
Subject: **Blue Box Collection Changes – Non-Eligible Sources**

Staff Report No. **EPW-004-25**

**Department/
Commission:** **Engineering and Public Works Commission**

Date: **February 5, 2025**

Recommendation:

- 1) That the Town no longer collect recycling, garbage and green bin material for non-eligible sources effective January 1, 2026; and**
- 2) That staff be authorized and directed to proceed as required to do all things necessary to give effect to this resolution.**

Report Highlights

- Of the 20,000 locations that receive curbside collection within Whitchurch-Stouffville, approximately 700 locations (3.5%) are non-eligible sources.
- Producers will have full responsibility for collection of Blue Box recycling materials across Ontario when the province-wide system becomes operational January 1, 2026. Section 4 of Blue Box Regulation 391/21, set forth by the Province requires Producers to collect only from eligible sources.
- Eligible sources includes single-family homes, multi-unit residential buildings, schools, and not-for-profit retirement and long-term care homes.
- The producers will not be responsible for the management of blue box material from the Industrial, Commercial and Institutional (ICI) sector, daycares, businesses in BIAs, non-profit organizations, and municipal facilities and community centres (non-eligible sources).
- The Town has no regulatory requirement to provide recycling collection services to non-eligible sources.

1. Purpose:

The purpose of this report is to provide Council with an update on the transition of the Blue Box program to extended producer responsibility (EPR) as well as confirm that non-

eligible sources will no longer receive curbside collection of recyclables by the Producers or the Town.

In addition, this report provides an update to Council on the associated waste management initiatives underway directly related to the preparation of bid documents and procurement of the next N6 cooperative waste collection contract.

2. Background:

Producers will have the full responsibility for collection of Blue Box recycling materials across Ontario when the province-wide system becomes operational January 1, 2026.

On June 3, 2021, Ontario Regulation 391/21: Blue Box (the Regulation) was filed under the Resource Recovery and Circular Economy Act, 2016, which transitions the operational and financial responsibilities of managing packaging and paper products from Municipalities to Producers (PRO's). This transition changes the existing shared responsibility of the current Blue Box Program to a Producer-led responsible program, often referred to as 'full' or 'extended producer responsibility'.

All municipalities within York Region, including the Town, are scheduled to transition on December 31, 2025. Producers will have full control over all Blue Box recycling programs across Ontario.

Effective December 31, 2025, all municipal Blue Box Programs in Ontario will have transitioned to EPR and additional Producers will come into effect, including providing Blue Box collection services to non-municipally serviced multi-residential buildings, public and private schools (excluding post-secondary) and not-for-profit retirement homes and long-term care homes.

Items accepted within the Blue Box Program will also expand for single use packaging like products, such as paper and plastic cups, bags etc. The new Blue Box Program will create a more uniform recycling collection system across the Province.

Circular Materials, as the Common Collection System Administrator, is responsible for contracting waste haulers to collect blue box materials from eligible-sources and transport the material to receiving facilities (i.e. transfer stations). Reverse Logistics Group (RLG), contracted by Circular Materials, is the Common Collection System Operator overseeing the daily operations

3. Analysis:

3.1 Producer Responsibilities as of January 1, 2026

Section 4 of Blue Box Regulation 391/21, set forth by the Province requires Producers to

collect only from eligible sources. The Blue Box Regulation specifies sources from which Producers are obligated to collect blue box recyclables. Eligible source is defined as “any residence or facility in an eligible community”. These sources include single-family homes, multi-residential buildings (apartment, condominiums, townhomes), not-for-profit long-term care and retirement homes, schools, private schools (excluding post-secondary) and some public spaces (parks, playgrounds, transit stations and sidewalks).

Producers are not responsible for the collection of blue box material from the following non-eligible sources:

- Industrial, Commercial and Institutional (ICI) properties
- Daycares
- Places of worship
- Businesses in BIA's
- Not-for-profit /charitable organizations and shelters
- Post secondary institutions – public and private
- Municipal facilities and Community Centres (libraries and arenas)

For properties that have both residential and commercial units, Producers are only required to collect from those units that are defined as an eligible source. Historically many Ontario municipalities have collected waste from ICI properties but will discontinue this service due to legislation requiring PROs to assume the collection. The original purpose of the Blue Box Program when implemented was to collect recyclable blue box material from residential premises; however, as the Program expanded, some municipalities extended collection to ICI locations (considered a ‘non-eligible source’) such as BIA's and small businesses.

3.2 Current ICI Collection Practices and Proposed Implementation

The most common reasons ICI locations received municipal waste collection was because these locations are located along residential collection routes. Collection from ICI properties is not considered a best practice and many Ontario municipalities either never provided collection for this group or are discontinuing the practice as the Province has deemed them ineligible for service. ICI properties who currently receive recycling collection from the Town are considered a non-eligible source and will lose recycling collection once Producers assume blue box collection responsibility on December 31, 2025.

Of the 20,000 locations that receive curbside collection within Whitchurch-Stouffville, approximately 700 locations (3.5%) are non-eligible sources under the legislation. Blue box material is co-collected at the curb along the residential collection routes, which currently include many industrial units along Sandiford Drive, Ringwood Drive, Cardico Drive, Gormley Industrial and Stalwart Industrial Drive.

If businesses in these areas currently choose to use municipal collection, they must follow the same collection schedule/program as the residential program (3 bag limit of garbage

bi-weekly, blue and green bin collection weekly). Staff have encountered issues with many of these industrial units placing out more than their allowable limit and it being collected as it is not practical for collection drivers to count bags at each ICI stop. There have also been problems with these units' placing material at the curb before and after their collection day or non-compliant items being left out with no way of knowing which unit it belongs to.

Many factors have been considered by staff when evaluating the options for collecting non-eligible sources.

The Town of Stouffville is part of a cooperative waste collection contract between the Northern Six municipalities (N6), comprising of the Towns of Aurora, Newmarket, Georgina, East Gwillimbury, and Township of King, and GFL Environmental Inc. (GFL). The collection contract has two 12-month extension options, at the discretion of the N6. In preparation of potential regulatory changes, clauses were included to address a qualifying change in law should it occur.

CMO is the lead PRO and Common Collection System Administrator responsible for the operation of the common collection system in Ontario. They have indicated that they will not collect from non-eligible sources post-transition. Blue box materials from non-eligible sources are not permitted to be mixed and processed with the materials they are obligated to collect and process from eligible sources. This means that collection of non-eligible sources by a PRO is not an option.

The following considerations were reviewed closely by staff on collection of blue box material from non-eligible sources:

- The Town has no regulatory requirement to provide recycling collection services to non-eligible sources.
- The cost of servicing non-eligible sources would be significantly higher than the per unit cost of servicing a residential property.
- In 2017 a York Region report entitled *Operational Best Practice Guidelines for Municipally Collected Commercial and Institutional Waste*, stated that "Municipal collection from industrial, large commercial and large institutional properties is not a best practice in neighbouring jurisdictions as these property types typically produce large volumes of waste requiring frequent collections from large roll-off bins or compactors". At that time the Town stopped providing Municipal Waste Collection for any new businesses located in Stouffville advising them in the Site Plan Application that waste collection would be the responsibility of the business owner.
- Continued recycling collection for non-eligible sources currently receiving collection would be negatively perceived by other non-eligible sources not receiving collection that could result in a demand for all equal level of service for all non-eligible sources, which could be very costly to the Town.

- Continued recycling collection for non-eligible sources may generate increased complaints from residents as they would be subsidizing recycling collection of costs for commercial properties.
- By eliminating waste collection permanently from non-eligible sources, it would allow the contractor more time to focus only on residential areas, which may result in earlier collection times.

3.3 Regional Processing and Transfer Facilities

The current contract for the Waste Management Centre (located in East Gwillimbury) which processes all York Regional recyclable materials in addition to handling and transferring all N6 curbside collected garbage and organics is operated by Miller Waste and expires on December 31, 2025. The Region of York continues to evaluate options for the future use of this facility and is determining how and where municipal curbside material will be either transferred and/or processed. This factor will be considered within the negotiations with GFL as well as the next long-term N6 waste contract. It is the responsibility of the Region of York to provide the Town and the N6 with processing and transfer facilities for waste and organics only beyond December 31, 2025.

The Region of York is also actively engaged in evaluating and aligning other waste management facility contracts nearing expiration including:

- Bloomington Road Composting Facility (Richmond Hill). The contract with Miller Waste ends in October 2030. This facility currently provides all Yard Waste composting for all York local municipalities. No other yard waste facility is currently available within York Region.
- Southern 3 Transfer Facility. The contract with Miller Waste ends on October 31, 2027, which provides transfer of material from the Earl Turcott Waste Management Centre (Markham) to various disposal and processing facilities. Most common reasons ICI locations received municipal waste collection was because these locations are located along residential collection routes. Collection from ICI properties.

3.4 N6 Cooperative RFP for Consultant Services

Consistent with the process followed in the development of the current N6 cooperative waste contract, the Town of Newmarket has issued and is currently evaluating an RFP for the procurement of an experienced waste management consultant to assist with the development and issuance of the next N6 waste contract required for 2028. The key deliverables of this assignment include:

- Develop baseline data
- Undertake public education and outreach in each municipality
- Hold workshops for staff and Council
- Evaluate and recommend N6 waste By-law harmonization
- Determination of methodology for collection services
- Recommend alternative procurement options

- Preparation of collection of RFP bid document

This consultant will play an important role in defining the scope of the next contract, helping evaluate the public opinion on the use of alternative collection methods (carts) and cost-saving considerations available through a review of best practices.

The following table provides an approximate timeline of the consultant activities:

Action Item	Timeline
Award of Consultant Contract Services	Q1-25
Consultant Led Public Education Outreach	Q2-25
Council Workshops	Q2-25
RFP Contract Procurement Process	Q3/Q4-25
RFP Contract Award	Q4-25
Waste By-law Harmonization Review	2027
New Collection Contract Commencement	Q1/Q2-28

4. Options:

4.1 Option A (Recommended): Discontinue collection for all non-eligible sources

Under this option, the Town would no longer provide waste collection services to non-eligible sources, and they would be responsible for procuring and paying for their own private collection services. The Town would not be involved or responsible for overseeing waste collection for these locations.

At the time this report was prepared, the Towns of Newmarket, Aurora, East Gwillimbury and Georgina Councils have approved to discontinue collection for their non-eligible sources.

The Regulation does not require the Municipality to provide blue box recycling services to non-eligible sources and in the previous Regulation (O. Reg. 101/94: Recycling and Composting of Municipal Waste), these sources were not part of the stewards funding obligations.

As a result of this new legislation, staff is recommending discontinuing all streams for non-eligible sources which will include, recycling, garbage and green bin. The Town should not be responsible for managing waste streams for these businesses.

4.2 Option B: Continue Collection for Non-Eligible Sources Receiving Collection

Under this option, the Town would continue to provide blue box collection services beyond 2026 to all currently serviced non-eligible sources. Negotiations would take place with the Town's current waste collection contractor, Green for Life (GFL), to continue to provide recycling collection services during the contract's extension years (2026 and 2027).

Subsequently, provisions would need to be included in the next Waste Collection Contract to maintain recycling collection services for these locations.

Preliminary conversations with GFL have indicated that costs would change from a weight-based to a per collection stop basis and collection for non-eligible sources would need to transition to a cart-based system as the service level shifts from residential to commercial. This would result in increased costs to the Town as recycling carts would need to be procured and supplied to users.

Council will also need to consider additional costs as staff have become aware that the Region's Material Recycling Facility (MRF), located in East Gwillimbury, may no longer be accessible for receiving blue box materials for non-eligible sources in 2026. In the current contract with GFL, there will be additional costs of \$2 per/km if blue box material is disposed outside of York Region. Further details on this matter are still being explored by Region staff and, once all has been confirmed, Town staff would provide an update to Council. Processing costs would be dependent on the weight of the blue box material collected and may fluctuate.

Preliminary cost estimates indicate that this option would cost the Town approximately 25 times more per serviced unit than the current curbside collection average cost. Collection of waste, whether recycling, organics or garbage, forms part of a business owners' responsibility. The collection of waste by the Town from select ICI properties is an increased service level and not provided equally to all those included in this defined sector.

4.3 ICI Properties

In addition to Option A, staff are also recommending that the Town also discontinue the collection of organics and waste when the recycling transition occurs with the province on January 1, 2026. Staff will work to inform the ICI properties of these changes to the service level allowing them time to make alternate arrangements for collection of waste and organics.

5. Financial Implications:

There are no financial implications associated with the implementation of Option A.

Should Option B be considered, the estimated annual cost for the Town to continue its provision of blue box collection services to non-eligible sources is approximately \$560,000. Additional costs of \$2 per km will also apply if the non-eligible sources recyclable material is disposed outside of York Region. The Region has indicated that they may continue to provide material processing support or possible funding to the lower tier municipalities post-transition but the details regarding this are still not available. Region staff are continuing to explore processing options should lower tier municipalities continue to provide collection to non-eligible sources. This estimated cost, on a per stop

basis, would be approximately \$800 per non-eligible location, compared to the Town's current average cost per location of \$32.

There would also be additional savings by eliminating curbside garbage and green bin collection as well.

In consideration of the unfavourable financial and other implications of Option 2, staff recommend that Council approve Option 1 – Discontinue collection for all non-eligible sources. This option would enable the Town to avoid any increased operating costs, as well as possibly provide an increased level of service to residents.

6. Broader Intergovernmental Impacts and/or Considerations:

There are no regional, provincial, and/or federal impacts and/or considerations. Staff will communicate the recommendations of Council to the other N6 municipalities.

7. Communication:

Staff will work to inform the ICI properties of these changes to the service level allowing them time to make alternate arrangements for collection of waste and organics.

8. Alignment with Strategic Plan:

1. Good Governance
Provide Good Governance
2. Organizational Effectiveness
To Elevate our Organizational Effectiveness

9. Attachments:

None

10. Related Reports:

June 21, 2023 - Blue Box Transition Update - Staff Report No. PW-015-23

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