

CIF

CONTINUOUS IMPROVEMENT FUND

Interim 2020 CIF Operations Plan



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1 – Introduction

The Continuous Improvement Fund (CIF or, the Fund) is a partnership between the Association of Municipalities of Ontario (AMO), the City of Toronto, Stewardship Ontario (SO) and Resource Productivity and Recovery Authority (RPRA, previously known as Waste Diversion Ontario). The CIF commenced operations on May 1, 2008, under a Memorandum of Agreement (MOA) signed by the program partners. It fulfills specific directives of Minister Stockwell’s original program request letter to Waste Diversion Ontario (WDO) dated September 23, 2002, requiring establishment of a waste diversion program for Blue Box waste, and the obligations of Section 6.6 of the current Blue Box Program Plan (BBPP).

The Fund’s mandate is to improve the effectiveness and efficiency of Ontario’s municipal Blue Box programs. This mandate is fulfilled through direct funding, technical support and training to aid municipalities and program stakeholders in the development and implementation of best practices, including technological and market-based solutions that lead to program improvements.

On August 15, 2019, the Minister of Environment, Conservation and Parks (MECP) issued letters to RPRA and SO with direction to begin the transition of the Blue Box Program to full producer responsibility (FPR). Amongst the Minister’s instructions was direction to RPRA to end the CIF as soon as practical and for SO to develop a windup plan for the BBPP by June 30, 2020 with the expectation that RPRA approve a final windup plan by year end 2020. It may be necessary, therefore, to amend the 2020 Operations Plan (the Plan) in the latter part of 2020 to address the requirements of the approved windup plan. Accordingly, this year’s Plan is presented as an interim one with the potential for change.

Until this direction is confirmed, this year’s Plan seeks to meet the objectives and operating parameters identified in the:

- CIF’s current mandate;
- Strategic Plan (2019-2021) and;
- Minister’s directives to RPRA and SO.

The CIF’s 2020 Operations Plan seeks to accomplish this balance of priorities and directives by focusing on efforts that support collective benefits placing a distinct emphasis on the development and provision of initiatives and services that:

- Continue to improve the effectiveness and efficiency of the existing program at a collective level;
- Prepare municipalities for program transition;
- Aid in stabilizing sustainable markets for Ontario’s Blue Box materials and;
- Aid municipalities with day-to-day decision making and longer-term planning.

A major change in this year's Plan from years past is that the traditional annual Request for Expressions of Interest (REOI) will not be utilized to solicit project proposals for funding. The CIF will instead consider new project proposals throughout the year within the identified budget envelope. This approach will expedite project approvals while allowing for more flexibility to respond to any required change in operations resulting from the pending approval of a windup plan for the BBPP.

2 – Current Operating Directives

Year over year, the CIF’s focus and priorities change to reflect varying directives from the Fund’s partners and 2020 is no exception. In May 2018, the CIF undertook development of an updated strategic plan and on June 27, 2019 the RPRA Board of Directors approved the CIF’s Three-Year Strategic Plan (2019 – 2021).

The current strategic plan reflects the fact that, while the CIF continues to operate under its mandate as originally set out in the BBPP, the requirements of stakeholders had, at the time of its development, changed dramatically with the potential for the BBPP to move to FPR. It sought to balance a range of priorities by focusing on efforts that support collective benefits rather than on continued funding of individual municipal initiatives. It also placed a distinct emphasis on the development and provision of initiatives that: prepare municipalities for program transition, aid in stabilizing and developing sustainable markets for Ontario’s Blue Box materials and continue to improve the effectiveness and efficiency of the existing program at a collective level. The strategic plan also continues to support provision of knowledge sharing services through the CIF Centre of Excellence (CofE) to support municipalities with day-to-day decision making and longer term planning.

While the goals and objectives of the CIF’s strategic plan continue to reflect municipal priorities, the Minister of Environment, Conservation and Parks’ recent announcement of the Province’s intention to transition the BBPP to FPR does, however, have significant implications for the CIF. In his letter to RPRA is direction that:

- RPRA continue administration of the CIF;
- The CIF receive no additional funding contributions and;
- The CIF end as soon as practical prior to December 31, 2025.

As noted earlier, SO was separately directed to develop a windup plan that outlines the process by which the BBPP would transition between 2023 and 2025. Their plan is due to RPRA for approval by June 30, 2020 and the Authority has been directed to work with stakeholders to approve the windup plan no later than December 31, 2020.

With the potential for the CIF to undertake new direction in late 2020, the Fund’s 2020 Operations Plan seeks, in the interim, to continue to reflect its current mandate while acting on the priorities established by its stakeholders as reflected in its strategic plan. The Plan, as outlined, recognizes that



it would be inappropriate to undertake initiatives that would run contrary to the Minister's intent to windup the Fund in a timely manner and it must be responsive to potential change once SO's windup plan is approved. The Plan, therefore, seeks to strike a balance between meeting its stated mandate while strengthening its ability to be responsive to change in a timely manner.

3 – 2019 in Review

2019 continued to be a challenging year in the industry with rising contamination issues, tightening markets and falling revenues. While transition timelines have now been identified, the specifics regarding when each municipality will transition have still not been set leaving all involved with a significant and continuing level of uncertainty. Not surprisingly, the urgent need to address ongoing issues was directly reflected in continued high demands placed on CIF support services by stakeholders as they sought to understand and address the ongoing impacts of China Sword and the transition to FPR on their programs and contracts. This need for timely and accurate information was also reflected in continued increases in publication readership, website traffic and consistent good attendance at CIF functions throughout 2019.

3.1 680 Projects Completed

As of September 30, 2019, the CIF has received and reviewed a total of 1,069 project proposals and provided over \$60.1 million in funding to 748 of those projects with a combined value estimated at over \$137.2 million. A total of 680 projects were completed at the time of publication of this Plan. As previously reported, they span a broad range of activities intended to fulfil the mandate of the CIF and ensure the long-term success of Ontario's BBPP.

Over the past twelve months, the Fund and its partners have completed an additional 50 projects. In total, just over \$2.351 million in CIF funding was provided in support of these projects. They include a range of cost saving and cost containment initiatives, system harmonization, transitional support and market research activities. Others dealt with skills development, procurement, contract management and data collection.

3.2 The CIF 2019 REOI was Under Subscribed

Not surprisingly, the total number of applications received under the 2019 Request for Expressions of Interest (REOI) was lower in comparison to previous years. The continuing uncertainty of the pending transition to FPR caused potential applicants to postpone undertaking major program changes and investments. The limited number of applications may have also been the result of applicants' first exposure to the CIF's new funding priorities which lean heavily towards collective actions.

Submissions received by the CIF highlighted a continued broad range of priorities. Some sought support to manage problematic packaging such as multi-laminates and polystyrene, while others sought funding for program planning projects such as a business case analysis of waste collection options.

Despite the uncertainty surrounding the timing of transition of the BBPP, municipalities and other program stakeholders submitted 23 funding applications with a combined project value of \$128.1 million and total funding request of \$1.501 million. Table 1 summarizes the REOI application results by funding category.

Table 1 – 2019 REOI Results

Item	2019 Budget	Project Value+	Funding Request+	Funding Approved+
Collective Transitional Support	\$669,500	\$1,390,000	\$315,000	\$58,750
Market Development	\$300,000	\$125,050,000	\$300,000	\$0.00
Collection & Processing Research & Development	\$85,000	\$782,580	\$285,580	\$223,855
Year Five Waste Composition Studies	\$345,000	\$310,000	\$250,000	\$345,000
Performance Analytics & Better Practices Research	\$90,000	\$545,000	\$350,000	\$104,375
Centralized Cost Savings	\$600,000	\$0.00	\$0.00	\$0.00
Total	\$2,089,500	\$128,077,580	\$1,500,580	\$731,980

+Note: excludes taxes

After review of the submitted applications, a total of \$731,980 in funding was provided to 15 projects. The approved projects included traditionally funded activities such as cost containment initiatives, assistance with program development analysis, managing problematic materials and funding for waste composition studies. Funding was also provided to continue work in improving program analysis and data collection, fund several pilot projects and assist a number of municipalities preparing for transition to FPR. Strong interest continued to be shown in securing support from the CIF for assistance with service procurement and contract management as a result of potential for program transition and current market conditions.

3.3 Few System Optimization & Rationalization Projects Remain

This year, seven more of the remaining optimization and rationalization initiatives funded by CIF were completed. These projects generally focused on efforts to consolidate municipal operations across waste sheds or harmonize processes with nearby municipalities. As in past

years, the projects demonstrated that municipalities are willing to come together to work on joint initiatives and share in resources. Some of the municipalities involved in the projects saw significant costs savings and increased diversion realizing up to a 50% reduction in processing costs and 20% increase in blue box recyclables diverted from disposal.

As reflected in the CIF's strategic plan, the 2019 REOI did not include a system optimization and rationalization funding category. However, one application was received and approved under the market development category that seeks to pilot an expanded polystyrene collection and mobile densification service for municipal depots with the potential to significantly reduce system costs.

3.4 Municipalities Continue to Find Savings

Cost savings and cost containment initiatives continue to yield positive results for the CIF. Since the publication of last year's Operations Plan, eight related projects were completed generating reported savings of almost \$327,000/year. The associated projects include a range of depot, MRF and infrastructure related improvement efforts.

System upgrades undertaken in Waterloo also helped improve material quality and, impressively, led to higher capture rates with the Region experiencing a bale count increase of 32%, and in turn an approximate revenue increase of \$133,000 in the first year after the install. Of note was the high level of collaboration between the CIF and Region staff during the project. Working from the learnings of past CIF initiatives, the project team carefully established baseline operation metrics and worked from the results to fine tune the capital upgrade plans. As a result, the Region spent \$285,000 less than budgeted without compromising their goals.

Amongst the cost containment initiatives completed in 2019 was a curbside pilot involving the separate collection of glass. Co-collection of glass, particularly in single stream programs, combined with dwindling demand, has seriously compromised the ability to market this material with many municipalities using mixed broken glass for road base and landfill daily cover. This pilot demonstrated that separate collection, while more costly, resulted in improved material quality and diversion.

2019 marked a transition for how CIF grant opportunities were structured. It was the first year of the new strategic plan where the CIF no longer prioritized individual grants. Instead, responding to stakeholder input, the CIF shifted its focus to funding initiatives that offered collective or Province-wide benefit. While support for this direction was strong, there were no applications for Centralized Cost Savings in 2019. This result highlights the difficulty stakeholders face in trying to make investments given the uncertainty associated with program transition.

3.5 Transitional Support Projects

The CIF began providing transitional support as a fundable project category in 2016. Activities funded under this category seek to improve the understanding and management of current program operations while preparing municipalities for transition.

The 2019 REOI process considered four new applications from stakeholders related to this funding category. One application proved to be outside the scope of the CIF's REOI process and was rejected. Approval of a second application was deferred by Project Committee until the client municipality is able to provide sufficient information to warrant approval. The other two involve examining the implications of transition to FPR on operations and understanding program costs in preparation for transition. A total of \$58,750 in funding was provided to support the two noted projects bringing the total number of transitional support projects funded by the CIF to 21 over the past three years. Six of these projects were completed since the publication of the previous Operations Plan. These projects involved full cost accounting exercises for large and small municipalities, development of transitional strategy assessment tools and MRF business valuation.

3.6 Three Years of RPRA TOR Waste Composition Studies are Complete

In December 2015, WDO (now RPRA) negotiated an agreement under which SO and CIF would jointly fund a series of municipal waste composition studies over a period of three years. The results of the first and second year studies have been published to the CIF website with the third year's data pending at the time of publication of this report. This province-wide dataset of compositional information with representation across the nine RPRA municipal groupings is broadly used by a variety of program stakeholders. Table 2 outlines the number of studies planned, underway and completed to date.

Table 2 – CIF Waste Composition Studies by RPRA Grouping

RPRA Group	Waste Composition Studies since 2013 (funding year)							
	Total	2019*	2018	2017	2016	2015	2014	2013
1	19	4	4	3	4	2	0	2
2	12	3	0	3	1	2	2	1
3	4	0	0	1	1		1	1
4	11	0	2	2	2	2	2	1
5	7	3	1	0	1	1	0	1
6	3	0	0	1	1	1	0	0
7	6	2	2	1	0		1	0
8	3	1	1	1	0	0	0	0
9	3	0	0	1	0	1	1	0

*Recommended for funding

Studies identified for the 2019 funding year are currently under discussion with SO but it is expected that the CIF will commit \$345,000, inclusive of taxes, to fund up to 13 new studies for that funding year.

3.7 CIF Centre of Excellence Highlights

Delivery of support services through the CIF Centre of Excellence (CofE) continues to be a priority of the CIF strategic plan. It is a virtual clearinghouse for the consolidation and dissemination of the learnings from the hundreds of projects funded by the CIF over the past decade. It has also been used to develop and deliver a broad range of services, as noted in Section 6, that are regularly accessed by municipalities and stakeholders across the Province.

The CIF currently supports three active working groups. In 2020, the Multi-Residential group will complete its standardized program data collection and activity-based costing analysis, and the MRF group will continue to meet as needed to address pressing issues related to meeting current end market quality requirements and other operational issues. The new Promotion and Education (P&E) working group, which secured funding for its work in 2019, will launch in 2020. Their work will focus on contamination reduction through effective P&E. Finally, the Collections working group will continue to focus on securing full activity-based cost data for depot operations. Completion of the working group’s activities will allow the CIF to continue to provide advice and guidance on maintaining cost effectiveness to its stakeholders in a timely

fashion leading up to transition. Sufficient funds have been allocated in previous years to maintain the group's operations so, as a result, no new funds will be allocated to any working groups in 2020.

In 2019, research was undertaken to review the accuracy of the CIF Price Sheet to ensure it reflected the dynamic nature of the current market. Work was also completed to explore development of a new pricing index to better reflect current market conditions. The project concluded that, while the CIF Price Sheet has limitations similar to other indices, other approaches did not demonstrate a consistent way of addressing these issues. Recognizing the CIF Price Sheet continues to have a strong following, the 2020 Operations Plan will include budget to continue publication.

The CIF also produced a number of research reports in 2019, such as the Ontario Fibre Capacity Study, which not only garnered a high level of readership in Ontario, but also on an international level with CIF staff receiving requests to republish the results in trade magazines and speak on the topic at an international conference.

Requests for assistance from municipalities procuring contracted services continue at record levels in 2019 as municipalities grappled with the implications of the Province's announcement on the transition of the BBPP and as they continued to negotiate the impact of the Chinese National Sword program on processing contracts. Staff was actively involved in dozens of municipal procurement and contract management activities across the Province and continued to help develop new contract mechanisms to address issues municipalities are facing during the lead up to transition. CIF is also working with several groups of municipalities in the province to assist them with common or joint contract management issues.

The CIF continues to provide its popular Co-operative Container Procurement Program (CCPP) for Blue Boxes, carts and reusable bags. Municipal participation in the CCPP remains strong, especially for the purchase of Blue Boxes. Since 2015, 77 municipalities have purchased roughly 519,000 blue boxes, 14,000 recycling carts and 106,000 reusable bags through the program. For smaller municipalities, Blue Box prices made available through the CIF are significantly less than what they had been paying in previous years. In addition to achieving significant cost savings through bulk purchase prices every year, the CCPP process has helped reduce municipal administration costs by eliminating the need to undertake separate procurement processes.

3.8 Increasing Participation in CIF Events and Messaging Uptake

The CIF's 24th Ontario Recycler Workshop (ORW), held in May 2019, proved to be another successful event attracting 95 people in person with another 38 attending online. As in past years, the ORW was preceded by two fully subscribed CIF training events as well as an RPR meeting. Webcast attendance was lower than usual and attributed to a very crowded event year for participants. The ORW and related events continue to be a popular means of

showcasing the latest CIF projects and research while facilitating purposeful networking opportunities.

CIF Spring Consultations were held once again in five communities across the Province for over 120 participants. In addition, CIF staff engaged in separate meetings with staff from over 78 municipalities and groups of municipalities to discuss issues ranging from market conditions and contract management through to the implications of transitioning the BBPP to FPR.

The CIF's website continued to deliver positive results throughout 2019. The continuing development of new and valued content for the CIF's website has resulted in a near 40% increase in new users and a 17% increase in page views. Overall traffic volumes have increased to approximately 10,000 users per year with the majority of viewers being from Canada and the United States with the balance being from other countries.

The CIF blog and news bulletin service continue to attract approximately 1,000 regular subscribers annually. The 'click thru' rates on CIF blogs continue to increase year over year, with another 6% increase in 2019, pointing to the value of the content that CIF provides to its stakeholders. Increasingly, CIF blogs are being republished by other trade journals suggesting a growing level of interest in the Fund's work on an international level.

4 – 2020 Fund Priorities

The 2020 Operations Plan proposes a balanced approach to meet the ongoing collective needs of its partners and stakeholders. The Plan continues to prioritize the goals and objectives established through the Fund’s strategic plan while acknowledging the implications of the Minister’s directive to end the Fund as soon as practical and the potential for the CIF to receive additional direction upon approval of SO’s windup plan in late 2020. With these issues in mind, this year’s Plan includes funding of collective activities, such as transitional support, intended to benefit municipalities as a whole across the Province. Individual programs and their operators will continue to receive program support services and guidance to assist them with ongoing operational needs through the CIF CofE.

Collective actions funded by the CIF will include:

- Market research and support
- Collection and processing initiatives
- Performance analytics and better practices research
- Transitional support
- Waste compositions studies

Program support services will continue to include:

- Procurement and contract management support
- Training initiatives
- Outreach services

Recognizing the need to expedite completion of any new initiatives within the projected remaining life expectancy of the CIF, funding opportunities in 2020 will not be offered through the traditional annual Request for Expressions of Interest (REOI) process. Instead, applications for project funding will be accepted on a continuous intake basis and on a ‘first come first served’ basis until the available funds are fully committed or the CIF receives new direction. CIF staff will work with prospective proponents to develop projects that meet current priorities and strict timelines. Approvals will be granted on a case by case basis using existing evaluation criteria and approval processes with the recognition that CIF Committee may be required, or choose, to amend such criteria and processes to accommodate any new direction received related to the windup of the Fund.

This new approach will ensure initiatives are implemented without delay, with enough time to achieve the desired outcomes, and in a manner that provides the Fund with the flexibility to adapt to any unforeseen changes that may occur during the operating year. Stakeholders will be notified of the new funding process and opportunities available through the 2020 Operations Plan via bulletins, website updates and outreach events.

5 – Collective Action

As noted above, the activities described in this section represent actions intended to be of collective benefit to municipalities and Blue Box Program stakeholders. They include a broad range of potential research and pilot projects, investments in centralized processing facilities and data analysis initiatives. Given the pending developing of a windup plan for the BBPP, additional rules and conditions may be placed on such applications by CIF Committee to ensure the projects can achieve their objectives prior to program transition or windup of the CIF.

5.1 Collection and Processing Initiatives

While it is understood that transition of the BBPP is planned to begin in 2023, there is still uncertainty as to which programs will transition first. Given this fact, there will still be a need for individual municipalities and stakeholders to make investments in collection and processing infrastructure to ensure the continued viability of their programs and to minimize operating costs. Initiatives that seek cost savings opportunities and improve diversion will remain a priority for non-transitioned municipalities. While it is unlikely the CIF will be able to fund major capital activities, it can be of service by conducting objective third-party analyses of new technologies and processes and, with the cooperation of host municipalities, pilot new and promising collection and processing strategies. A budget of \$375,000 has been set aside for this purpose.

5.2 Waste Composition Studies

The 2020 Operations Plan budget includes \$345,000 which is intended to fund a fifth round of four-season waste composition studies in cooperation with SO. As in past years, preference will be given to communities which have not been offered waste composition studies to date and where the studies can be used to facilitate strategic data collection. Recognizing that waste composition studies funded under this budget would be initiated in June of 2021 and not be completed until May of 2022, it is expected approvals will be subject to confirmation of the timeline for windup of the CIF by the Minister which is expected in December of 2020.

5.3 Transitional Support

In 2015, the CIF committed \$1 million per year for three years (2016 to 2018) to assist municipalities in dealing with the implications of the Waste Free Ontario Act. Committee also agreed to roll over unspent funds from previous years to make full use of these allocated resources. A total of \$250,000 of the unspent transitional support funds will be made available in 2020 to support related activities. Provision of the remaining funds will be deferred for future consideration. Projects funded under this category will demonstrate a collective benefit to municipalities across Ontario and be subject to review by CIF Project Committee.

5.4 Market Research and Support

Market stability remains an ongoing issue for municipalities and other stakeholders. Concerns, however, reached all-time highs when the Chinese government enacted the National Sword program. While development of stable markets for recyclables will ultimately be the responsibility of producers, many municipalities will remain invested in marketing decisions for the foreseeable future as the exact dates each municipality will transition are not yet known. It is, therefore, in the best interest of all stakeholders to continue funding options for diversion of problematic materials and development of domestic markets. The 2020 Operations Plan includes \$150,000 to facilitate this work.

5.5 Performance Analytics and Better Practices Research

Understanding program costs and the value proposition of implementing better practices will remain an important aspect of municipal operations irrespective of when municipalities begin to transition. Recognizing this fact, ongoing development of program analytics and identification of better practices will remain a priority for the CIF. A budget of \$130,000 has been set aside to support further work into program performance assessment and identification of better practices. Unsolicited proposals to develop, prove out and promote best practices will be considered under this category where they include evidence of broad interest amongst stakeholders and have a clear plan for dissemination of the resulting learnings.

5.6 Collective Action Budget Summary

Table 3 summarizes grant opportunities intended to be of a collective nature and benefit in improving Blue Box program performance and/or reducing program costs. The approval process of prospective projects will require that the project be completed within a timeframe that does not impede the timely windup of the CIF as directed by the Minister and can be achieved prior to transition of the BBPP.

Table 3 – 2020 Collective Action Budget

Item	2020 Budget+
Collection & Processing Initiatives	\$375,000
Waste Composition Studies	\$345,000
Transitional Support	\$250,000
Market Research and Support	\$150,000
Performance Analytics and Better Practices Research	\$130,000
Total	\$1,250,000

+Note: Disbursements include tax

6 – Support Services

In accordance with the priorities established in the current CIF strategic plan, the CofE will continue to provide knowledge sharing services and training to municipalities and other stakeholders dealing with adoption of better practices, management of contracts and operational issues. In accordance with the CIF strategic plan, further development of existing and new services, beyond those already under way, will be postponed for future consideration. In addition, no new funds have been allocated to existing working groups.

6.1 Outreach Services

The CIF continues to see strong participation in all of its public events. As a result, the 2020 Operations Plan includes provision for the continued delivery of the CIF's annual conference (i.e., the Ontario Recyclers Workshop) and annual outreach sessions. The primary focus of the sessions will continue to be delivery of updates from program partners, report on CIF funded projects, and provision of timely information on current topics. It is also anticipated that there will be a greater need for additional interaction with municipalities throughout the year to ensure they are kept abreast of, and assist them in dealing with, the impending program changes. Additional, topical one-day training sessions and workshops will be delivered to meet this need and are accommodated within the 2020 budget. The 2020 Operations Plan includes \$155,000 to continue delivery of these services and for provision of related support on an as-needed basis.

6.2 Procurement and Contract Management Support

In 2019, the CIF saw continued high demand from municipalities seeking procurement and contract management support as a result of current political and market conditions. Fund staff anticipates there will be an increased need for this service in 2020 as a significant number of contracts are coming due in 2020-2021. While direct funding to individual municipalities for the development of their procurement documents will no longer be offered, CIF staff will continue to provide general guidance and assistance in 2020. Up to \$55,000 in CIF staff time and resources will be allocated for this purpose.

6.3 Training Initiatives

The CIF's skills development courses continue to be fully subscribed whenever offered and the CIF continues to receive requests to provide additional training online. This is evidenced by the demand for the online Fundamentals in Recycling Planning course which doubled in 2019 to 56 participants from 28 in 2018. Furthermore, several large Ontario municipalities are now using this course as a program for orientation and training of new employees. Of note, Niagara Region has implemented a policy that requires all of their interns to complete the course.

In 2020, existing course content will continue to be delivered to ensure the needs of those seeking these services continue to be met; however, no funds have been set aside to develop new training content in accordance with the priorities set out in the CIF strategic plan. In addition, the CIF will continue to time training opportunities with other events to minimize delivery costs and participant travel expenses. An amount of \$40,000 has been allocated to provide for up to three deliveries of existing CIF training courses.

6.4 Support Services Budget Summary

The 2020 Operations Plan allocates \$250,000 in support of the CIF’s strategic plan and current priorities as summarized in Table 4.

Table 4 – 2020 Support Services Budget

Item	2020 Budget+
Outreach Services	\$155,000
Procurement & Contract Management Support	\$55,000
Training Initiatives	\$40,000
Total	\$250,000

+Note: Disbursements include tax

7 – Fund Administration

The following section of the CIF 2020 Operations Plan provides an overview of the Fund’s current financial status and administrative performance.

Table 5 summarizes contributions and income received to date from various sources. Provision of funding for the CIF has varied over the years with the most recent, significant contribution being a commitment of \$4.2 million in 2016.

Table 5 – CIF Income Sources

CIF Funding: Actuals & Projected 2008 – 2019			
	2008-2017 Consolidated Actual	2018 Actual	2019 Projected
MIPC Funding	\$66,728,819	\$0.00	\$0.00
Investment Income	\$2,729,738	\$433,617	\$405,896
E&E Fund* Closure & Other	\$2,113,011	\$23,993	\$3,122
Cumulative Total	\$71,571,568	\$72,029,179	\$72,438,197

*Effectiveness and Efficiency Fund

A summary of the CIF funding commitments and expenditures projected to year end 2019 is presented in Table 6. Note that funding commitments do not necessarily represent final project expenditures. It is not unusual for projects to come in under budget and, in some cases, for projects to be entirely withdrawn by the proponent. Only after the projects in any given year are fully closed can the final expenditure for that year be correctly reconciled.

Table 6 – CIF Expenditures

CIF Grants and Expenditures: Actuals & Projected 2008 - 2019			
	2008-2017 Consolidated Actual	2018 Actual	2019 Projected
Admin & Project Support	\$7,612,574	\$1,424,828	\$652,445
Grants	\$44,755,957	\$166,989	\$946,618
Centre of Excellence	\$5,601,643	\$1,065,480	\$204,526
Cumulative Total	\$57,970,174	\$60,627,471	\$62,431,060

It should also be noted that \$5,187,235 in funds has, to date, flowed through the CIF to both WDO and AMO as part of negotiated agreements made by MIPC between 2013 and 2015. These funds are not recorded as contributions to CIF or expenditures by CIF because the funds were not made available to CIF for operating purposes.

The financial analysis provided in Table 7 presents the current plans for the allocation of the remaining funds through to the end of 2023. In accordance with the Minister’s directives of August 2019 to RPR, the CIF will not receive additional monies in future years. An additional \$148,490 will need to be allocated to cover projected administrative costs to windup the Fund and report out on final operations as required subject to the termination date of the Fund. This proposed timeframe is subject to approval by the Minister through acceptance of SO’s windup plan which is under development and is to be approved by year end 2020.

Table 7 – CIF Fund Analysis

Projected Expenditures						
	2018 (Actual)	2019	2020	2021	2022	2023
Balance Forward	\$13,601,394	\$11,401,708	\$10,007,137	\$8,133,035	\$7,180,661	\$6,603,351
Total Revenue+	\$457,610	\$409,018	\$356,250	\$289,533	\$255,629	\$235,077
Project Approvals	(\$166,989)	(\$946,618)	(\$1,250,000)	(\$250,000)	(\$0.00)	(\$0.00)
C of E	(\$1,065,480)	(\$204,526)	(\$250,000)	(\$250,000)	(\$150,000)	(\$150,000)
Administration & Project Support	(\$1,424,828)	(\$652,445)	(\$730,352)	(\$741,906)	(\$682,939)	(\$515,961)
Fund Balance YE	\$11,401,708	\$10,007,137	\$8,133,035	\$7,180,661	\$6,603,351	\$6,172,467

+Note: Net of transfers to partners

8 – Summary

As of September 30, 2019, the CIF has funded 748 projects with a combined value of over \$137.2 million. These projects have represented a significant contribution by stakeholders to develop and improve the Province’s Blue Box Program despite extraordinary financial and operational challenges.

As the province prepares to transition the Blue Box Program in 2023, this year’s Operations Plan will, in accordance with the CIF Three Year Strategic Plan (2019-2021), invest a further \$1,500,000 to support collective efforts to stabilize and develop the Blue Box Program while assisting stakeholders as they prepare for transition. The total budget is summarized in Table 8. This budget represents a 26% decrease compared to the 2019 budget of \$3,005,905.

Table 8 – Proposed 2020 Budget

Proposed 2020 Budget	
Item	Budget
CIF Administration	\$ 730,352
Collective Action	\$ 1,250,000
Program Support (CofE)	\$ 250,000
Total	\$ 2,230,352

9 – Appendices

- 9.1 Consolidated Financial Statement
- 9.2 Governance
- 9.3 Funding Guidelines
- 9.4 Appeal Procedure

Appendix 9.1 2015 to 2019 CIF Financial Statement

The following table summarizes financial statements received from Stewardship Ontario. It shows invoiced expenditures received to date but does not include outstanding commitments on open grants and other outstanding liabilities.

Income Sources	Year ended Dec. 31, 2015 (Actual)	Year ended Dec. 31, 2016 (Actual)	Year ended Dec. 31, 2017 (Actual)	Year ended Dec. 31, 2018 (Actual)	As of Sept. 30, 2019
Cash forward	\$29,216,829	\$28,011,710	\$27,284,448	23,305,487	\$19,807,154
Municipal contributions	\$2,837,114	\$3,153,473	\$1,062,951	\$23,993	\$3,122
Interest	\$153,945	\$148,955	\$260,951	\$433,617	\$304,422
Other		\$19,706	\$40,336		
Total Income	\$32,207,888	\$31,333,499	\$28,648,686	\$23,763,097	\$20,114,698
Expenditures					
Administration	\$543,480	\$430,637	\$455,265	\$428,944	\$396,232
AMO Admin Reserve Balance	\$22,646	\$32,853	\$47,306	(\$64,168)	\$45,125
RPRa Expensed		\$27,408	\$10,724	\$2,648	\$19,560
Project Support	\$193,560	\$120,230	\$187,025	\$162,011	\$73,575
Best Practices	\$2,619,147	\$2,758,756	\$3,432,739	\$1,841,134	\$292,007
Centre of Excellence	\$335,768	\$601,028	\$782,794	\$750,374	\$863,633
AMO Transfer	\$500,000		\$427,346	\$835,000	\$0.00
Rideau Lake Loan	\$14,924	\$45,137			
Total Expenditures	\$4,229,525	\$4,016,049	\$5,343,199	\$3,955,944	\$1,690,132
Accruals	\$33,347	(\$33,347)			
Year End Fund Balance	\$28,011,710	\$27,284,448	\$23,305,487	\$19,807,154	\$18,424,566*

*Fund balance as of September 30, 2019

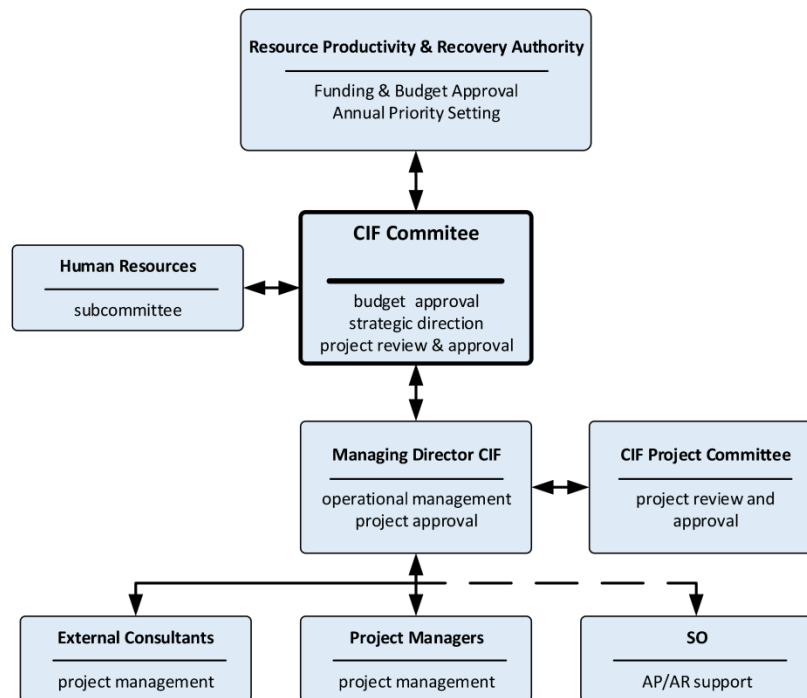
Appendix 9.2 Governance

The CIF fulfills the requirements of Section 6.6 of the Blue Box Program Plan and the Minister’s original Program Request Letter to WDO (now RPRA) for a Waste Diversion Program for Blue Box Wastes that:

- 7 (c) *“The proposed funding rules under the program will include ... a funding performance incentive to encourage program efficiency and effectiveness.”*
- 8) *“The program will include a plan, with funding provisions, outlining research and development activities to support and increase the effectiveness and efficiency of Blue Box diversion.”*

The CIF operates as a committee of RPRA and is, therefore, governed by the overall guidelines and rules established by RPRA, subject to any policy the CIF Committee adopts within its delegated authority. RPRA is responsible for setting the overall authorities, strategic priorities and budget for the CIF. The CIF Committee develops and recommends strategic priorities and the annual budget for approval by RPRA. The CIF Committee approves large projects as well as provides direction to the CIF Project Committee and to the CIF Director who operates the program on a day-to-day basis (see Chart 1).

Chart 1 - CIF Organizational Structure



The CIF Committee membership is established as follows:

- One voting representative from the Association of Municipalities of Ontario;
- One voting representative from the City of Toronto;
- Two voting representatives from Stewardship Ontario;
- One voting independent member-at-large selected by voting members;
- One non-voting independent Chair selected by the voting members;
- One alternate member from Stewardship Ontario;
- One alternate member representing the City of Toronto and the Association of Municipalities of Ontario;
- The Chief Executive Officer of RPRA as an observer; and
- The CIF Managing Director as an observer.

The membership of the Committee for 2020 is shown below.

Chart 2 - 2020 CIF Committee Membership

Representing	Member
Chair	Doug Thomson
Association of Municipalities of Ontario	Ken Brothers Monika Turner
City of Toronto	Annette Synowiec Charlotte Ueta
Stewardship Ontario	Lyle Clarke Cullen Hollister
Member at Large	Jerry Powell
RPRA Observer	Tessa Vlaanderen
CIF	Mike Birett

The term of the municipal and steward members is appointed by their respective organizations. The Chair and member-at-large are nominated and appointed by the other members.

The Committee will make its decisions based on a majority vote basis. The CIF Committee will vote on issues as required and the passing/adoption of a resolution requires that:

- Four of five voting members vote in favour of the resolution if all members are present;
- A simple majority of members vote in favour if not all members are present but when a quorum is present; and
- A quorum of Committee members is when at least four voting members are present.

The “Alternate member”, as noted in Chart 2, will attend in the absence of a Committee member. The Committee member who cannot attend can assign his voting privilege (proxy) to the Alternate member or another member of the Committee with advance notice to the Committee Chair. The Committee will use the RPRA By-law related to meeting attendance.

The Human Resources Subcommittee is comprised of the CIF Committee Chair, Stewardship Ontario’s Executive Director (or delegate) and the Association of Municipalities of Ontario’s Executive Director (or delegate).

A CIF Project Committee has been established to assist with the development of the CIF program and evaluate projects. The members of the CIF Project Committee are as follows:

- Two municipal members from the Association of Municipalities of Ontario;
- One municipal member from the City of Toronto;
- Two Stewardship Ontario members
- CIF staff; and
- Other experts as required (project specific).

The membership for the CIF Project Committee for 2020 is shown below.

Chart 3 - 2020 CIF Project Committee Membership

Representing	Member	End of Term
Chair	Mike Birett	NA
Association of Municipalities of Ontario	Erwin Pascual Danielle Watson	December 2020 December 2021
City of Toronto	Charlotte Ueta	December 2021
Stewardship Ontario	Cullen Hollister Clayton Sampson	December 2020 December 2021

The term of the municipal and Stewardship Ontario members on the Project Committee is two years with an option to extend. The Committee makes its decisions on a consensus basis.

Appendix 9.3 Funding Guidelines

In 2019, CIF Committee adopted an updated set of guidelines for the evaluation of funding applications. The approved system more closely aligns the CIF project evaluation process with current CIF funding directives as articulated in the CIF Three Year Strategic Plan (2019-2021). Modifications were also made in 2019 to the weighting of the evaluation criteria, as shown in the current evaluation forms found on the CIF web site, to reflect the priorities set out in the CIF Three Year Strategic Plan (2019-2021). The maximum allowable timeframe for funding activities remains five years.

As noted earlier, the CIF is in the process of developing its windup plan and is expected to update the criteria for project funding to reflect direction it receives in late 2020 about its final windup date. Applicants can expect new project funding criteria will continue to place emphasis on projects that demonstrate collective benefit to municipalities across the Province, avoid development of stranded, obsolete or inefficient assets, and can be completed within the life expectancy of the CIF. For more information, contact CIF staff or refer to the CIF website found at www.thecif.ca.

Appendix 9.4 Appeal Procedure

A proponent who wishes to appeal a decision regarding a project or the amount of funding approved must provide a written justification addressed to the CIF Director. The appeal must be dated within 30 days of the date of reception of a formal written notice of rejection or of receipt of the project decision. All notices of rejection must clearly spell out this appeal process. The appeal will be examined as follows:

- CIF Director decisions are appealed to the CIF Project Committee;
- CIF Project Committee decisions are appealed to the CIF Committee;
- CIF Committee decisions are appealed to RPRA; and
- RPRA decisions are appealed to binding arbitration as established under the arbitration rules of the Province of Ontario. Each party is responsible for their own costs of arbitration.

In all cases, staff, the CIF Committee and RPRA will work with the appellant to clarify the decision and review any additional information to mitigate the issue.