (Queen Street North to Caroline Street North)
- Main Street Esplanade (Dundurn Street South to Queen Street South)
- Hess Village
- Augusta Street

The annual costs associated with Alternative 2 are approximately \$1,256,000.

This alternative would achieve a balance between providing waste diversion services to some non-eligible properties while reducing the operating budget impacts of this service. It is estimated that a total of approximately 500 tonnes of recyclable material is generated from non-eligible properties in the City.

This alternative responds to the needs of downtown businesses. Continuing the collection of blue box material from businesses located in Business Improvement Areas reflects the need to support these businesses in their roles for the success of commercial districts throughout the City.

The four enhanced collection areas currently receive a higher level of garbage and / or recycling collection than other parts of the City indicating the need for these services as they generate a higher amount of waste than other businesses.

Alternative 3 - Continue Blue Box collection service for all non-eligible properties and large special events while maintaining the current collection schedule.

Council could direct staff to continue collecting blue box materials from all 2,499 non-eligible properties while maintaining the same collection day and frequency for those properties that receive more than one collection per week. This would include City-owned facilities, special events, and businesses and places of worship currently serviced within and outside Business Improvement Areas (BIAs) and special collection areas.

Alternative 3 will basically result in no noticeable changes in the collection of blue box material from all non-eligible properties from current service. The cost of this option is significant and would require additional funds being required in the 2026 operating budget to cover these costs.

The annual collection costs associated with Alternative 5 is approximately \$6,507,000 annually.

Alternative 4 - 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. Beginning January 1, 2026, non-eligible properties and special events would be required to source their own contractor for the collection of Blue Box materials at their own expense and recycling services would not be offered at City facilities. Following contact with private waste collectors, estimated costs for recycling collection for each property is estimated to be \$3,600. Close attention would need to be paid to the properties to ensure the recyclables are not being disposed of with regular garbage and sent to our landfill. The current estimated remaining life of the Glanbrook landfill is 34 years which brings us to closure in 2059. By adding an additional 500 tonnes of waste per year due to recyclables being disposed of in garbage, the landfill life could be reduced by 0.3 years.

This alternative would result in the elimination of any costs related to the City collecting or processing Blue Box Program material starting on January 1, 2026.

Table 4 provides a summary matrix of the alternatives and their associated estimated annual cost to collect.

Table 4: Options and annual costs for continuing collection of Blue Box materials starting on January 1, 2026

Options	City Facilities	Special Events	BIA Businesses	Non-BIA Businesses	Custom Collection Schedule	Cost to Collect

Recommendation	X	X	X	X	X	\$2,824,000
Alternative 1	X	X			X	\$239,000
Alternative 2	X	X	X		X	\$1,256,000
Alternative 3	X	X	X	X		\$6,507,000
Alternative 4						\$0

Relationship to Council Strategic Priorities

Sustainable Economic & Ecological Development

Accelerate our response to climate change (1.3): Maintaining recycling services for non-eligible properties supports waste diversion goals, reducing landfill use and greenhouse gas emissions. This aligns with the City's commitment to achieving net-zero emissions by 2050.

Responsiveness & Transparency

Prioritize customer service and proactive communication (3.1): By continuing services to Business Improvement Areas, City facilities, and events, the City demonstrates its commitment to reliable and consistent service delivery, enhancing public trust and satisfaction. The recommendation to continue services allows the City to evaluate long-term options and make informed decisions, ensuring efficient and effective public service delivery.

Previous Reports Submitted

- [Recycling Services for Non-Eligible Properties Following the Transition of the Blue Box Program \(PW24021\)](#), Public Works Committee, April 2, 2024.
- [Blue Box Transition Update and Servicing \(PW22064\)](#), Public Works Committee, August 10, 2022.

Consultation

- Municipal Scan – other Ontario Municipalities that have transitioned or are preparing to transition to see how they are servicing their non-eligible sources.
- Business Improvement Area Sub-Committee

Appendices and Schedules Attached

N/A

Prepared by:

Ryan Kent, Manager of Waste Policy and Planning
Public Works Department, Waste Management Division

Submitted and recommended by:	Angela Storey, Director of Waste Management Public Works Department, Waste Management Division
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