March 2, 2009

RE: Municipal Impact - Collapse of Recycled Materials Commodities Market

The Municipality of Thames Centre has been proactive in advancing our waste diversion program. In October of 2008 the Municipality increased our winter collection service levels to deliver the Blue Box program on a weekly basis all year round. The figures for this past December indicate a successful program adjustment with recycling tonnage increasing by 37%, and garbage tonnage reducing by 14%.

Despite this success, the global economic problems have had a direct impact on the value of recycled materials, and the viability of our Blue Box program. Our current service contract is with Halton Recycling Limited, who collects, process and markets our recycled materials on our behalf. We have estimated the cost impact to Thames Centre’s 2009 program will be approximately $150,000 on a total contract value of $218,500 (representing a 67% cost impact).

The current WDO model which provides 50% funding of the Blue Box program will not reimburse the Municipality for these temporary program cost increases until 2011. It would be challenging for the Municipality to finance our portion of this temporary cost, but bridging the entire cost until 2011 is not possible.

As demonstrated by the February 23 announcement of Ontario’s Plan for a Green Economy, the Province intends to grow environmental programs as part of their response to the current economic recession. Unlike many industries requiring support at this time, the level of support for recyclers is accurately measurable in real-time, can be scaled down as the market improves, and the situation is temporary since it will last only as long as the reduced market value for commodities.

We respectfully request the Province to provide immediate support to Municipalities and our private sector partners to secure the long-term viability our waste diversion programs.

Sincerely,

Jim Maudsley,
Mayor, Municipality of Thames Centre

Ms. Ciadhna McMullin, Chair Waste Diversion Ontario
Ms. Sandra Banks, Chair Stewardship Ontario
AMO (for circulation to all Ontario Municipalities)