

**Tire Stewardship B.C.**  
**BOARD MEETING**  
June 28 & 29 2023  
**Consent Agenda**  
**(agenda item #3 on the main agenda)**

Distribution List:

**TSBC Board**

Carol Hochu, Ken Rees, Mark Endersby, Glen Ringdal, Norm Schmidt, Adrian Courtenay, Tim Hollett

**TSBC Staff**

Rosemary Sutton, Joel Butler

**a. Action Item list (Appendix A)**

**b. Executive Director's report**

- 2022 Annual Report and Non-Financial Audit
  - The Annual Report is complete with the audit underway. As per the Recycling Regulation, the Annual Report will be submitted to the Ministry and published on the TSBC web site on or before July 1, 2023.
- Eco Fee Increase
  - The notice was sent to retailers on May 30 and is now published on the Pictus home page (our ecommerce revenue filing system). To date, a few comments but nothing of significance.
- Processor & Manufacturer Agreements
  - These renewals are underway with no significant changes to the current agreements with the exception of the manufacturers as an end date will be earlier than 5 years as TSBC's commitment to Promat ends 2024 and in 2026 with North West Rubber.
- Strategic Planning
  - The pre-meeting interviews are complete. Day 1 (June 28) will be a group discussion to agree upon the strategy / priorities, and any changes required to the governance structure of the board. Day 2 (June 29) will be establishing a path and process to achieve that strategy.
- Compliance
  - The issue raised at the last meeting regarding the remittance of the eco fee on tires sold via 3<sup>rd</sup> party "Marketplace" sellers was raised at the Stewardship Agencies of BC meeting in May. The action item from this meeting is the programs with a national presence will pursue further investigation and report back to the members at the next meeting.
- Communications & Outreach
  - A copy of the May Social Media report is attached as **Appendix B**.
  - There will not be a presentation at the June meeting, this has been deferred to the September board meeting when Bianca will have an update on the significant amount of activity that is occurring between now and then: TV ads, Ambassador Tour and partnerships.
  - Directors are encouraged to view our [News and Update](#) section and the [Community Events](#) section on the TSBC web site.

- TSBC signed an agreement with Ocean Legacy Foundation (OLF) regarding the board approved grant. Glen and Adrian will be attending a formal event to hand over the “cheque” on June 22 at OLF’s facility in June. We will be issuing a Press Release and posting the information on this new partnership on all our social media channels.
- Stewardship Plan renewal - No response yet from the Ministry other than the TSBC Plan is with the statutory decision maker.
- Stewardship Agencies of BC (SABC)
  - The members met May 11 in person.
  - With the Ministry influx with its staffing issues and lack of direction, there is nothing of substance to report.
- CATRA:
  - The members’ next quarterly Zoom meeting is June 15. The 2023 annual meeting is scheduled for Oct 1 -3 in Halifax, followed by the Tire & Rubber Association symposium Oct 4 & 5. Glen, Rosemary and Joel will be in attendance.
  - At the meeting on June 15, staff will try to get a sense of other provincial tire programs revenues, increased costs and any plans to raise the eco fee. Staff will report out on any relevant findings at the board meeting during the eco fee discussion on the main agenda.
- E-Manifest Project
  - Work continues but launch is delayed to the 3<sup>rd</sup> quarter. This brings us almost to a conclusion of the goal to become paperless.

**c. Operations Report**

**Revenue statistics (includes all revenue)**

Tire Category	YTD Apr 30, 2023 vs. YTD Apr 30, 2022 - % Change
PLT	-9%
MT	-13%
AG	-4%
LS	-28%
ALL	<b>-10%</b>

RIV revenue 10%

- Overall revenue split for YTD Apr 30 2023 compared to YTD Apr 30 2022 is approximately: PLT 76% (75%), MT 23% (23%), AG 1% (1%), LS 1% (1%)

Revenue breakdown by Business Type (Jan 1 to Apr 2023 vs Jan 1 to Apr 30 2023) – please see on Page 3.

This is a new report that will be added to the Consent Agenda going forward, or until such time TSBC experiences a level of stability on the revenue side of the business.

In 2022, TSBC saw the New Car Dealer showing the most decline in sales. For the first 4 months of 2023, it is evident that there is no growth / bounce back yet for the New Car Dealers. However, we are seeing

a decline in sales across the board but those business types highlighted below in yellow are the ones impacting the YTD revenue the most.

ALL TIRE TYPES						ALL	PLTs Only
Business Type	Jan to Apr 2022 sales period	% of total ALL units	Jan to Apr 2023 sales period	% of total ALL units	Difference #	Difference %	Difference %
Auto Service	43,081	4%	44,340	4%	1,259	3%	-1%
Auto Service Chain	6,097	1%	5,876	1%	-221	-4%	-5%
Equipment Dealer	33,378	3%	28,621	3%	-4,757	-14%	-14%
Mass Merchandiser	112,642	10%	102,037	10%	-10,605	-9%	-10%
Motorcycle Dealer	22,228	2%	20,075	2%	-2,153	-10%	-10%
National Account	21,146	2%	18,334	2%	-2,812	-13%	4%
New Car Dealer	374,969	34%	373,817	37%	-1,152	0%	0%
Other	24,975	2%	23,023	2%	-1,952	-8%	-7%
RV Dealer	10,780	1%	6,677	1%	-4,103	-38%	-38%
Tire Dealer	140,198	13%	112,339	11%	-27,859	-20%	-19%
Tire Retail Chain	264,072	24%	242,033	24%	-22,039	-8%	-9%
Tire Wholesaler	27,240	3%	22,783	2%	-4,457	-16%	-17%
Trailer Manufacturer	6,459	1%	3,733	0%	-2,726	-42%	-45%
Total	1,087,265	100%	1,003,688	100%	-83,577	-8%	-7%

**Measures, Targets and Results - Important to note is that none of the targets are approved by the Ministry – the targets presented are the ones put forward in the new plan.**

1. Recovery Rate Targets (units collected / units sold from 5 years prior)

	2023 Target	As of Apr 30, 2023	YE 2022
<b>Total</b>	<b>90%</b>	<b>104%</b>	<b>89%</b>

- Recovery rate above 100% but its still relatively early in the year. Units sold typically rise in Q3 and Q4 while units collected will drop relatively speaking which will drive down the recovery rate.
- PLT makes up approx 91% and MT approx 9% of the units collected and sold.
- AG and LS units collected and sold have a negligible impact on the overall recovery rate.

2. End Fate Targets (Pollution Prevention Hierarchy)

Component (Target%)	YTD Apr 30, 2023 (2022 actual)			
	Recycle	Energy Recovery	Landfill	Total
Rubber (88,11,1)	<b>87.8 (88.6)</b>	<b>8.5 (9.1)</b>	<b>3.7 (2.3)</b>	<b>100%</b>
Steel (100,0,0)	<b>100.0 (100)</b>			<b>100%</b>
Fibre (0,98,2)		<b>100 (100)</b>	<b>0 (0)</b>	<b>100%</b>

- For YTD Apr 2023 compared with 2022 within Recycle, all steel and fibre is recycled and the relative mix of crumb to mulch is 84:16 vs 83:17
- Western must seek approval from TSBC if directing more to Energy Recovery than budgeted.

#	Measure	2023 Target	YTD Result*	2022 actual
3	Number of collection sites (i.e., registered retailers that will take back a scrap tire from the consumer at the time a new tire is sold)	1,850	2,095	2,059
4	a) Total number of retailers and generators in BC that take back orphan tires (R2R) b) Number of R2Rs in each Regional District	a) A minimum of 25% of “registered retailers” ~ 525 b) At least 25% of registered retailers in each Regional District are R2R locations	782 28 of 28	775/800 target Achieved
5	Education and Awareness a) Awareness of where to take scrap tires for safe disposal b) Awareness of where to go to find information on safe disposal locations	a) Maintain or increase awareness level of 61% b) Maintain or increase awareness level of 77%	N/A** N/A	47% 61%

\*As of May 31, 2023 \*\* Survey will be Fall 2023

### Compliance & Education

The review process initiated in 2020 i.e. using IntegriServ to conduct remote reviews, continues to work well. Although the challenges of retailers’ staffing shortages (e.g. reduced operating hours, lack of administrative staff, high turnover rates) continue to cause some delays in scheduling, generation of the required reports, etc., the delays seem to be less frequent.

There are currently four IntegriServ resources working on the reviews (varying degrees of time). As required, additional resources will be retained to ensure as many reviews as possible are conducted.

### 2023 TSBC reviews – conducted by IntegriServ

- 50 reviews completed or in progress as of May 31, 2023
- Costs YTD: \$45,500 (~\$8,000 relates to work to finalize 2022 reviews)
- Revenue YTD: \$5,500

### Compliance Review Survey

- Two surveys returned – both responses positive (no additional comments).
- The return rate of surveys is extremely low despite being encouraged to do so. The process will continue so the retailer is aware their opinion matters.

### Planning

- Total of @75 accounts to be reviewed or in progress by June 30, 2023.
- Expectation @150 reviews will be conducted or in progress by December 31, 2023.
- Most reviews will continue as desk audits – less expensive approach and much preferred by retailer. On site will occur either at the request of the retailer or if TSBC determines this is the best approach for a particular retailer.

## Errors

- Wrong ADF rate applied to tire (PLT rate on MT tires)
- ADF not remitted on tires sold via service departments
- ADF omitted due to manual invoicing errors
- Internal accounting staff errors - monthly reconciliation issues, calculation errors
- System issues at NCD resulted in omission of ADF on new vehicle leases and on some vehicles
- NCD applying ADF on 5 tires whether vehicle has a spare or not

## CATRA Harmonized Compliance Reviews – conducted by IntegriServ

- **2023:**
  - Mitsubishi Motor Sales Canada – review has been completed.
  - Groupe Touchette (Dealer Tire/Tirelink), TireDirect.ca, Toyo Tire Canada – reviews are in progress
  - Canadian Tire Corp., Hyundai Canada, PartsEngine.ca, PMC Tire – reviews have been scheduled
- **2023 costs billed to date:** \$4,300 (related to 2022 reviews) and \$2,000 for 2023 reviews.
- **Revenue YTD:** \$5,920
- **2021 review:** Quattro Tire – very little progress - participant remains un-cooperative – likely that individual agencies will conduct their own reviews (with assistance from their legal support)

## **Grant Program**

- The program opened up on June 5<sup>th</sup> with applications accepted until July 31.

### **d. Partnership reports**

- Western Rubber – monthly meetings continue to occur with the June meeting scheduled for the 22<sup>nd</sup>. Neil will be presenting to the board on June 28 regarding Liberty’s long-term strategy for the Delta and Chemainus operations.
- Lehigh
  - No meeting held.
- North West Rubber
  - No meeting held – deferred to September prior to next Board meeting.
- Advisory Committee
  - Meeting held June 7, 2023.
  - Adrian, Joel and Rosemary in attendance.
  - Scope 3, who conducted the CTARA Life Cycle Analysis (LCA), presented to the committee. Items of note from the committee was the project scope was quite narrow, the question if TSBC had control over what Western did with the tires (felt mulch was a “bad” product); and a request for the presentation and follow up meeting with Scope 3.
  - Some of the comments heard at the meeting will come up during the strategy discussion on June 28.
- Ministry of Environment & Climate Change Strategy (Ministry)
  - The Ministry staff attended the SABC May 11 meeting. The most senior to attend was the interim ED. There was not much reported but the Ministry staff and some members of SABC felt the opportunity to connect after the meeting in a more social setting was productive.

- The future direction of the Ministry remains uncertain as they continue to try and find resources and figure out how to proceed with the multitude of policies that currently have in draft that are opposed by SABC.
- Stewardship Agencies of BC (SABC)
  - Meetings held (member & committee): One member meeting (May 11) and numerous committee meetings.
  - In addition to being on the Policy committee, TSBC is also now on the Governance Committee.

**e. Board committee reports**

- Audit & Investment committee
  - No meetings held.
- Contractor Relations (HR) Committee
  - Report to the board will be held at the in-camera meeting.
- Market Development Committee
  - No meeting held.
- Governance Committee
  - Meeting held June 5.
  - The committee reviewed the board agenda and the strategic planning approach.
  - With many action items on hold until such time the June meeting has concluded, the committee recognized its work will start in earnest after the June meeting when decisions will be made regarding the future governance structure.
- OTR committee
  - No meeting held – primarily due to TSBC staffing constraints.

**f. Board Calendar (Appendix C)**