



# Tire Stewardship BC Board Meeting

April 11, 2022

Sheraton Guildford Hotel & Zoom



1. Call to order & Chair's opening remarks
  - *Matthew at 10.30am*
  - *Auditors at 11.15am*
  - *Bianca at 11.30am*
  - *Lunch at noon*
  - *AGM at ~2pm, board meeting at ~2.15pm*
2. Call for items from consent to main agenda
3. Approval of consent agenda
4. Approval of December 15, 2021 minutes
5. Approval of agenda
6. Correspondence sent/rec'd
  - *Notice from FFGEO RD*
  - *Ministry of Environment – plan renewal*
  - *Non-compliant retailer – payment plan request*

# 7 ) Treasurer's Report

## a) Cash Position & Cash Flow

- Cash in bank \$1.77 m@ March 31, 2022
- Investments \$12.45 m@ Close of Business April 4, 2022
- No CF gaps expected based on budgeted ADF and WRP projections

## b) Statement of Operations – handout provided

## c) Investment Report – handout provided

## d) Reserves:

- 6.8 months projected @ 2022 YE (Feb Stmt of Ops)

## e) Cost per PTE (total expenses/ total PTE collected)

- \$4.78 YTD (Feb 2022)
- \$4.44 @ 2021 YE (\$4.29 2020, a 3.5% increase driven by 11.3% exp increase (\$22.2 to \$24.7m) with a 7.6% PTE collected increase (5.1738 to 5.5653 m )
- \$4.95 projected at 2022 YE (Feb Stmt of Ops, a 11.4% increase over 2021 driven by 11.4% exp increase (\$24.7 m to \$27.5 m) with an essentially nil flat PTE collected change i.e. 5.5653 m to vs. 5.5658 m)

Statement of Operations for the period ending February 28 2022

DRAFT	2020	2021	2022	2022	2022	2022
	Actual	Actual	Budget	Actual YTD	Projected	Difference
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUE</b>						
<b>ADF</b>	<b>22,167,127</b>	<b>24,215,112</b>	<b>27,437,434</b>	<b>2,817,918</b>	<b>27,437,434</b>	-
ADF-PLT	18,404,340	20,066,724	21,082,235	2,038,970	21,082,235	-
ADF-MT	3,088,674	3,618,054	5,724,567	707,942	5,724,567	-
ADF- AG	262,485	272,580	270,240	39,345	270,240	-
ADF- LS	122,115	136,010	142,314	20,475	142,314	-
C&E	123,719	124,279	100,000	1,516	100,000	-
RIV	207,242	(3,169)	147,599	12,088	147,599	-
RIV Commission	(41,448)	634	(29,520)	(2,418)	(29,520)	-
<b>Interest</b>	<b>650,700</b>	<b>617,386</b>	<b>279,283</b>	<b>(314,226)</b>	<b>279,283</b>	-
Bank Account Interest	10,363	5,886	10,000	1,283	10,000	-
Investment Earnings	640,337	611,499	269,283	(315,509)	269,283	-
<b>TOTAL REVENUE</b>	<b>22,817,827</b>	<b>24,832,498</b>	<b>27,716,717</b>	<b>2,503,692</b>	<b>27,716,717</b>	-
<b>OPERATING EXPENSE</b>						
<b>Program Incentives</b>	<b>20,522,530</b>	<b>22,825,147</b>	<b>25,111,099</b>	<b>3,558,156</b>	<b>25,081,857</b>	<b>(29,242)</b>
Transportation Incentive	7,492,483	8,807,163	9,716,704	1,255,192	9,863,403	146,699
Processing Incentive	12,003,235	12,983,384	14,348,262	2,113,630	14,172,321	(175,941)
Manufacturer Incentive	1,026,812	1,034,600	1,046,133	189,334	1,046,133	-
<b>Program Management</b>	<b>1,101,451</b>	<b>1,285,855</b>	<b>1,536,968</b>	<b>196,670</b>	<b>1,536,968</b>	-
<b>Professional Services</b>	<b>208,488</b>	<b>193,159</b>	<b>320,017</b>	<b>26,990</b>	<b>320,017</b>	-
<b>Board Expenses &amp; Travel</b>	<b>159,831</b>	<b>179,194</b>	<b>201,693</b>	<b>3,425</b>	<b>201,693</b>	-
<b>Other Programs</b>	<b>218,273</b>	<b>230,957</b>	<b>393,200</b>	<b>3,455</b>	<b>393,200</b>	-
<b>TOTAL EXPENSE</b>	<b>22,210,574</b>	<b>24,714,311</b>	<b>27,562,977</b>	<b>3,788,695</b>	<b>27,533,735</b>	
<b>INCOME FROM OPERATIONS</b>	<b>607,255</b>	<b>118,187</b>	<b>153,741</b>	<b>(1,285,003)</b>	<b>182,983</b>	

## **Notes**

### Revenue

PLT sales: January performed well, February did not (19% under budget) resulting in this category YTD being under budget by 8% but within 1% of 2021.

MT UNIT sales: Both January & February were strong resulting in this category being 7% over budget YTD and 8% over 2021.

MT revenue will reflect an increase due to the MT fee going from \$9 to \$14 as of Jan 1 2022.

### Incentives

Projections directly from Western for TI & PI. For 2022 PI will reflect the Jan 1 increase of 3.75% and for TI the more frequent adjustments for fuel and non fuel

MI expected to hit budget at year end

### G&A

Nothing to report this early in the year

# 7 ) Treasurer's Report

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Presentation by Matthew Rainsberry, Senior Investment Counsellor & Portfolio Manager  
| BMO Private Investment Counsel Inc. | BMO Private Banking

# 8 a) Stewardship Plan Renewal

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- Initial feedback received – most of it easily resolved.
- The biggest problem is the section of the Recycling Regulation regarding the producer paying the cost of collecting and managing products within the product category covered by the Plan.
- Some stewards, especially those that do not operate on a return to retailer model like tires, need to contract with a local government facility (landfills) or private depot site to accept their materials.
- In the simplest of terms, the landfill / depots want more money (but won't prove their costs to support it), and the ministry has taken on their fight and applying pressure through plan approvals to have stewards hold separate consultation sessions on the methodology of determining these fees.
- TSBC cannot hold these sessions as they don't have any contracts but there seems to be an expectation from the ministry that TSBC does anyway.
- So what is the relationship between TSBC and the landfill/depots?

# 8 a) Stewardship Plan Renewal

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- Approximately 4% to 5% of the tires collected by TSBC originate from a landfill / depot, where the consumer's cost to dispose of these tires is either free or very costly.
- TSBC does not require any of these facilities accept tires on their behalf – this has been a business decision by the facility and in most cases a revenue source.
- TSBC has a network of R2R that will accept these tires for free
- TSBC is spending significant amount of money on educating the consumer that R2R is the option for disposal.
- Changing consumer behaviour to chose landfill over retailer is very hard to change overnight – esp in rural areas where this has been common practice for years.
- TSBC does offer stipends and some cost recovery to several landfill/depots but it is upon request / need and no methodology.



# 8 a) Stewardship Plan Renewal

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- The stewards believe the ministry's involvement in these contracts is regulatory creep and will be seeking a legal opinion. Could they extend this to incentives paid to haulers and processors?
- Ironically the ministry's legal response to the CRM lawsuit noted:

18. Apart from the oversight function exercised in approving plans (both initially and in relation to each 5-year review), reviewing annual reports, and conducting compliance and enforcement actions where necessary, the *Regulation* does not contemplate the Director's involvement in the design or ongoing operations of product stewardship programs. In particular, the Director has no statutory mandate in relation to issues such as governance structure, program operations, program funding, and the management of program costs.

# 8 b) Public Relations Report

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- Presentation by Bianca Bujan, TSBC Communications Director



# TSBC Communications Update

(April 11, 2022)



Prepared by:  
Bianca Bujan  
Communications Director  
[biancabujan@tsbc.ca](mailto:biancabujan@tsbc.ca)

## Overview:

This year, our main focus continues to be on increasing consumer awareness around:

- Educating the public on “where the tires go” and “where the money goes”
- Why it’s important to recycle scrap tires
- Where to drop off tires for recycling
- What happens to those tires once they’re dropped off
- Our grant program and community initiatives
- Spreading the message about “reducing” and “reusing” scrap tires



## Paid Media Plans

### Radio

- Markets chosen based on last year's results
- New investment in radio on Vancouver Island (Victoria, Nanaimo)
- Extension to CNFR Network (stations reaching 60+ Indigenous communities in BC)
- Addition of Programmatic Audio (Spotify, iHeart Radio, Google Play, etc)
- ***Runs: August 8 - September 19***

### Bus Ads

- Expanded number of markets, particularly in Vancouver Island region
- Negotiated 2 free weeks, 8 paid weeks, 5 bonus busses
- ***Runs: June 27 - October 3***

### Digital (performance and programmatic ads)

- Removing video this year and focusing on one core period and message
- More variety of assets to run to give us the ability to optimize the campaign more effectively
- Considering digital outdoor as it allows for ease of changing messages without incurring production costs
- ***Runs: March 28 - October 17***

## Media Outreach

We are working with SOMA Concepts & Solutions (contracted PR agency) to share news, updates, and partnership announcements for potential coverage through earned media.

### Results (Feb 28-Mar 31):

- Total Media Exposure: 78 (+95%)
- Advertising Value Equivalency (AVE) (monetary value of media coverage): TSBC Broadcast \$4k, TSBC News \$48.8k
- Potential Reach (potential viewers exposed to media coverage): TSBC Broadcast 437k, TSBC News 5.3M

### Upcoming Messaging:

- April 19 - Spring Tire Change Season
- April 21 - Diving In Event Sponsorship - Exhibit Launch Event
- April 22 - Earth Day
- May 1 - White Rock Lawn Bowling Club Opening Ceremony
- May 5 - Sunshine Coast Cleanup
- June 3 - Chowiyes-Xwithet/Rise Up-Wake Up! Launch Event



### Sample Outlets:

- *Recycling International*
- *Victoria Times Colonist*
- *Postmedia Breaking News*
- *Waste Advantage Magazine*
- *Environmental Journal*
- *CFAX 1070*

\* *CBC interview for Earth Day (coming soon)*

## Community Partnerships & Events

### *Chowiyes-Xwithet/Rise Up-Wake Up! Event:*

TSBC will be sponsoring a new community initiative in partnership with Artist Response Team (ART). The *Chowiyes-Xwithet/Rise Up-Wake Up!* event, coming to the University of the Fraser Valley (UFV) in September, will focus on a live reconciliation event with members of the Sto:lo First Nation, Halq'emeylem language teachers, Elders and Knowledge Keepers, students and administration of UFV, and other participants.

A community launch event is planned for June 3rd in Abbotsford, where Good Medicine Songs programming will be performed, and the Sto:lo Elders and cultural carriers will speak. Media will be invited to attend, and the main event on September 29th will be formally announced.

TSBC will be provided with inclusion and recognition in various print and online materials, as well as the opportunity to speak at the live event.

## Community Partnerships & Events

### ***Diving In: The Art of Cleaning Lakes & Oceans Initiative:***

On September 18, an important initiative launched with a focus on cleaning up the lakes and oceans found throughout the Lower Mainland. The project, called *Diving In: The Art of Cleaning Lakes and Oceans (DIACLO)*, goes beyond cleanup, taking it a step further by working with local artists to turn the objects found into beautiful pieces of art - giving the waste a second life while educating the public on the importance of recycling responsibly and reducing waste.

*Turning Trash into Treasure*, a unique touring art exhibit happening in Squamish on April 21, will showcase stunning pieces of art by selected artists created from a range of objects recovered through clean-up dives at local lakes and ocean sites.

Along with a live art unveiling, artists, divers, representatives from participating organizations and regional dignitaries will discuss the challenge of marine waste, the purpose behind this public awareness program, and the importance of responsible recycling.





## Social Media & Content Creation

### Website Posts (News & Updates):

- Applications now open for TSBC grant program (Jan 10)
- 5 ways to make your car tires last longer (Jan 27)
- Surrey school receives new playground surfacing made from 1,391 recycled tires (Feb 22)
- Celebrating 30th anniversary of tire recycling in BC (March 4)
- 4 ways your car tires can help you curb high gas costs (March 7)

### Coming Up:

- Spring tire change season
- Tire retreading - will cover what it is, why it's beneficial for customers and the environment, what's planned for future innovation, and a look at our tour of the Kal Tire retread facility

### Instagram Reels:

- Created a video of our tour of the tire retreading facility (currently at **4,207 views**)

## Next Steps:

- Planning meeting with HBM to review creative needs for upcoming campaigns
- Media scheduling for paid advertising opportunities
- Coordinating event sponsorship assets and event attendance/participation
- Media training and outreach plans for coming months



# 8 c) Market Development Committee - NWR

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- Repatriation Project

- The mat has been developed and is considered a “minimal viable” product
  - Still some work to be done on eliminating the odor
  - Will need to continue increasing efficiency on the production side
- The most basic form of the mat will be in the market by the end of Q3
- The mats will initially supplement the mats from China, planning for local production only for all the mats.

- Automation Project

- Biggest challenge: permitting process
- Hoping for development permit approval in May, & building permit in place end of Oct
- Equipment is being built in Abbotsford
- Go-live still on schedule for Q2/Q3 2023

# 8 c) Market Development Committee - NWR

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## North West Rubber – Current & Future R&D Projects

- Automating the cutting process – water based solution in test in Houston & will come to Abbotsford
- Injection Molding – rubber boots (partner in China), intention to be made locally
- Rubber / Plastic composite – feed pans (partner is Plascon), production in Delta
- Incorporating fibre into the mat line

# 8 c) Market Development Committee - NWR

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## North West Rubber – General Operations

- Seamless transition to new owner
- Staffing challenges – appears to have turned a corner (higher wages = higher calibre of employee)
- Increased Production – moved to 24/7
  - Output in Abbotsford up 38% year over year
- Remained very competitive and even gained some ground in the market place as inventory available
- Demand for rubber exceeds what WRP can provide – working with Liberty to acquire other supplies (AB & US)
  - Accessing and economics challenges of using buffings in play
- Freight & Logistic challenges
  - Cost, availability, floods, port congestion & vaccine mandates

# 8 c) Market Development Committee - WRP

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Partnership meeting: December 21, January March 1 & 31

- WRP met all its performance objectives for 2021
- Transportation challenges of both inbound and outbound material
- Currently shipping tires from NE BC to AB as trucking company won't deliver to LM
  - Meeting with TSBC tomorrow re all challenges related to inbound material (scrap tires)
- Neil has presented long term strategy to Liberty HQ – next step is to present to TSBC
- Working with a client under an NDA to do rubberized asphalt products
- Several projects underway – e.g. recovering more rubber from the fibre
- Have taken over more of the Kal Tire building at 969
- Adding in some regional staff to the West Coast (BC/AB/OR) to alleviate Neil
- Acquisitions: recycled rubber manufacturer in the NE US & a recycler in WA

# 8 d) OTR Committee Report

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- Committee met Feb 1
- Steps taken to date:
  - Connected with Kal and Fountain to advise on TSBC's desire to have current non program OTR up to 39" regulated and ask for sales data
  - Confirmed that both companies are supportive of regulating and are prepared to send letters of support etc to MOECCS with TSBC's formal request to regulate
  - NDA prepared - Fountain has signed and submitted sales data with Kal following suit
  - MOECCS has been told informally that TSBC is initiating the process
  - Western advised and will be preparing some notes on how best to handle collection
    - Currently Fountain and Kal pick up these tires from their stores and deliver to Western
- Next steps (over next 3 to 6 months)
  - Analyze the data to determine eco fee required - share this with Kal and Fountain
  - Prepare straw model of how this would all work
  - Formally advise MOECCS and submit request with Kal and Fountain's letters of support

# 8 e) Member Updates

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- Retail Council of Canada - Ken Rees
- New Car Dealers Association of BC - Glen Ringdal
- Western Canada Tire Dealers Assoc - Tim Hollett
- Tire & Rubber Association of Canada - Glenn Maidment



# 8 f) Across the Country



- Strategic Planning
  - New Chair of CATRA has been travelling the country seeking input from the provinces on the future direction and mandate of CATRA
- LCA project
  - Cross country call April 26
    - Board can attend or is there a preference for a presentation at the July SPS?
- AGM
  - Oct 30 to Nov 2 in Toronto (hybrid)

# 9 a) Audit & Investment Committee

## 2021 Financial Statements

### Motion 1:

- To approve a transfer of \$118,186 from the unrestricted reserve to the program reserve.

### Motion 2:

- To accept the Financial Statements as presented for approval at the April 11, 2022 AGM.

## Auditor retention & Banking & Investment service provider

- Committee recommends retention of Baker Tilly as the TSBC audit firm
- Committee recommends retention of BMO for daily banking and investment services

## 2022 budget review

- Amendments with 2021 actuals – no change to the budget required
- PI increase review – plans to review after 6 month's data



## 9 b) Meeting Dates

### Scheduled meetings:

- WRP Partnership (April 29)
- Advisory Committee (April 27)

### Meetings – required but no date set yet:

1. Board SPS session (see next slide)
2. NWR partnership meeting
3. AIC (Aug x)

### Scheduled Mgt Vacations / Absences

RS: May 2022 absence

RS & JI: various dates in July

# 9 ) Meeting Dates

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## Strategic Planning Session

- Date (s)
- Location
- Agenda – ideas for consideration
  - Liberty's long term strategy presentation
    - Including additional information on Rubberized Asphalt, emerging technologies and ESG
  - Life Cycle Analysis
  - Maureen Kline – Chair of TRAC on alternative and emerging manufacturing



10. New Business  
11. Adjourn