

MIPC MINUTE

MIPC Defined

Since 2002, the Municipal–Industry Program Committee – Blue Box (MIPC) has served as the principal forum for discussions relating to Blue Box program between representatives for municipalities and stewards represented by Stewardship Ontario.

The original Blue Box Program Plan (BBPP), approved by the Minister of the Environment in late December 2003 outlined the basic structure of MIPC a program committee of WDO. MIPC, now chaired by the WDO CEO as a non–voting member, includes equal representation from members from the Association of Municipalities of Ontario (AMO) & the City of Toronto and Stewardship Ontario. MIPC makes recommendations to the WDO Board relating to Blue Box program management in the following specific areas:

1. Collection and Analysis of Recycling Program [i.e. Blue Box] Program Data;
2. Calculating and Reporting on Payments to Individual Municipalities;
3. Cash Flow to Municipalities; and
4. Reporting on Progress toward Targets.

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CIF Wrap–up in 2013

The Continuous Improvement Fund has supported the municipal sector’s vision of implementation of Best Practices in the management of containers and printed material.

CIF Funds have resulted in increased efficiency of processing, improved program planning and delivery, effective Promotion & Education and introduction of innovative new technologies to Blue Box collection and processing operations.

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Tonnages increase slightly

As producers continue to select light–weighting container options and newsprint media declines in favour of electronic media, tonnages appear to be on an overall declining trend despite increased tonnages over last year.

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MIPC Membership 2011

Chair: Michael G. Scott (CEO of WDO)

Municipal Appointees		Stewardship Ontario Appointees	
Milena Avramovic	AMO	Alex Chan	Stewardship Ontario
Craig Bartlett	Durham Region	Lyle Clarke	Stewardship Ontario
Rick Clow	Quinte Waste Solutions	Rick Denyes	Stewardship Ontario
Dave Gordon	York Region	Sherry Arcaro	Stewardship Ontario
Tim Michael	City of Toronto	Mustan Lalani	StewardEdge
Alternate:	Linda Churchill (Waterloo Region)		

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From its inception, MIPC has included a Datacall Working Group that originally included representatives from AMO, Stewardship Ontario and MOE. MOE no longer participates in the datacall review, but receives the annual summary from WDO. The current Datacall Working Group now includes the MIPC municipal Blue Box Coordinator and representatives from SO. This group determines the Performance and Best Practices components of the annual funding and compiles the funding spreadsheet for MIPC's approval and subsequently for WDO's approval. The spreadsheet is posted on the WDO website annually.

MIPC negotiates the annual Stewards' Obligation that provides the basis for Blue Box Funding for all municipalities

Revenues vs. Profits

Municipal MRFs are usually designed with excess capacity in anticipation of future program growth. Typically this extra capacity is used to process materials from other municipalities or, in some cases ICI materials. Profit or losses from business ventures of this sort do not affect the declared Blue Box revenues and are inventoried separately in the datacall as "section 8" revenues.

MIPC strongly encourages municipalities to sell excess capacity to offset system operating costs. Since the Blue Box funding is from municipal operations, MIPC hopes that MRF operators will seek out processing arrangements with neighbouring municipal partners before seeking ICI or other capacity.

MIPC negotiates the annual Steward Obligation and determines funding levels for Best Practices and Innovation programs through the Continuous Improvement Fund. The Datacall Working Group uses the WDO annual "Reported Gross Cost" and runs a model that determines reasonable costs for all programs functioning at "Best Practices". Prior to the July WDO Board meeting, MIPC undertakes a fee negotiation exercise that determines a "Negotiated Net Cost".



Steward Obligation = 50% of the Negotiated Net Cost

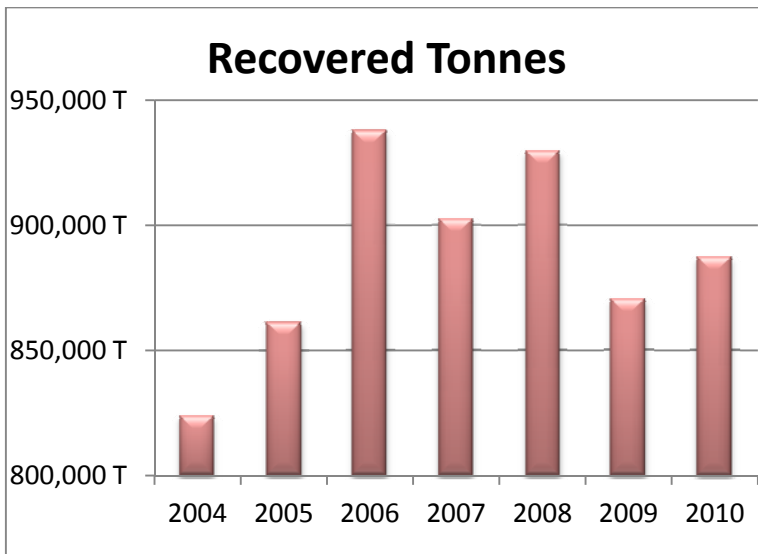
With the guidance of MIPC, the Blue Box Program has consistently exceeded its program objectives, exceeding the original 2004 goal of 50% recovery of Blue Box materials with a 2004 recovery rate of 53% and the 2008 goal of 60% reporting a recovery rate of 63%. With new initiatives in plastic recovery, programs are well on their way to meeting the 2011 draft goal of 70% with a 2009 recovery rate of 65.3%. 2010 recovery was 67.3%

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At the June meeting, MIPC approved the extension of CIF for a further 2 years and approved approximately additional funding to support the program in 2012. MIPC will re-examine the CIF program needs and determine appropriate funding levels for 2013 at its fee setting meeting in June 2012.

The focus of CIF will shift to a waste-shed basis from its current individual program improvement focus. Future projects will look at improving effectiveness of program delivery by optimizing collection and delivery of materials from natural waste-sheds that may cross several municipal boundaries. This work will set the basis for the implementation of full Extended Producer Responsibility.

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This does not mean a reduction in the number of individual containers or a decreased recycling effort. There is actually more material being managed (by volume) than ever before but the impact it has on program tonnages and diversion rates is less evident. On the collection side more trucks are required to haul the increased volume; at the MRF there are more “picks” required by sorters (manual and optical).

New methods of accessing program performance need to be discussed by MIPC as the shift to higher volume/lighter weight packaging materials continues.

Record Response to Datacall

224 programs responded to the 2011 Datacall, making it the best ever response with 223 actually inputting cost and tonnage data. Overall marketed tonnage increased from 870,214 T in 2009 to 887,242 T in 2010. As discussed above, tonnages have declined from the peak years of 2006 to 2008 due to the LCBO take back program, light weighting and decreased print media.

Municipalities reported that the net cost of delivering Blue Box programs was about \$203 million with 124 programs reporting total revenue of \$95 million.

Preliminary Funding Estimate

The Steward obligation from the 2010 operational year forms the basis of the 2012 funding.

Negotiations between municipal MIPC and Stewards resulted in an overall Steward obligation of \$93,449,345 for 2012. After deductions of \$3,545,923 for the CNA/OCNA In-Kind non-cash obligation and \$4,476,305 for 2012 CIF funding, \$85,427,117 remains for distribution to municipal programs. This is up 5.3% over the 2011 funding that saw \$81,122,238 distributed to municipal programs.

For Further Information

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