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Public Works Committee

May 16, 2013



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**Public Works Department
Environmental Services Division
Blue Box Recyclable Commodities Market
May 16, 2013**

~Providing services that bring our City to life!

Presentation Outline

- Operations Overview
- Current Markets Budget
- Revenues Trends
- 2013 Market Projection



- Community
- People
- Processes
- Finance

MRF Operations

- Operated under contract by Canada Fibers Limited
- 2-stream recycling system - containers and fibres
 - Weekly collection using split body trucks
- Approximately 44,500 tonnes of blue box recyclables processed in 2012



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Hamilton's Markets

- Fibre materials are sent to a mill in Thorold converted into different fibre products e.g. coffee trays, Kleenex boxes
- Aluminum sent to mills in the US converted into aluminum products e.g. pop cans
- PET bottles are sent to several Ontario reproprocessors. Converted into water bottles, fleece sweaters
- Steel is sent to local markets
- Polystyrene/Styrofoam is converted into picture frames and moulding



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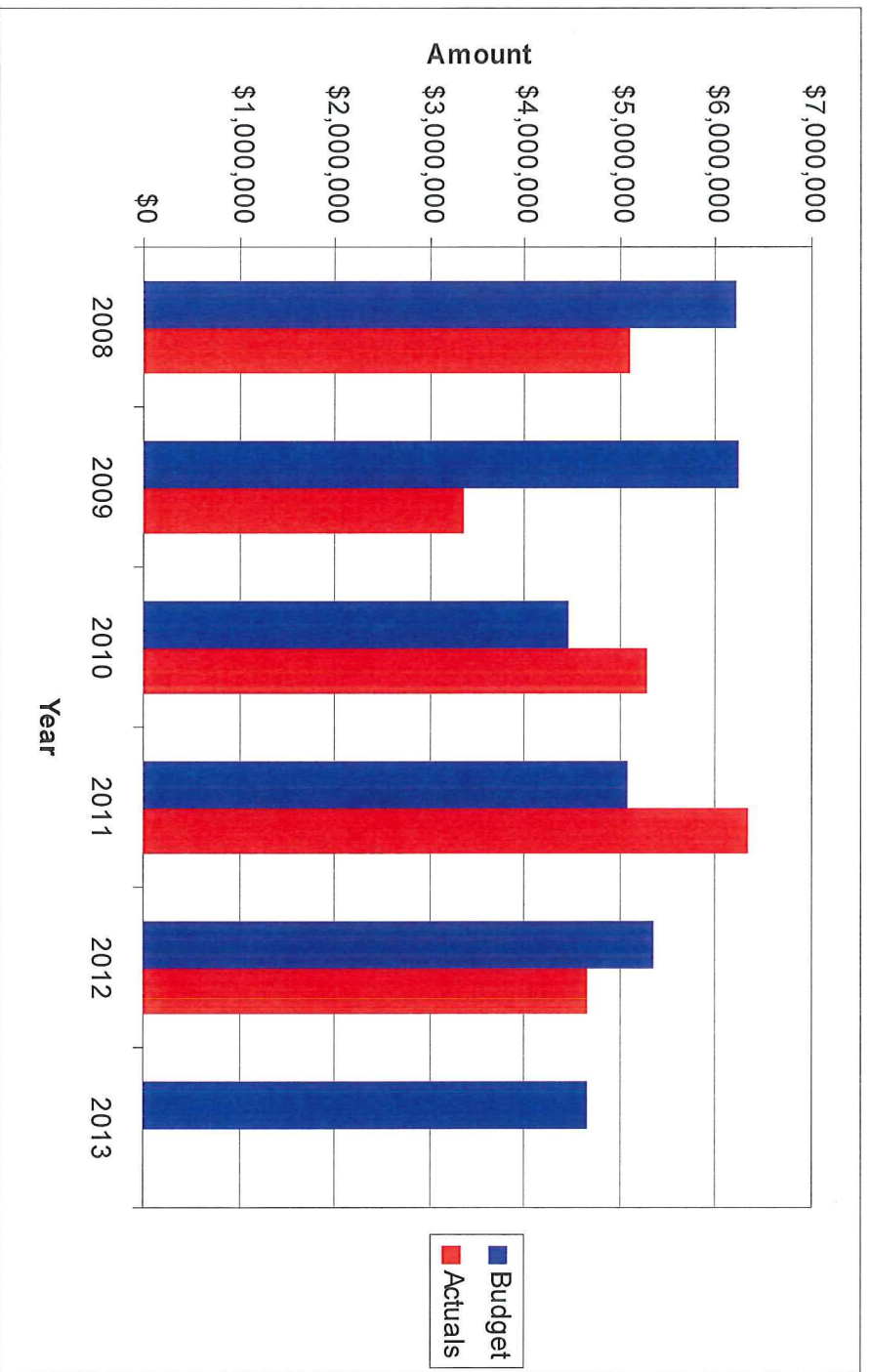
Development of Blue Box Revenues Budget

- Developed in summer / early fall for following year
- 2 key components – tonnage and commodity market projections
- Based on a multi-year rolling average applied to blue box recycling tonnage projections
- Annual industry price averages per commodity
- Attempt to take into consideration the projected trends in the markets and global economic growth



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5 Year Budgeted and Actual Revenues for Blue Box Commodities

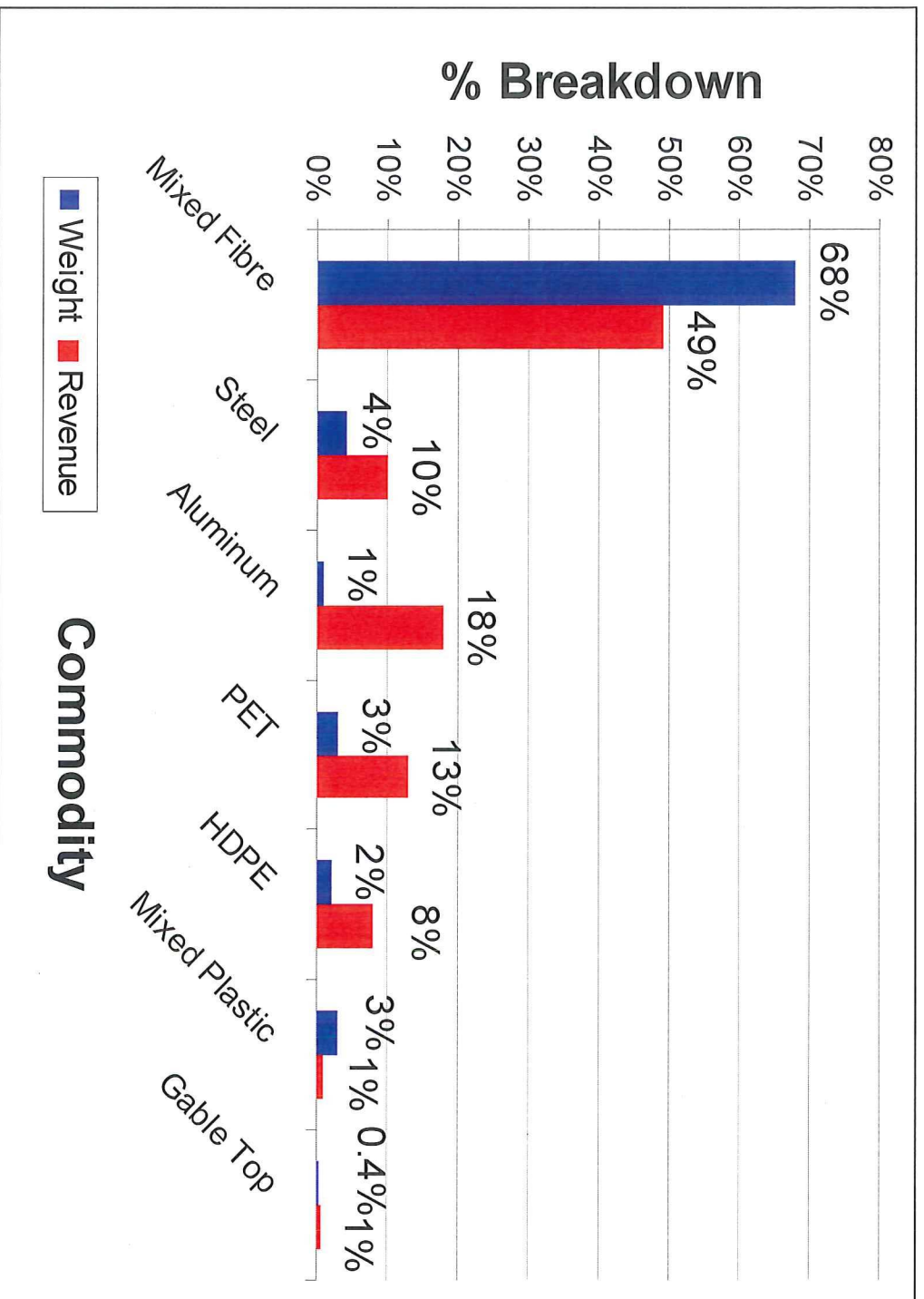


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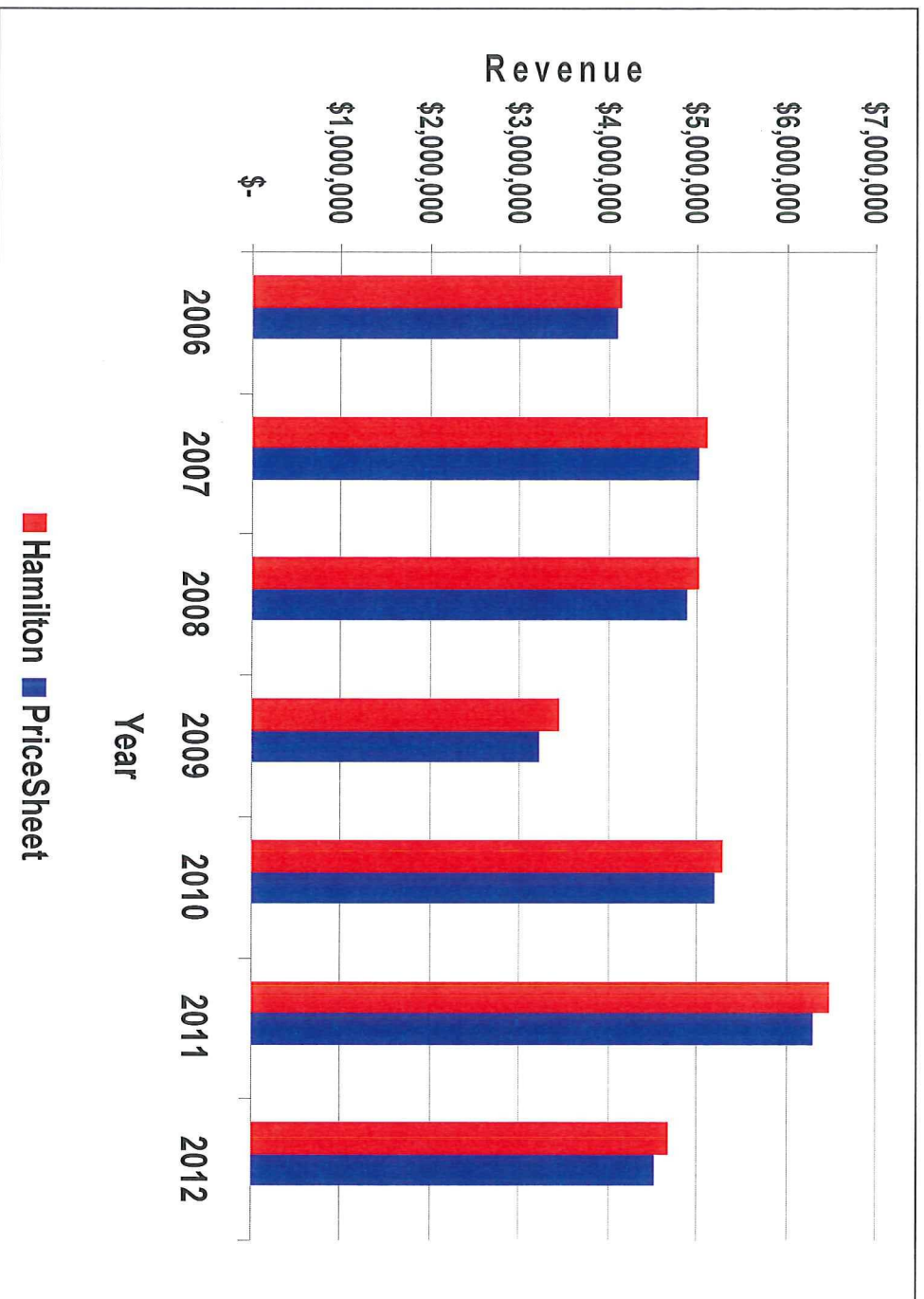
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% Breakdown of Commodities Recycled at the MRF in 2012 (by weight and revenue)



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City Revenues vs. Industry Average



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Factors Affecting Revenues

- Commodity Prices
- Inbound Tonnages
- Light Weighing of Materials
- Online Newspapers & Magazines
- Processing Output (Capabilities and Efficiencies)
- Marketing Capabilities of Broker
- Seasonal Variations



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Factors Affecting Commodity Prices

- Supply & Demand
- Political & Economic Environment (Domestic & Foreign)
- Cost of Virgin Material vs. Recycled Material
- Bale Quality

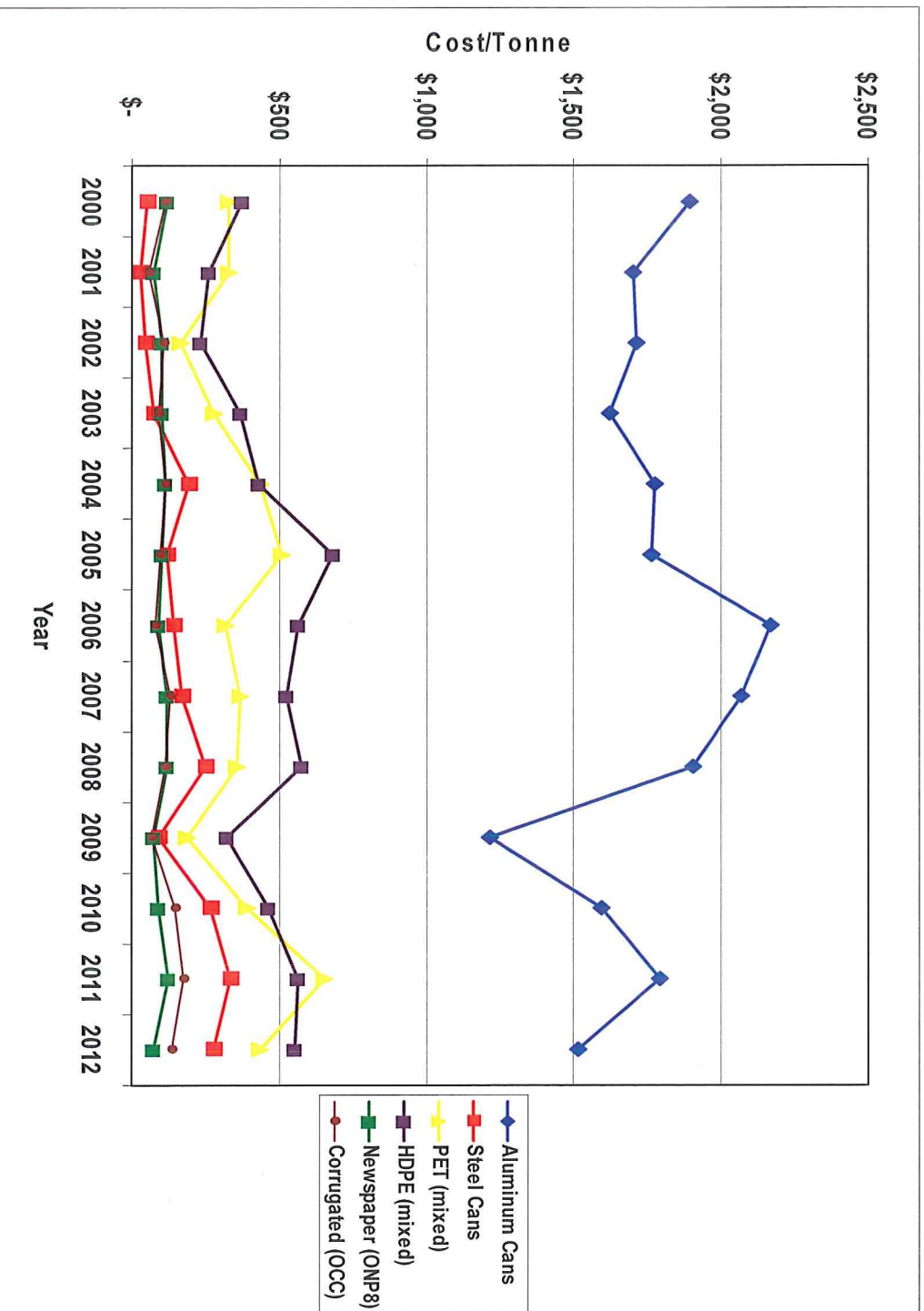


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Commodity Trends (2000-2012)



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2013 Market Projection

- General Market Trends 2013
 - 2013 not expected to be significantly better than 2012
 - Chinese market generally down
 - Recent implementation of “Green Fence” Policy by China
 - Asian markets tied to U.S. and European economic conditions
- Commodity Trends (Q2)
 - Fibres – stable with slight increase in price
 - Mixed Plastics – gradual increase in price
 - PET / HDPE – slight reduction in price
 - Metals – expected to remain consistent
- 2013 Budgeted - \$4.7M
 - Q 1 Actual - \$1.05M

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Thank you.

Questions?

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