

# TIRE Stewardship

[www.tsbc.ca](http://www.tsbc.ca) BC

TSBC Board Meeting  
September 22, 2023  
Sheraton Guildford Hotel, Surrey BC





## Agenda

- 1.Call to Order / Opening remarks
- 2.Item to be removed from the Consent Agenda
- 3.Approval of the Consent Agenda
- 4.Approval of the June 28/29, 2023 Minutes
- 5.Approval of the Agenda
- 6.Correspondence Sent / Received
  - Invitation to comment on regulatory amendment



## Treasurers' Report

- Bank Balance: \$0.5M @ August 31
- Cashflow: \$2.1M from investment account to cover cash flow gaps, further \$1M draw expected by year end
- Statement of Operations @ July 31, 2023
  - Further discussion on revenue under Audit Committee Report and expenses under HR committee report
- All government remittances have been filed and paid on a timely basis
  - GST/HST, Payroll, Corporate Tax.
- Costs per PTE projected: \$5.48
- Months in reserve: 3.3
- Investment Portfolio: \$8.2M @ September 14 2023

# Statement of Operations @ July 31 2023

Statement of Operations

Period End July 2023

	2021	2022	2023	2023	2023	2023
	Actual	Actual	Budget	Actual	Projections	Difference
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUE</b>						
<b>ADF</b>	<b>24,215,112</b>	<b>25,253,901</b>	<b>25,718,910</b>	<b>12,349,553</b>	<b>24,927,615</b>	<b>(791,295)</b>
ADF-PLT	20,066,724	18,822,068	19,242,412	9,314,290	19,069,641	(172,771)
ADF-MT	3,618,054	5,810,967	5,885,670	2,690,338	5,278,660	(607,010)
ADF- AG	272,580	276,975	277,742	161,730	282,367	4,625
ADF- LS	136,010	138,425	143,086	75,775	126,947	(16,139)
C&E	124,279	105,554	50,000	34,100	50,000	-
RIV	(3,169)	124,890	150,000	88,613	150,000	-
RIV Commission	634	(24,978)	(30,000)	(15,293)	(30,000)	-
<b>Interest</b>	<b>617,386</b>	<b>(1,010,048)</b>	<b>412,782</b>	<b>261,520</b>	<b>341,998</b>	<b>(70,784)</b>
Bank Account Interest	5,886	21,119	10,000	30,749	40,000	30,000
Investment Earnings	611,499	(1,031,167)	402,782	230,772	301,998	(100,784)
<b>TOTAL REVENUE</b>	<b>24,832,498</b>	<b>24,243,852</b>	<b>26,131,692</b>	<b>12,611,074</b>	<b>25,269,613</b>	<b>(862,079)</b>
<b>OPERATING EXPENSE</b>						
<b>Program Incentives</b>	<b>22,825,147</b>	<b>25,435,653</b>	<b>25,708,751</b>	<b>14,962,052</b>	<b>27,257,648</b>	<b>1,548,897</b>
Transportation Incentive	8,807,163	10,551,150	10,696,155	5,945,555	11,309,706	613,551
Processing Incentive	12,983,384	13,860,150	13,966,463	8,786,646	14,914,942	948,479
Manufacturer Incentive	1,034,600	1,024,354	1,046,133	229,850	1,033,000	(13,133)
<b>Program Management</b>	<b>1,285,855</b>	<b>1,374,915</b>	<b>1,577,551</b>	<b>864,348</b>	<b>1,574,788</b>	<b>(2,763)</b>
<b>Professional Services</b>	<b>193,159</b>	<b>286,718</b>	<b>308,522</b>	<b>129,714</b>	<b>308,522</b>	<b>-</b>
<b>Board Expenses &amp; Travel</b>	<b>179,194</b>	<b>200,360</b>	<b>204,717</b>	<b>139,331</b>	<b>204,717</b>	<b>-</b>
<b>Other Programs</b>	<b>230,957</b>	<b>228,219</b>	<b>350,000</b>	<b>8,530</b>	<b>380,000</b>	<b>30,000</b>
<b>TOTAL EXPENSE</b>	<b>24,714,311</b>	<b>27,525,865</b>	<b>28,149,541</b>	<b>16,103,974</b>	<b>29,725,674</b>	<b>1,576,133</b>
<b>INCOME FROM OPERATIONS</b>	<b>118,187</b>	<b>(3,282,013)</b>	<b>(2,017,849)</b>	<b>(3,492,901)</b>	<b>(4,456,061)</b>	

# Statement of Operations @ July 31 2023

## Notes

### Revenue

#### **PLT sales:**

In the first 4 months of the year, Jan, March and April have been significantly lower than budget and 2022

May PLT sales **are over budget by 9% and June is over budget by 6% with July under budget by 2%**

Actual to budget: -1%

Actual to 2022: 1%

#### **MT sales:**

In the first 7 months of the year sales have been significantly lower than budget and 2022 but 2022 sales were unusually high

Actual to budget: -10%

Actual to 2022: -11%

#### **Revenue Overall**

YTD actual to budget: -3%

YTD actual to 2022: -2%

### Incentives

Western projections reflecting the 3.25% increase approved and effective May 1 2023

WRP is also projecting ~2,700 more tonnes inbound and ~5,100 more tonnes in outbound, both having a significant impact on the incentive line items.

The projections also reflect the approval to continue payment for increased costs in the Peace River region, which was not included in the budget number.

### G&A

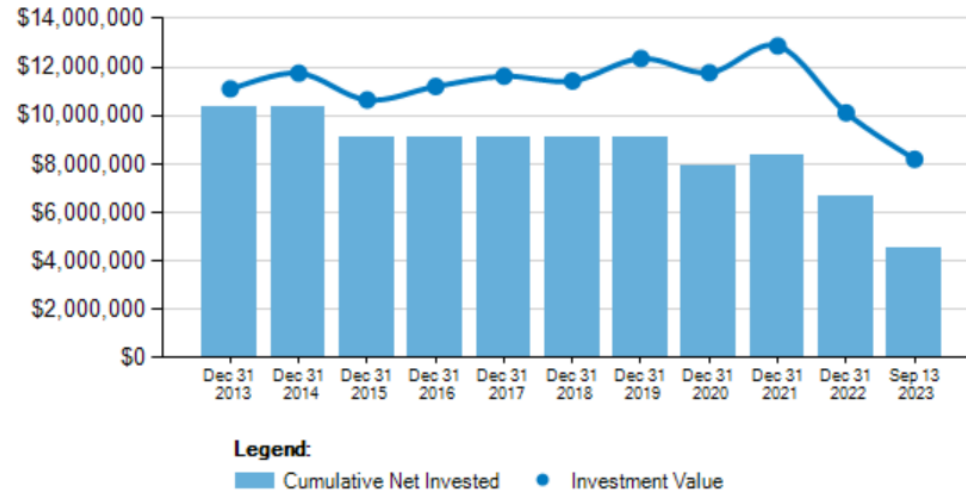
Projections reflect known amounts as noted at April 18 board meeting and includes the Ocean Legacy grant under Special Projects

For now, the projections do not include additional costs identified at the Board meeting in June (additional resource, additional IT support, or additional consulting fees due to new projects).

# Investment Portfolio

All information on this screen is presented on a CAD, trade date basis

## — Investment Value Added (after deducting Fees and Sales Taxes)



Investment Value Added\* since inception: \$ 3,641,980.78

\*Investment Value Added = Investment Value - Cumulative Net Invested

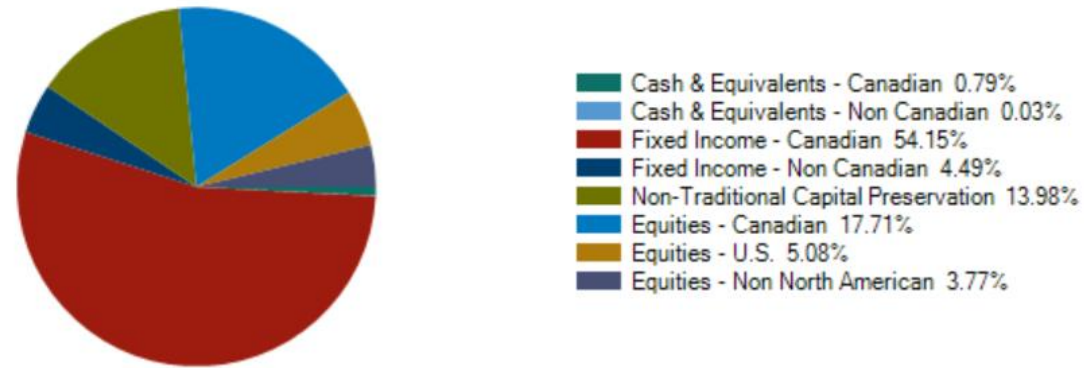
	Group / Account Name	Reporting Period	Account Number	Account Type	\$ Starting Investment Value	\$ Investment Value Added	\$ Ending Investment Value
—	ALL ACCOUNTS	Since Inception (06-03-2011)	N/A	N/A	0.00	3,641,980.78	8,196,026.02
	TIRE STEWARDSHIP BC ASSOCIATION	Since Inception (06-03-2011)	870-06966	NON REGISTERED	0.00	3,641,980.78	8,196,026.02
+	ALL ACCOUNTS	Calendar Year To Date	N/A	N/A	10,111,356.66	184,682.03	8,196,026.02

# Investment Portfolio

☐ USD ☒ CAD

All information on this screen is presented on a CAD, trade date basis

## — Asset Allocation



Asset Class	\$ Market Value including Accrued Income	% Total Assets	\$ Estimated Annual Income	% Estimated Annual Income
Total Assets	8,196,026.02	100.00%	259,674.76	3.17%
+ Capital Preservation	6,018,974.07	73.44%	200,484.45	3.33%
+ Capital Appreciation	2,177,051.95	26.56%	59,190.31	2.72%



# **2023 TSBC STRATEGIC PLAN**

## **FINAL REPORT**



# Communications Report

by Bianca Bujan

Bianca to prepare and present

## **Market Development Committee - Liberty**

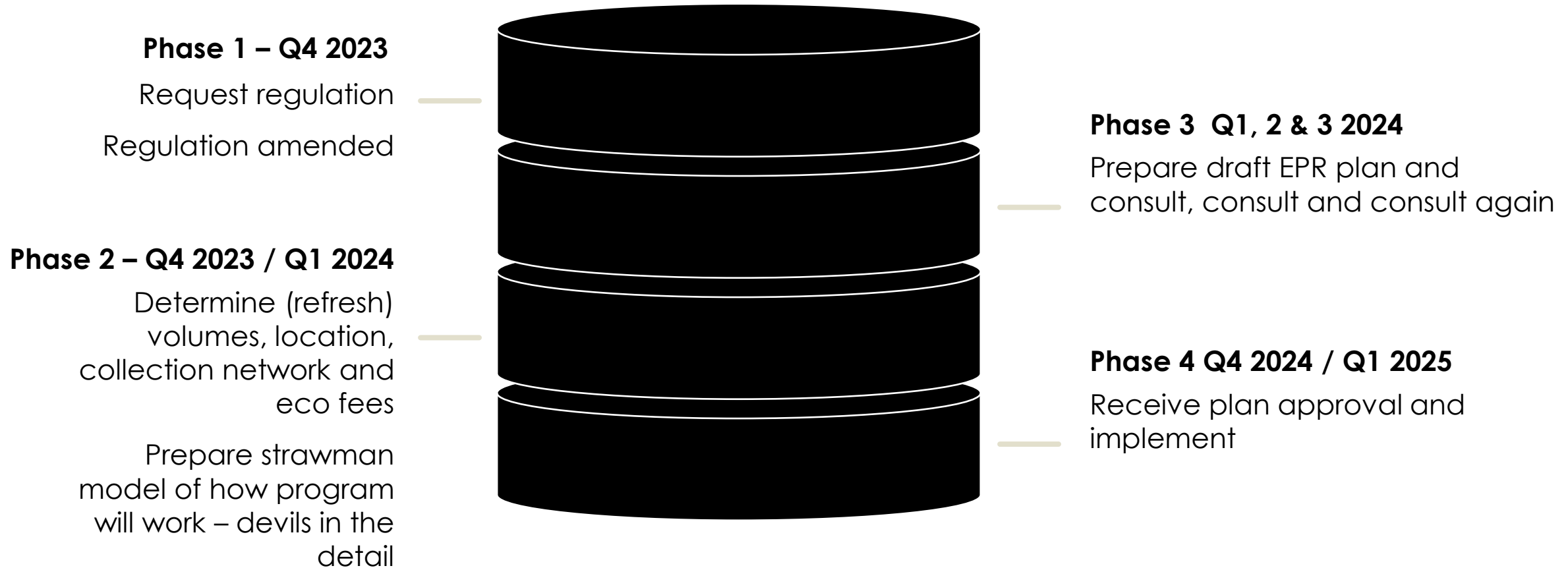
- Markets are strong
- Consolidation project is moving ahead
- Equipment breakdown hindered production – mitigation strategy in place to prevent a repeat
- New shredder in Chemainus – once up and running will allow for all program scrap tires to be volume reduced for transport to the mainland
  - Cost savings to TSBC as loads transported will double in weight
- Rubberized Asphalt pilot project with the City of Kelowna
  - TSBC should be at the table and provide some financial assistance – good story
- Moved finished product storage yard from Delta to WA state
  - Cheaper and more trailer availability for shipping to market
- Leadership shuffle at Liberty

## **Market Development Committee – North West Rubber**

- Markets are normalizing – peak demand during COVID
- Plant upgrade project moving ahead but not at top speed
- Repatriation project – not all mat making has been repatriated but goal is to get there
- CAPEX project in Brantford for a new mat cooling line and thermal activity cameras in the yard – eventually in all plants
- Purchasing and shutting down of locations
- R &D activities – feeder pan joint venture with Plascon, use of scrap tire fibre in mats, reuse of mining belts from Australia as barn mats in agricultural market



# OTR Committee Update



Ministry staff appear onboard

Letter to request regulation to go to Ministry within a week – signed by Fountain, Kal, Liberty & TSBC

If timeline missed to amend regulation, timeline for Phases 2 – 4 will shift significantly

BIG project requiring significant staff and consultant time

# TI model review and rate request project

## Phase 1

Document and understand  
the collection network,  
parties involved and  
relationships

## Phase 3

Review current rate  
increase approach and  
source, consider request  
for 10% increase

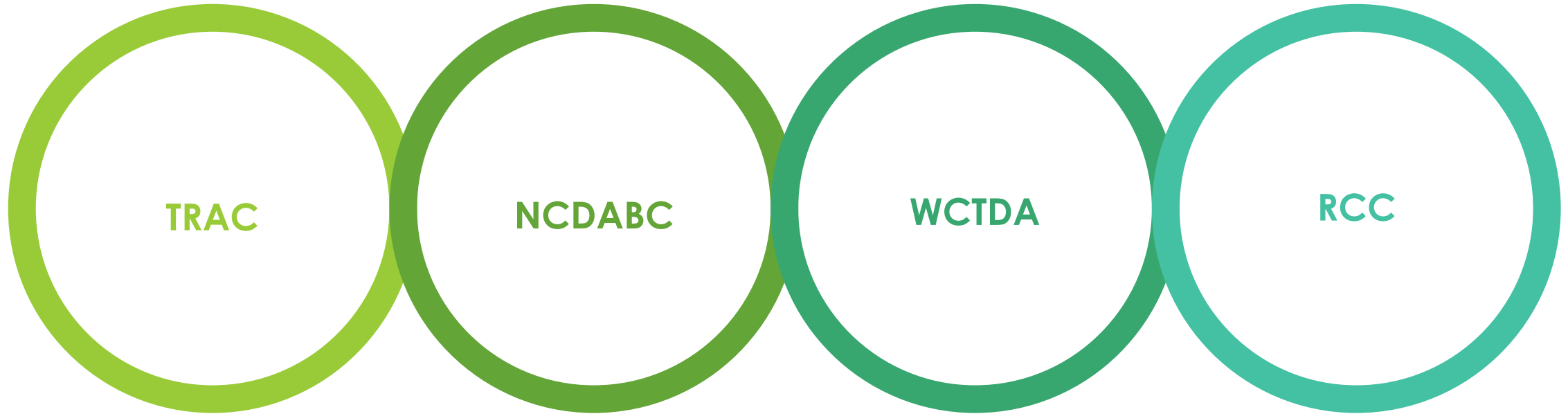


## Phase 2

Document and discuss  
the issues experienced  
by both TSBC &  
Western

## Phase 4

Present final report to  
the Audit committee /  
Board with  
recommendation on  
rate increase request



**TSBC Member Updates**





## CATRA

AMM – Oct 2 & 3 in Halifax

Full report at next Board meeting



## The West

AB – no markets, huge  
inventories at processor sites /  
moving to EPR

SASK – program in disarray



## The East

NFLD – in province recycling vs  
export

NB – moving to EPR

ONT – RPRA

# Audit & Investment Committee Report

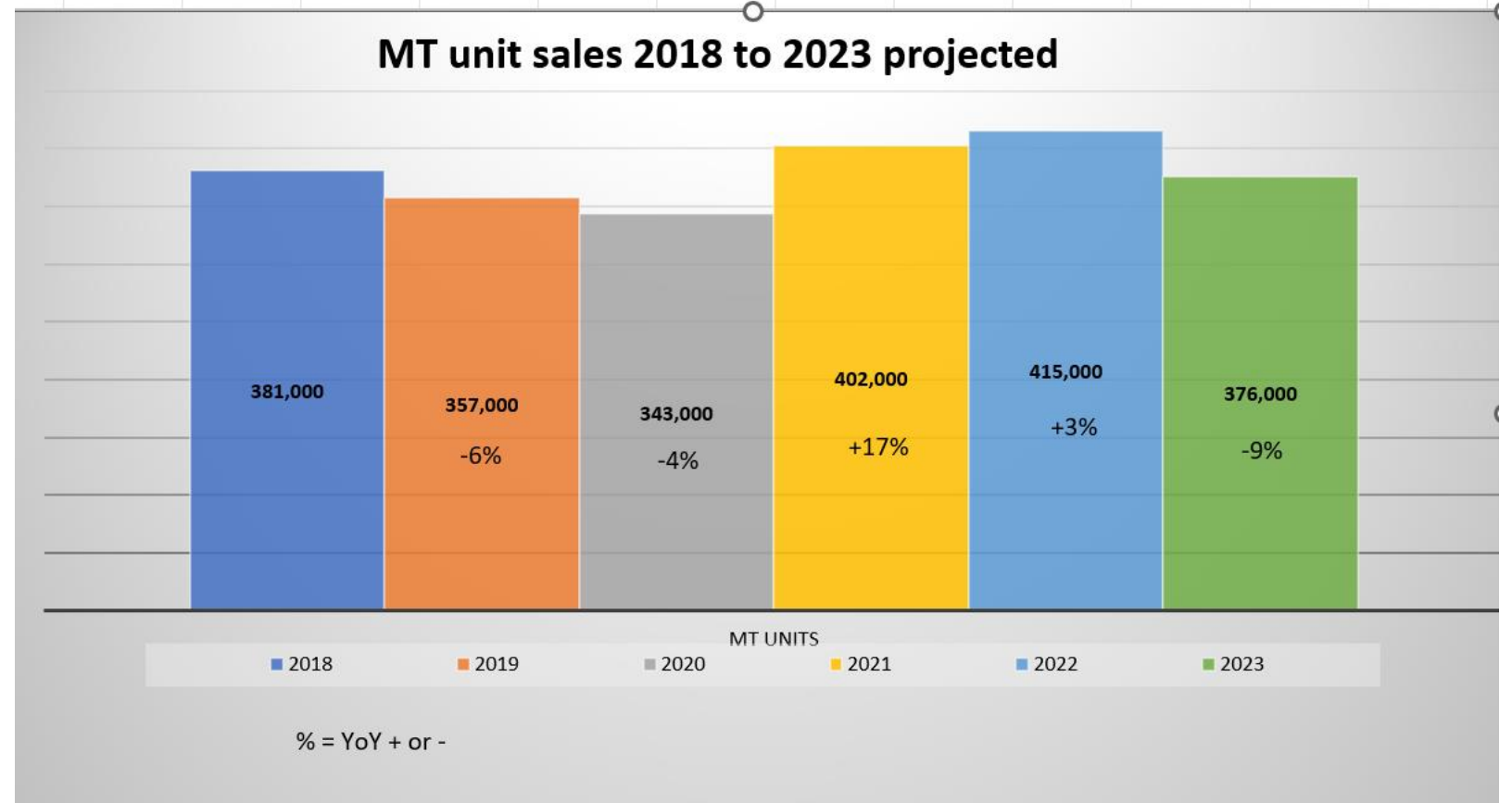
- Revenue: PLTs

PLTs	2023	Jan to July 2023 vs 2022
Business Type	Total Fee %	% difference
Auto Service	4.51%	3.14%
Auto Service Chain	0.71%	12.15%
Equipment Dealer	1.25%	-7.75%
Mass Merchandiser	10.48%	-2.44%
Motorcycle Dealer	2.52%	-3.15%
National Account	0.97%	7.45%
<b>New Car Dealer</b>	<b>39.95%</b>	<b>6.26%</b>
Other	2.55%	0.16%
RV Dealer	0.77%	-27.60%
Tire Dealer	10.59%	-7.09%
Tire Retail Chain	23.08%	-3.33%
Tire Wholesaler	2.31%	-15.90%
Trailer Manufacturer	0.32%	-37.30%
Total	100.00%	-0.34%

# Audit & Investment Committee Report

- Revenue: MTs

Province	Year To Date
Manitoba	-3.60%
Saskatchewan	4%
Nova Scotia	-4%
Ontario	-18%
Alberta	19%
Newfoundland	-12%





# Audit & Investment Committee Report

- Revenue: MTs

MTs	2023	Jan to July 2023 vs 2022
Business Type	Total Fee %	% difference
<b>Auto Service</b>	<b>4.71%</b>	<b>23.96%</b>
Auto Service Chain	0.11%	20.47%
<b>Equipment Dealer</b>	<b>15.39%</b>	<b>-21.90%</b>
Mass Merchandiser	0.99%	36.07%
Motorcycle Dealer	0.00%	-92.62%
<b>National Account</b>	<b>8.79%</b>	<b>-15.36%</b>
New Car Dealer	1.52%	49.75%
Other	2.75%	-13.96%
RV Dealer	0.24%	28.97%
<b>Tire Dealer</b>	<b>30.09%</b>	<b>-15.70%</b>
<b>Tire Retail Chain</b>	<b>34.06%</b>	<b>-4.90%</b>
Tire Wholesaler	0.64%	-12.01%
Trailer Manufacturer	0.71%	-45.53%
Total	100.00%	-11.28%

## Audit & Investment Committee Report

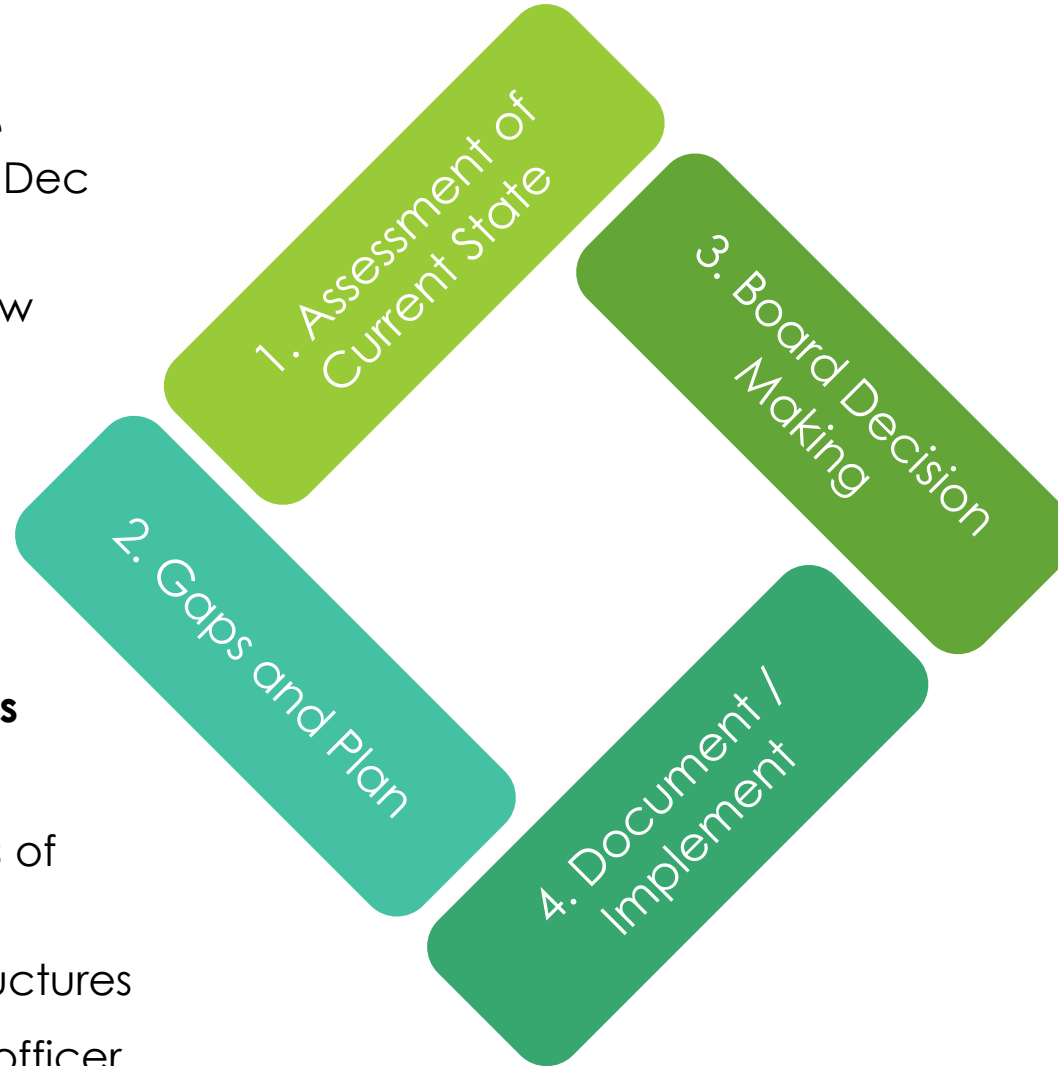
- Request for processing incentive for sending recycling waste to Lafarge
  - Reference discussion paper
- Historically going to landfill in WA state – cost to Liberty ~ \$339/tonne
- Now going to Lafarge for energy recovery – cost to Liberty ~\$70 / tonne
- Significant cost savings to Liberty without any incentive from TSBC ~\$269/t
- Recommendation = create a new eligible product category at \$0
- Decision required

**Project 1 – current state**

- Board Skills Assessment (by Dec board meeting)
- 3<sup>rd</sup> party governance review

**Project 2 - gaps**

- Vice Chair / Past Chair
- Amended Treasurer Terms of Reference
- Change in committee structures
- Director term renewals & officer positions @ AGM 2024



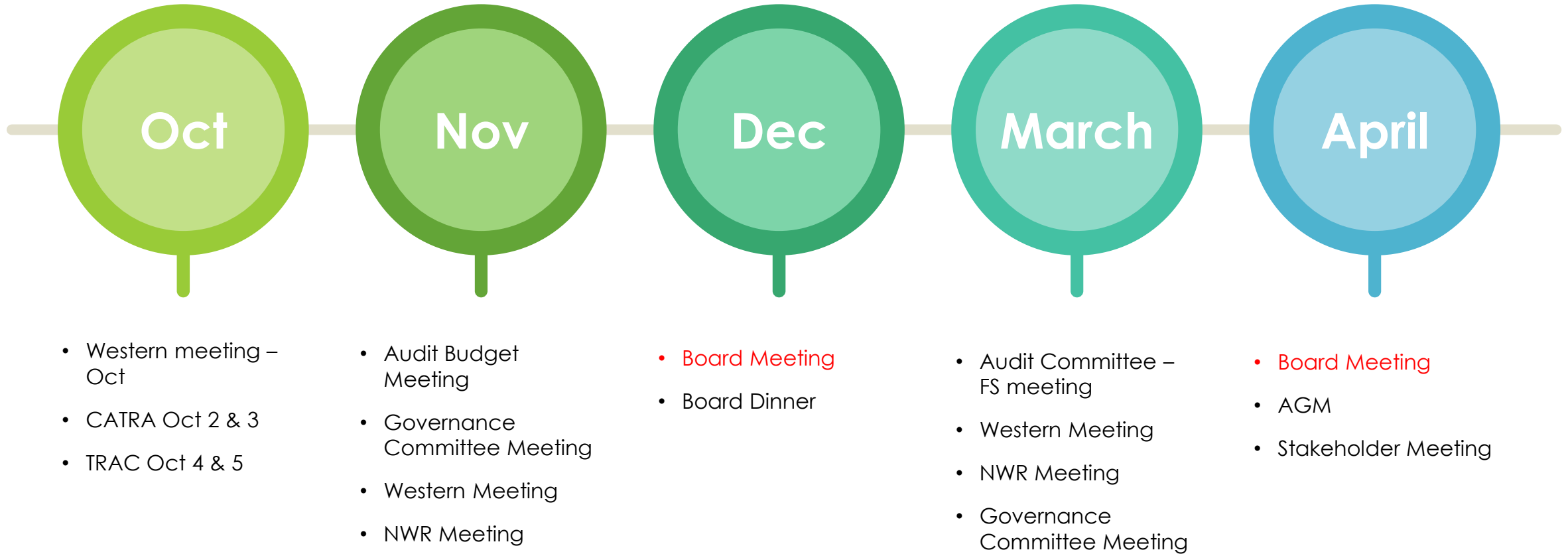
**Project 3 – decision making**

- Not yet started

**Project 4 – document / implement**

- Document all decisions made as part of projects 1 - 3

## Board Calendar



Note: set board meeting dates



## **Agenda cont'd**

10 d). HR committee report

11. New Business

12. In-Camera

13. Adjourn