

Municipality of East Ferris

Report to Council

Report No.: R-2024-02

Date: March 26, 2024

Originator: Antoine C. Boucher, Municipal Engineer

Subject: **Blue Box Transition – Opting Out of Providing Service**

RECOMMENDATION

That Council authorize staff to advise Circular Materials (CM) that the Municipality of East Ferris **will not** enter into an agreement to provide blue box services during the four (4) month transition period from September 1st, 2025, to December 31st, 2025; and

That Council authorizes staff to begin the process of transitioning our blue box program to CM and ensure they have the information needed to take over full operational and financial responsibility for the blue box program by September 1st, 2025.

PURPOSE

The purpose of this report is to provide a brief background on the transition of the Blue Box Program to full producer responsibility and to seek Council approval for staff to hand over full operational and financial responsibility for the blue box program to CM.

BACKGROUND

Refer to Report to Council R-2024-01, dated March 26th, 2024, relating to the blue box transition process.

ANALYSIS OF THE BLUE BOX SERVICE OPTIONS

CM has provided an opportunity for the Municipality to decide whether to:

- 1) Opt-in and operate the blue box program as a contractor for CM during the transition period from September 1st to December 31st, 2025; or
- 2) Opt-out and hand-over full operational and financial responsibility for the blue box program to CM on September 1st, 2025. (Recommended Option for the Municipality of East Ferris)

Staff held discussions with CM to determine whether it is in East Ferris's best interest to pursue an agreement under Option 1 or hand over the program under Option 2. Based on an analysis of the two options, staff is recommending Option 2 - handing over full operational and financial responsibility for the blue box program to CM. Staff reviewed CM's agreements that outline the

obligations and terms that East Ferris would have to meet as a contractor to CM and identified several concerns related to cost and risks. Further information on these concerns are described herein. For Council's information, both the City of North Bay and Municipality of Callander provide similar services as East Ferris and are committed to opting out of the optional transition period.

Looking at the opt-in option, the negotiated agreement with CM remains uncertain and may provide less funding of the blue box program costs for eligible sources. Furthermore, the transition period for all Municipalities was established to be between July 1st, 2023, to December 31st, 2025. For many, this transition phase covered periods of 1 to 2.5 years. Some Municipalities would have been facing penalties with the Opt-Out option due to their commitment with their servicing contract. Others were concerned with other uncertainties in handing out their contract for a long period of time, such as service continuity. With a later transition period, the Municipality of East Ferris will not be facing financial penalties to terminate our current recycling contract at such date. Furthermore, East Ferris will now have the opportunity to identify September 1st, 2025, as the end date of the current contract.

Since our transition date was established as September 1st, 2025. Our transition period will be very short, four (4) months exactly, as all Municipalities must be transitioned by January 1st, 2026, under the new program. With the Opt-Out option, we are simply implementing the change four (4) months in advance of the full post-transition period. Therefore, it is staff's opinion that it would not be in the East Ferris's best interest from a financial and program service perspective to accept Option 1 and be a contractor for CM during the short four (4) month transition period of September 1st to December 31st, 2025.

Non-Eligible Sources - The regulation states what entities must be serviced by producers during the transition period and post transition. These entities are referred to as eligible sources (e.g., residential homes, multi-residential buildings, elementary/secondary schools and some long-term care/retirement homes). Under the new Blue Box Regulation, CM has no legal obligation to collect blue box material from non-eligible sources during or after transition. As outlined in report R-2024-01 non-eligible sources include industrial, commercial and institutional properties, community buildings or facilities (e.g., libraries, arenas), daycares, places of worship, short-term campgrounds/trailer parks and commercial farms (excluding residential homes).

Curbside service - CM has offered to continue the co-collection of eligible and non-eligible source blue box material during the transition period. If the Opt-Out recommendation is approved and Council directs staff to pursue an arrangement for the continued collection of non-eligible sources for the community buildings or facilities, the Municipality of East Ferris will need to enter into an agreement with CM's contracted service provider. Under this agreement, which would be in place until December 31, 2025, the Municipality of East Ferris would be charged back a fee to provide curbside blue box collection and management to the non-eligible sources. Staff will obtain pricing information from the CM contracted service provider and report back to Council with a recommendation.

NEXT STEPS

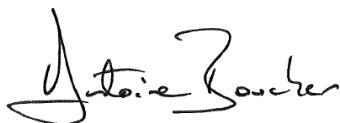
Starting January 1, 2026, CM will no longer collect blue box materials from Non-Eligible sources. Staff will inform property owners of **Non-Eligible** sources of the incoming regulation change so that they better understand that they will not receive blue box service being categorized as Non-Eligible sources during and/or post transition. The Municipality understands that recycling services for these Non-Eligible sources were negotiated on an individual basis at

their own cost. Therefore, property owners of Non-Eligible sources will be advised of the Municipal transition allowing them to make necessary changes if applicable to ensure continuity of their individual blue box collection service. Furthermore, the Municipality of East Ferris will need to decide whether to manage the blue box materials generated by our non-eligible source. Staff will continue to analyze options and return to Council with a recommendation at a later date.

In early 2025, staff will mailout a notification letter to all residents to inform them of the provincial transition. This will inform them that all collection will remain the same for the remainder of year 2025 and that starting September 1st, 2025, CM will be responsible for customer service calls, dealing with complaints/concerns from residents and promotion and education of the Blue Box Program. It will further clarify that starting January 1st, 2026, CMO will be implementing the harmonized collection of recyclables throughout the province and that they will be responsible to communicate all recyclable designated materials.

Staff's understanding is that it will be the current service provider that will continue to provide curb side blue box collection services in the Municipality of East Ferris. We currently have a separate contract for garbage collection services. Staff will separately negotiate the contract extension beyond the transition period to continue the garbage collection services and return to Council with a recommendation regarding that contract extension at a later date.

Respectfully Submitted,



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Municipal Engineer

I concur with this report and recommendation,



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CAO/Treasurer