



Tire Stewardship BC Board Meeting

December 13, 2022
The Parq Hotel, Vancouver

Agenda

1. Call to order & Chair's opening remarks
2. Call for items from consent to main agenda
3. Approval of consent agenda
4. Approval of September 19 2022, minutes
5. Approval of agenda
6. Correspondence sent/rec'd
 - From Chair of UBCM
 - From Pacific Salmon Foundation – grants for research on 6PPD
 - From public – questions around 6PPD & safety of playground surfaces
 - From Tyre Stewardship Australia – to present at March 2023 meeting in Melbourne
 - Thank you letter from ART event – school principal

As an educator, I thank you for your leadership in supporting Voices of Nature programs, and making our school families aware of steps they can take to be good Earth stewards, by paying attention to recycling and recovering old tires, and making sure used oil and antifreeze are properly disposed of. This program gave our students an opportunity to celebrate and share out their learning with the broader community. This context is so important for motivating students by placing their educational activities into a social context that affects them, their families and community. It empowers our youth by giving them the experience that their voices can make a difference for the Earth. You have made a difference in our school community that will continue for years to come.



7. Treasurers' Report

a) Cash Position & Cash Flow

- Cash in bank \$1.67M @ Nov 30, 2022
- Investments \$10.28M @ Nov 30, 2022
- No CF gaps but given revenue forecast, it should be expected in Q1

b) Statement of Operations – handout provided. **To be discussed under 9a) AIC report**

c) Investment Report – handout provided

d) Reserves:

- 4.6 months projected @ 2022 YE

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

- \$5.06 YTD (Oct 2022)
- \$4.44 @ 2021 YE
- \$4.71 projected at 2022 YE, the increase over 2021 is driven by the increases to incentives throughout 2022.

7. Treasurers' Report - investments

Investment Value Added

View

All Accounts & Groups

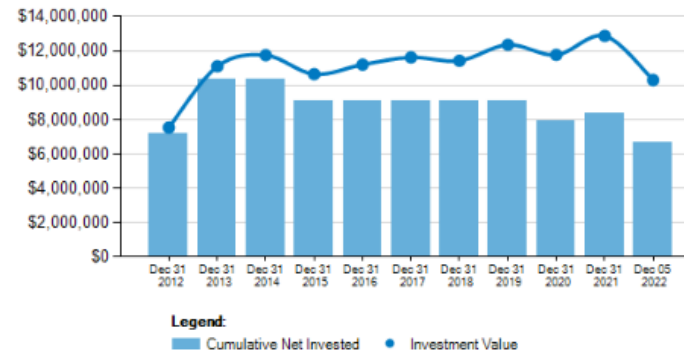


Last updated close of business 12/5/2022

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Investment Value Added (after deducting Fees and Sales Taxes)



Investment Value Added^a since inception: \$ 3,645,962.75

^aInvestment Value Added = Investment Value - Cumulative Net Invested

Group / Account Name	Reporting Period	Account Number	Account Type	\$ Starting Investment Value	\$ Investment Value Added	\$ Ending Investment Value
ALL ACCOUNTS	Since Inception (06-03-2011)	N/A	N/A	0.00	3,645,962.75	10,300,020.66
TIRE STEWARDSHIP BC ASSOCIATION	Since Inception (06-03-2011)	870-06966	NON REGISTERED	0.00	3,645,962.75	10,300,020.66
ALL ACCOUNTS	Calendar Year To Date	N/A	N/A	12,872,554.00	-842,501.51	10,300,020.66

7. Treasurers' Report - investments

Asset Allocation

View All Accounts & Groups

Last updated close of business 12/5/2022

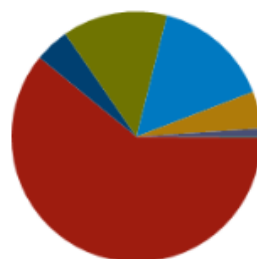
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☐ USD ☒ CAD

Asset Allocation



Cash & Equivalents - Canadian 0.12%
 Cash & Equivalents - Non Canadian 0.01%
 Fixed Income - Canadian 60.77%
 Fixed Income - Non Canadian 4.47%
 Non-Traditional Capital Preservation 13.58%
 Equities - Canadian 15.20%
 Equities - U.S. 4.78%
 Equities - Non North American 1.06%

Asset Class	\$ Market Value including Accrued Income	% Total Assets	\$ Estimated Annual Income	% Estimated Annual Income
Total Assets	10,300,020.66	100.00%	288,842.32	2.80%
Capital Preservation	8,132,491.65	78.96%	231,498.70	2.85%
Capital Appreciation	2,167,529.01	21.04%	57,343.62	2.65%

8 a) Partnership Meetings – Western

- **Outbound: Softening Markets**

- Mulch – customer projections too aggressive & customer transportation issues
- Crumb Markets – biggest impact is NWR's drop in demand
- Short term plan (2022) – all non program OTR to landfill, limiting flow of inbound non program material, approval for crumb to Liberty IMC (vol & time limited)
- Long term plan (2023) – Neil anticipates just Q1 2023 will be a challenge

- **Inbound: steady flow**

- Cause - round ups & more frequent collection at transfer stations and the declining revenue is from new car dealers, which does not typically trigger a scrap tire.
- Collection issues that are driven by lack of drivers primarily. Neil holding a one day workshop with staff to plan for 2023 and find ways to improve the collection system.
- Local Government Survey:
 - 14 of the 26 RD's responded – TSBC will follow up with remainder
 - 43% did not get the required 2 clean outs in 2022
 - Overall, 5 out of 10 rating
 - Next steps: WRP on the hook to present a plan to TSBC to rectify the issues

8 a) Partnership Meetings – Western

- Other:
 - Neil is recovering and working primarily from home for now
 - Consolidation of 969 & 721 back on the table
 - Path to add manufacturing capability still in play
 - Capex of ~\$6M USD to replace existing equipment / add capacity in Delta and \$0.5M USD for new shredder at Chemainus plant – in place by Q1 2024
 - New shredder at Chemainus will result in reduced incentive costs as shred vs MT whole tires will be shipped to Delta
 - Leased an EV tractor to test but not appropriate for the long hauls, in town collections would benefit.

8 a) Partnership Meetings (NWR)

Waiting for report from NWR

8 b) Member Updates

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

8 c) Across the Country

CATRA annual members meeting held in Toronto Oct 31, Nov 1 & Nov 2
Rosemary attended via Zoom, recordings were provided for Glen



- Key discussions:
 - Review of CATRA and its current structure – message loud and clear to simplify and reduce costs.
 - Report on results of discussions will be distributed in the next few weeks, including 2023 budget
 - Two external speakers: Michelin and USTMA
 - Life Cycle Analysis – project complete but interest in expanding scope – no decision made
 - Harmonized Compliance Reviews – all agreed an excellent approach
 - Eco Fee increases – none contemplated except for E-Tracks (from \$4 to \$4.50.....
 - All provinces having to adjust transportation incentives due to rising costs
 - NFLD moving forward to process its tires **in** province

8 d & e) Carol Hochu presentation & Public Relations Report

9 a) Audit & Investment Committee Report

The committee met on December 6 to review:

1. 2022 projections
2. 2023 budget

Statement of Operations for the period ending Oct 31 2022

	2020	2021	2022	2022	2022	2022
very draft (for AIC)	Actual	Actual	Budget	Actual YTD	Projected	Difference
	\$	\$	\$	\$	\$	\$
OPERATING REVENUE						
ADF	22,167,127	24,215,112	27,437,434	19,550,074	24,850,956	(2,586,479)
ADF-PLT	18,404,340	20,066,724	21,082,235	14,348,700	18,490,862	(2,591,373)
ADF-MT	3,088,674	3,618,054	5,724,567	4,723,637	5,770,265	45,698
ADF- AG	262,485	272,580	270,240	230,250	277,742	7,502
ADF- LS	122,115	136,010	142,314	120,890	143,086	773
C&E	123,719	124,279	100,000	43,335	65,000	(35,000)
RIV	207,242	(3,169)	147,599	104,077	130,000	(17,599)
RIV Commission	(41,448)	634	(29,520)	(20,815)	(26,000)	3,520
Interest	650,700	617,386	279,283	(1,084,567)	(490,000)	(769,283)
Bank Account Interest	10,363	5,886	10,000	9,447	10,000	-
Investment Earnings	640,337	611,499	269,283	(1,094,014)	(500,000)	(769,283)
TOTAL REVENUE	22,817,827	24,832,498	27,716,717	18,465,507	24,360,956	(3,355,762)
OPERATING EXPENSE						
Program Incentives	20,522,530	22,825,147	25,111,099	20,910,420	24,553,395	(557,704)
Transportation Incentive	7,492,483	8,807,163	9,716,704	8,332,153	10,006,463	289,759
Processing Incentive	12,003,235	12,983,384	14,348,262	11,966,838	13,500,799	(847,463)
Manufacturer Incentive	1,026,812	1,034,600	1,046,133	611,429	1,046,133	-
Program Management	1,101,451	1,285,855	1,536,968	1,217,837	1,408,054	(128,914)
Professional Services	208,488	193,159	320,017	167,469	271,200	(48,817)
Board Expenses & Travel	159,831	179,194	201,693	106,991	192,577	(9,115)
Other Programs	218,273	230,957	393,200	207,236	225,825	(167,375)
TOTAL EXPENSE	22,210,574	24,714,311	27,562,977	22,609,953	26,651,052	
INCOME FROM OPERATIONS	607,255	118,187	153,741	(4,144,446)	(2,290,096)	

Projections compared to Budget YTD					
	PROJECTED	BUDGET	Diff		
PLTs	\$ 18,490,862	\$ 21,082,235	\$ (2,591,373)		-12.3%
MTs	\$ 5,770,265	\$ 5,724,567	\$ 45,698		0.8%
AG	\$ 277,742	\$ 270,240	\$ 7,502		2.8%
LS	\$ 143,086	\$ 142,314	\$ 773		0.5%
	\$ 24,681,956	\$ 27,219,355	\$ (2,537,400)		-9.3%

Compared to 2021 analysis units YTD					
	2021	2022	Diff		
PLTs	3,192,376	2,869,740 -	322,636		-11.24%
MTs	326,325	337,403	11,078		3.28%
AG	15,015	15,350	335		2.18%
LS	3,073	3,454	381		11.03%
	3,536,789	3,225,947 -	310,842		-9.64%

Jan to July 2022 time period

ALL TIRE TYPES	ALL	PLTs Only	
Business Type	Difference %	Difference %	% of total sales
Auto Service	-3%	-4%	4%
Auto Service Chain	-8%	-8%	1%
Equipment Dealer	-4%	-23%	3%
Mass Merchandiser	-9%	-9%	10%
Motorcycle Dealer	-14%	-14%	2%
National Account	5%	6%	2%
New Car Dealer	-13%	-13%	34%
Other	3%	0%	3%
RV Dealer	-23%	-24%	1%
Tire Dealer	0%	-2%	13%
Tire Retail Chain	0%	1%	25%
Tire Wholesaler	-4%	-5%	2%
Trailer Manufacturer	-17%	-18%	1%
Total	-6%	-8%	100%

Jan to Oct 2022 time period

ALL TIRE TYPES	ALL	PLTs Only	
Business Type	Difference %	Difference %	% of PLT rev in 2021
Auto Service	-8%	-11%	4%
Auto Service Chain	-8%	-8%	1%
Equipment Dealer	-3%	-24%	3%
Mass Merchandiser	-16%	-16%	12%
Motorcycle Dealer	-15%	-15%	2%
National Account	-2%	3%	2%
New Car Dealer	-12%	-12%	33%
Other	7%	3%	2%
RV Dealer	-22%	-23%	1%
Tire Dealer	-4%	-7%	13%
Tire Retail Chain	-4%	-4%	25%
Tire Wholesaler	-13%	-13%	3%
Trailer Manufacturer	-16%	-16%	1%
Total	-9%	-10%	100%

2023 budget



-\$1.767M

Tire Stewardship BC: Income & Expense Statement (CONFIDENTIAL)

WIP started Nov 9 2022

	REVENUE	2019 Actual	2020 Actual	2021 Actual	2022 projected	2023 budget
1.0	Revenue Collection	22,429,037	22,167,127	24,202,422	24,850,956	25,718,910
2.0	Interest (bank, investments, IDF)	954,166	650,700	630,076	(490,000)	412,782
	Total revenue	\$ 23,383,203	\$ 22,817,827	\$ 24,832,498	\$ 24,360,956	26,131,693
	EXPENSES	2019 Actual	2020 Actual	2021 actual	2022 projected	2023 budget
3.0	Program Incentives	20,076,582	20,522,530	22,825,147	24,553,395	25,708,751
4.0	Program Management	1,650,195	1,101,155	1,285,855	1,408,054	1,577,552
5.0	Professional Services	260,549	208,488	193,159	271,200	308,522
6.0	Board Expenses and Travel	181,116	159,831	179,194	192,577	204,717
7.0	Other Programs	491,484	218,273	230,957	225,825	100,000
	Total Expenditures	\$ 22,659,925	\$ 22,210,278	\$ 24,714,311	\$ 26,651,052	27,899,542
	Transfer to (from) Program Reserve	\$723,277	\$607,549	\$118,186	(\$2,290,096)	(\$1,767,849)

5) 2023 budget

Revenue Category	Approach	Difference over 2022
PLTs	5 year average (2017 to 2021)	4% over 2022 projections
MTs	2022 projections + 2%	2% over 2022 projections
AG & LS	2022 projections	Zero
C&E	Realistic estimate	Close to 2022 projections
RIV	2022 budget	Close to 2022 projections
Overall		4% over 2022 projections

5) 2023 budget

Category	Approach	Difference over 2022 projections
TI	Western's projections	-1% in volumes, +7% in \$s
PI	Western's projections	5% in volumes, 3% in \$s
MI	NWR & Promat asks	No difference if....
Program Admin	Actual known costs + 2022 budget	2% +
Comms & Ed	Nice to have approach / Bianca to present	36% (some projects in 2022 not done & bigger ask)
Prof. Fees	Known costs, buckets for legal & consulting	+audit \$ plus anticipated legal in 2023
Board Expenses	Known costs	+6% salary, insurance increase & assumes full use of board travel & expenses line item
Grants	Delay decision / intake to later in year	\$350,000 budget in 2022, actual = \$185,000
Special Projects	Known costs + estimated costs	+25% - getting more asks for unique situations
Overall		0.4% G&A, 4.7% Incentives



9 b) Meeting Dates

Scheduled meetings:

1. WRP partnership meeting – Jan 9

Meetings – required but no date set yet:

1. April Board Meeting & AGM – date and location
2. Strategic Planning Session - agenda
3. Audit & Investment (March 2023 FS review meeting)
4. NWR partnership meeting (March 2023)
5. OTR committee meeting

Scheduled Mgt Vacations:



10. New Business
11. In Camera
12. Adjourn