

Tire Stewardship B.C.
BOARD MEETING
September 19, 2022 - 9.30am to 11.30am
Hybrid: Zoom and In Person
Draft Minutes

In Attendance:

TSBC Board

Glen Ringdal, Glenn Maidment, Ken Rees, Mark Endersby, Norm Schmidt, Adrian Courtenay, Tim Hollett

TSBC Staff

Rosemary Sutton, Joji Ishikawa

1. **Call to Order & Chair's Opening Remarks @ 9:40 am.**
2. **Call for items to be removed from the consent agenda to the agenda-** no items
3. **Approval of the consent agenda**
Motion: to approve the consent agenda as presented Moved: Adrian Courtenay Seconded: Norm Schmidt Carried
4. **Approval of the July 5 & 6, 2022 minutes**
 - A correction to the spelling of Carol Hochu's name will be made and it was confirmed that there were no updates to the progress of the RMA projects in BC as they are still under NDA.
Motion: to approve the July 5 & 6, 2022, minutes as amended Moved: Glenn Maidment Seconded: Glen Ringdal Carried
5. **Approval of the agenda**
Motion: to approve the agenda as presented Moved: Ken Rees Seconded: Adrian Courtenay Carried
6. **Correspondence sent & received**
 - From Ministry of Environment and Climate Change Strategy (MOECCS)- checklist. This is another example of the "regulatory creep" that the director is exhibiting. The stewards have hired a lawyer to draft a letter to the MOECCS asking them to curtail the regulatory creep and to meet with the stewards to discuss the issue further.
 - From public- questions around 6PPD & mulch. Carol Hochu at TRAC and US Tire Manufacturers Association (USTMA) have been very helpful resources in dealing with questions from the public about 6PPD. TSBC has a stringent response on mulch already.
7. **Treasurer's Report (Ken Rees/ Adrian Courtenay)**
 - a) Cash Position & Cash Flow Report – as presented
 - b) Statement of Operations - discussed under 9a) AIC report
 - c) Investment Report- the investment portfolio is down about \$900k so far, but in perspective it is a decline of about 7% which is quite favourable relative to other portfolios with similar mandates. BMO has positioned the portfolio well by increasing fixed income and decreasing equities. The current outlook is that a turnaround likely won't occur until 2023.
 - d) Reserves- was reviewed
 - e) Cost per PTE- was reviewed
Motion: to accept the treasurer's report as presented Moved: Tim Hollett Seconded: Mark Endersby Carried

8. Items for Information

a) Partnership Meetings (Glen Ringdal & staff)

- WRP
 - The softening of markets may have WRP seeking permission to ship TDF to overseas markets such as Honda in Japan and may cause TSBC to miss its TDF target, but it shouldn't be an issue with the MOECCS given market conditions. TSBC will be seeking assurances from WRP that this material will be dealt with in a responsible manner. WRP has added additional short term finished product storage capacity as a proactive step in dealing with soft markets. WRP will provide 2023 projected sales volumes to TSBC for the 2023 budget. Rubberized Modified Asphalt may be sold in 2023 but not much volume is used per km of road.
 - It was noted that winter tires are often bundled with the sale of new cars so the decrease in PLT ADF revenue in Q4 could be impacted even more negatively by the lack of new vehicle inventory.
 - WRP will also be testing Peterbilt's new electric truck tractors in early October for about two months. However, even if the trial proves successful, it will likely be over 2 years before units are available for lease.
- NWR
 - It was noted that NWR is exploring the use of "short" tire fibres in a new mat which may be more feasible to incorporate than the "long" fibres that proved challenging for Atlantis to use in concrete applications.
- Inplas
 - The Infina "voids" for cement could allow concrete foundations to be lighter. A building could have 45 rather than just 40 storeys in addition to make it easier to install rebar.
 - The focus is to use as much recycled plastic, rather than virgin plastic, in their products as possible as well as adding rubber to some existing plastic only products.
- Industry Development Fund (IDF)
 - It was noted that neither NWR nor Promat's projects appear to have been adversely affected by the rising interest rate environment.

b) Meeting Dates & Location (Rosemary Sutton)

- It was reiterated that any board member can join any partnership meeting.
- Winter board meeting- check in Monday Dec 12, meeting and dinner Tuesday Dec 13, checkout Wed Dec 14 with a request for The Parq as the venue.

Action Item(s):

- *Check availability for Board winter meeting to be held over Monday Dec 12 to Wed Dec 14. (Rosemary Sutton)*

9. Items for Direction or Approval

a) Audit & Investment Committee Report (AIC & staff)

1. July Statement of Operations projects a deficit to YE of approximately \$2.1m. It was confirmed that the PLT ADF revenue decline is mainly due to a 13% decline by new Car Dealers who make up about 34% of total sales.
2. Updated 5- year financial forecast was presented using the July Statement of Operations as the baseline for 2023-2027. The consensus was that OEM sales will bounce back due to the pent-up

demand for new vehicles and that the projected deficits were overly pessimistic. In addition, it is expected that electric vehicles will make up a greater share of the market and their tires will need to be replaced more frequently. The consensus was to also remain patient and not make any major decisions during these volatile times.

3. A review of the 2022 budget. The consensus was to not make any changes.
4. TI model review update. The model will remain as is, but the frequency of the adjustments will be decreased. WRP will keep the haulers engaged.
5. E- manifest project. The AIC's decision to proceed with the "connect" option was well received. This option means the onus is on the service provider to provide the necessary hardware, training, and updates rather than TSBC.

Action Item(s):

- *Continue to update and present the ADF sales by business type table at future board meetings. (Rosemary Sutton)*
- *Send the 5-year financial forecast summary pages as presented at the meeting, to the Board. (Joji Ishikawa)*

10. New Business

- There is a new "Board Login" button at the bottom of the TSBC homepage where 3 years of Board meeting materials and other board specific documents will be available for TSBC directors to access.

Action Item(s):

- *Send instructions to the board on how to login to the "Board login" site of the TSBC website. (Rosemary Sutton)*

11. In-camera – a session was held

12. Adjourn @11:20 am