



2023 CIF Full Year Operations Plan

Revised March 2023

March 2023

Table of Contents

1.0	Introduction	3
2.0	2022 in Review	6
2.1	Transition Working Groups	6
2.1.1	Change Management & Communications Subcommittee.....	7
2.1.2	Contracts & Fair Compensation Subcommittee.....	8
2.1.3	Depot Subcommittee	8
2.1.4	Data Monitoring & Reporting Subcommittee	9
2.1.5	Post Collections Subcommittee.....	9
2.1.6	First Nations Subcommittee	10
3.0	2023 Full Year Operations Plan.....	11
3.1	Transition Working Groups	11
3.1.1	Change Management & Communications Subcommittee.....	12
3.1.2	Contracts & Fair Compensation Subcommittee.....	13
3.1.3	Depot Subcommittee	14
3.1.4	Data Monitoring & Reporting Subcommittee	15
3.1.5	Post Collections Subcommittee.....	16
3.1.6	First Nations Subcommittee	16
4.0	2022 Budget and Actual Year-End	18
5.0	2023 Proposed Operations Plan Budget.....	20
	Appendix 1: 2018-2022 CIF Financial Statement.....	23
	Appendix 2: Draft Administrative Windup Plan.....	24

Figures

Figure 1: Revised Transition Working Group Structure.....	6
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Tables

Table 1: Change Management Planning Survey Results.....	7
Table 2: Ineligible Sources Workshop Delivery Results	7
Table 3: Post Collection Asset Planning Workshop Delivery Results.....	9
Table 4: Contributions to CIF Reserve Fund	18
Table 5: CIF Administration & Transition Project Support Expenditures	19
Table 6: CIF Overall Operating Plan Budget.....	19
Table 7: Proposed 2023 Administration Budget.....	20
Table 8: Proposed 2023 Transition Project Support Budget	21
Table 9: Proposed 2023 Combined Administration and Program Budget	21
Table 10: Proposed 2023 CIF Overall Operating Plan Budget	22

1.0 Introduction

Origin

The Continuous Improvement Fund (CIF or, the Fund) commenced operations on May 1, 2008, as part of Ontario's Blue Box Program Plan (BBPP).

The BBPP fulfills the specific directives of Minister Stockwell's program request letter to Waste Diversion Ontario (WDO), dated September 23, 2002. It required establishment of a waste diversion program for Blue Box (BB) waste under a shared responsibility model for which the funding and operation would be shared between municipalities and the companies generating the BB waste.

CIF was established under Section 6.6 of the BBPP to deliver the Minister's requirement that proposed funding rules for the waste diversion program include funding performance incentives to encourage program efficiency and effectiveness.

CIF is a committee of the Resource Productivity and Recovery Authority (RPRA, or the Authority), previously known as WDO. It operates under a Memorandum of Agreement (MOA) signed by the other program partners:

- Association of Municipalities of Ontario (AMO),
- Stewardship Ontario (SO), and
- The City of Toronto.

Mandate

CIF's original mandate was to support cost containment initiatives through direct funding, technical support, and training designed to aid local communities and program stakeholders in the development and implementation of best practices, including technological and market-based solutions that lead to program improvements.

Mandate Shift to Accommodate Transition & Windup

On August 15, 2019, the Minister of Environment, Conservation and Parks (the Minister, or Ministry), issued letters to RPRA and SO with directive to begin transition of the Blue Box Program from a shared responsibility model to a producer responsibility model. Included in the letter was direction to RPRA to end the CIF as soon as practical and prior to December 31, 2025. To that end, CIF developed and consulted on a windup plan (CIF WUP) as part of the broader BBPP Windup Plan (BBPP WUP). RPRA approved the BBPP WUP which included the CIF WUP, in December 2020. Specifically, the approved CIF WUP directs that CIF:

- Deliver transitional and program support services to local community program operators until December 31, 2023,
- Cease public operations on December 31, 2023, and complete its administrative wrap up by June 30, 2024, unless a decision is made to,
- Extend operations by one year, subject to the availability of sufficient funds to do so.

Annual Operation & Governance During Transition & Windup

The approval of CIF WUP meant that subsequent Operations Plans be consistent with the dates, timelines, and objectives outlined in the WUP, and that a new governance structure be implemented to reflect its evolving mandate. In 2021, two new committees were struck:

- The CIF Transition Services Committee (TSC), whose primary responsibility is to develop annual priorities and budgets for CIF transitional and program support services and provide oversight over the delivery of these services.
- The CIF Windup Committee (WUC), who has overall responsibility for ensuring compliance with the CIF WUP.

Special Considerations for the 2023 Operations Plan

CIF Windup Plan Amendment

In August 2022, CIF submitted to RPRA, a WUP Amendment Proposal to end operations early and transfer approximately \$9.64M in surplus funds to AMO in order to support communities, over a longer duration, in transitioning their Blue Box programs to Ontario's new extended producer responsibility regulatory framework. The proposal called for this decision to be made by AMO's Board of Directors on behalf of individual municipalities that are members of AMO, the City of Toronto, and individual First Nations Communities. On December 7, 2022, RPRA approved the CIF's proposal, conditional on the implementation of an opt-out process, which would allow any municipality, recycling association, and First Nations community to choose to receive their share of surplus funds rather than have their funds transferred to AMO upon the wind up of the CIF.

2023 CIF Interim Operations Plan

To allow continuity of CIF's services while the opt-out process was developed and its implications considered, a 2023 interim Operations Plan was written. On December 13 and December 15, 2023, it was recommended for approval by the CIF's TSC and WUP Committees. On December 22, 2023, RPRA provided final sign off.

Withdrawal of the Continuous Improvement Fund (CIF) Windup Plan Amendment Proposal

On February 7 and February 9, 2023, the CIF's TSC and WUC resolved to formally withdraw the CIF Windup Plan Amendment Proposal from further consideration by RPRA. The Committees further resolved that CIF staff prepare an:

- Operations Plan and Budget for the remainder of 2023, and an
- Administrative WUP and Budget for 2024 (or at the termination of operations).

Both items were to be based on the currently approved WUP wherein CIF terminates operations effective December 31, 2023, with completion of administrative closure by mid 2024. Additionally, the plan was to give consideration that:

- The Transition Services Committee may consider a one-year extension of the CIF operations timeline, at a later date in 2023, that outlines specific actions and supports required by members.
- And, that any consideration of a disbursement in the 2023 CIF Operating Budget provide for a sufficient reserve fund balance that permits continued operations through 2024.

2023 CIF Full Year Operations Plan

The 2023 Full Year Operations Plan transitions the interim Operations Plan, which provided for ongoing CIF services for the first quarter, to a full year plan. It complies with the CIF governance committee directives set out in February 2023.

The Plan lays out activities and a corresponding budget to support the administration and roll out of planned and proposed projects. In addition, the 2023 CIF Overall Operating Plan Budget also allows for:

- Two disbursements, one final Municipal Collective Transfer Fund (MCTF) disbursement up to \$0.50M to AMO for the ongoing delivery of its Municipal Resource Recovery and Research Collaborative (M3RC), and a \$2M disbursement to designated local community program operators to support the implementation of their transition plans.
- A budget to support an administrative windup in 2024 (or at the termination of operations).
- A sufficient Reserve Fund Balance that permits continued operation through 2024, should CIF's governance committees and RPRA elect to approve a one-year extension of CIF services.

2.0 2022 in Review

Upon the release of the new BB Regulations in June 2021, supporting local communities through transition became the primary focus/activity for the CIF. These efforts were formalized through the delivery of a series of Transition Working Groups (TWGs). In addition to this, the CIF also continued the delivery of long-standing, ongoing services like the online Fundamentals of Recycling course, and the Cooperative Container Procurement program.

2.1 Transition Working Groups

The TWGs were launched in mid 2021 and initially consisted of five subcommittees organized around key technical blue box operational functions. In addition to information sharing, each subcommittee develops research and project ideas as well as plans to support transition efforts province wide. CIF funds both the research and project initiatives.

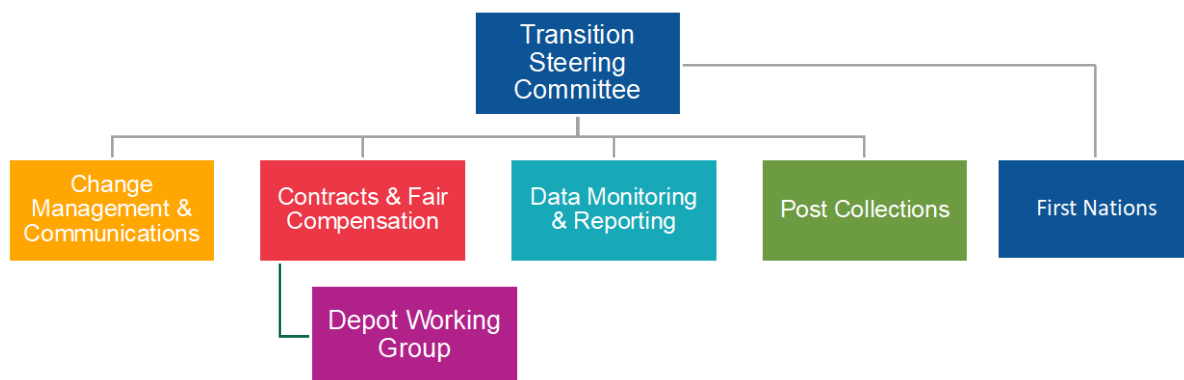
Mid-year 2022, the TWG subcommittee structure was refined to better address the issues and challenges facing local communities as they began weighing the options to either:

- **Opt-in:** continue participating in BB service delivery by accepting producer-led collection contract offers, or pursuing competitive procurement opportunities
- **Opt-out:** divest from BB service delivery by passing over responsibility entirely to the producers

Two new subcommittees were also established in 2022: one for Depot program operators and the other for First Nations communities.

- The First Nations subcommittee was established to help members address the aspects of the regulation unique to their community.
- The Depot Working Group was established as a breakout group of the Contracts & Fair Compensation subcommittee to allow members to focus on non-curb-side collection concerns.

Figure 1: Revised Transition Working Group Structure



Sections 2.1.1 through 2.1.6 detail project work undertaken in 2022 through each TWG subcommittee.

2.1.1 Change Management & Communications Subcommittee

There are 37 participating subcommittee members representing 27 municipalities helping to develop a common set of tools and resources for use by program operator's province wide to keep decision makers, team members, stakeholders, and the public apprised of key transition details and developments.

CIF'S CHANGE MANAGEMENT PLANNING SURVEY

A data gathering tool was designed by the CIF to help local communities pull together critical details needed for a smooth hand-off of their BB services to the Producer Responsibility Organizations (PROs).

The survey work began in 2021 and continued throughout 2022. Extensive outreach was carried out to all 365 transitioning communities to ensure they were aware of the regulatory change and the data collection and transfer requirements to successfully shift their programs to the new producer responsibility framework.

At the beginning of 2022, the PROs requested and were granted access to some of CIF's data repository. CIF provided weekly updates to the PROs from local communities who had agreed to share the requested data. Outreach and sharing statistics can be found in Table 1.

Table 1: Change Management Planning Survey Results

Transition Year	Local Communities Transitioning	CIF Surveys Completed	CIF Surveys Shared	
2023	67	66	59	88%
2024	126	120	113	90%
2025	172	125	97	56%
Total:	365	311	269	73%

INELIGIBLE SOURCES WORKSHOP

Ineligible sources (e.g., Business Improvement Areas, municipal buildings) have been historically serviced through municipal BB programming. Per the new regulation, however, the producers are not obligated to collect from these sources. To meet the needs of local communities who currently collect ineligible sources, research was undertaken, and a five-step online workshop was developed and delivered.

Communities were sorted into specific groups for curbside or depot service to ensure the unique needs of each were met.

Table 2: Ineligible Sources Workshop Delivery Results

Session Focus	Delivery Dates	Attendance Statistics
Curbside	May 9 & 11, 2022 June 8 & 10, 2022 July 14 & 16, 2022	77 staff representing 57 communities
Depot	May 16 & 18, 2022	21 staff representing 19 communities

TRANSITION BACKGROUNDER

In 2021, a set of BB transition visual tools (e.g., slide deck, graphic images) were created to help communicate local impacts anticipated from the regulatory change. The tools were designed for use in creating presentations and reports. In 2022, following municipal elections, the tools were updated to reflect new developments and terms.

2.1.2 Contracts & Fair Compensation Subcommittee

There are 105 subcommittee members representing 68 municipalities. These members are interested in 'opting-in' (i.e., remaining engaged in some aspect of curbside BB service delivery during the transition period). Meetings provide a forum to exchange information, identify common challenges, and develop potential resolutions.

COLLECTION CONTRACT OFFERS AND COMPETITIVE PROCUREMENT DISCUSSION SERIES

In May 2022, the PROs made their initial offers to municipalities to provide collection and P&E services throughout transition. The Contracts & Fair Compensation subcommittee hosted weekly sessions to review and assess the documents. Key insights into how to better engage local communities on commercial term offers were shared with the lead PRO, Circular Materials Ontario (CMO), which helped bring about needed changes to the offers and process.

COMMUNITY COOPERATION TOOLS & RESOURCES

In late 2022, work was initiated on a set of tools and resources to help encourage cooperation between local communities and PROs for the delivery of BB service. The tools and resources will help clearly define roles and responsibilities as management of the operations shifts from local communities to producers. The tools and resources will help set and manage expectations for items such as routing of resident calls, litter clean up, and onboarding of newly constructed residences and facilities.

2.1.3 Depot Subcommittee

There are 112 subcommittee members representing 71 municipalities. These members are also interested in 'opting-in'. Meetings provide a forum to develop potential resolutions for the unique issues facing depot program operators (e.g., quantifying ineligible source usage rates).

INELIGIBLE SOURCE USAGE RATE & FIELD STUDY

CIF worked with committee members to create a proposed methodology that can be used to determine the ineligible source usage rate. This work formed the foundation of a CMO guidance document for managing non-eligible sources at depot sites to support determining the deduction amount for this material.

Additionally, a field study project was initiated with the municipality of Dysart et al, to test the usage rate methodology and determine the costs to service ineligible sources, separate from a residence and facility program, in a depot service community. The field study project learnings will be communicated in Q1 of 2023.

2.1.4 Data Monitoring & Reporting Subcommittee

There are 26 participants representing 17 municipalities. In 2022, this committee helped to determine common approach/tools to assist with transition related data management.

MUNICIPALITIES AS PRODUCERS

To gain clarity on the municipal thresholds at which communities are required to register as a producer, CIF liaised with RPRA. Initial work was undertaken on a Threshold & Fee Calculator to assist communities in determining a) if their revenue is greater than the \$2M threshold, and b) if their weight of product or paper supplied into the market reaches the established level at which material tracking and reporting requirements take hold and producer fees apply.

WASTE COMPOSITION AUDIT ANALYSIS

To prepare for ongoing monitoring and assessment of the impact of full producer responsibility on local communities, some preliminary analysis was undertaken on the CIF/SO waste composition audit data as well as on some historical, independent municipal audit data. The analysis looked at BB capture and contamination for the current program to establish a pre transition baseline, and then forecasted the post transition rates. Further, the analysis looked at the variability within distinct categories including *dwelling*s (single family/multi-family), *stream*s (single/dual), and *source*s (depot/curb). Results of the analysis were shared with municipalities and are continuously being updated as new audit data becomes available.

2.1.5 Post Collections Subcommittee

There are 24 participating subcommittee members representing 13 municipalities. In 2022, this subcommittee focused on information sharing and post collection asset planning.

POST COLLECTION ASSET PLANNING WORKSHOPS

Post Collection Asset Planning Workshops were developed in early 2022. Workshop participants received instruction and support in applying the advice detailed in the Post Collections Guidance Document as well as use of the Post Collection Asset Valuation Tool, created in 2021.

Three workshop sessions were offered to meet the needs of different types of post collections assets and infrastructure. These included large material recycling facility (MRF) operators, depot operators, and small MRF/Transfer Station (TS) operators.

Table 3: Post Collection Asset Planning Workshop Delivery Results

Session Focus	Delivery Dates	Attendance Statistics
Large MRF operator	December 2021	22 staff representing 14 communities
Depot operator	January 2022	25 staff representing 18 communities
Small MRF/TS operator	January/February 2022	26 staff representing 22 communities

CIF PRICE SHEET ANALYSIS

In preparation for the windup of CIF, under which the CIF Price Sheet would cease to exist, an analysis was initiated to allow for the CIF to understand how the CIF Price Sheet had historically tracked against secondary market indices from 2019 to 2022. This was done to determine whether a viable alternative to the CIF Price Sheet exists. Once the analysis is complete, CIF will communicate out the results.

2.1.6 First Nations Subcommittee

To date there are 12 participating subcommittee members representing 8 First Nations communities. This membership continues to grow as First Nations communities receive more direction from the Ministry and RPRA.

DEDICATED OUTREACH

In 2022, the CIF offered dedicated outreach to First Nation communities through a conference, meetings, and one to one correspondence, to assist First Nation staff in understanding and planning for transition.

3.0 2023 Full Year Operations Plan

The following section adjusts the interim operations plan, which detailed activities for the first quarter of 2023, to a full year plan. The overarching objectives of the full year plan are to:



1. Work to support local communities in a smooth transition to the full producer responsibility framework. Specifically, to support:
 - **Decision making** (opt-in/out) - assistance in interpreting contract offers and financial implications
 - **Transition planning** - assistance in the building out of an effective strategy to ensure a successful implementation of a local community's decision, to opt-in or out, as well as the successful adaptation to any changes that may occur as a result of their decision (e.g., budgetary, daily operations, communications)
 - **Performance monitoring** - establishing baseline metrics to benchmark the current blue box program performance as a stand-alone system (e.g., capture, contamination) and as part of the integrated municipal waste management system
2. Develop an administrative windup implementation plan outline and set a budget allocation

In addition to new initiatives, the full plan for 2023 will allow CIF to continue:

- Ongoing delivery of long-standing CIF services such as its price sheet, website resources and online training course
- Wrap up of projects launched in prior years
- Engagement with local communities through the Transition Working Group (TWG) subcommittees meeting series (i.e., written updates and zoom meetings occurring in alternating two-week intervals)

3.1 Transition Working Groups

Consultations with local community stakeholders were undertaken with individual municipalities, CIF working groups, MWA, M3RC, and RPWCO in the development of the 2023 full year work plan. The deliverables outlined in this section reflect their feedback which has been organized around the TWG structure. Projects managed through the TWG structure are first vetted by the steering group (CIF and M3RC staff), and then assigned to a subcommittee. The subcommittee is responsible for scope refinement and project oversight including monitoring progress and approving final deliverables before they are shared out more broadly to local communities province wide.

The initiatives detailed in this section are a combination of projects launched in the first quarter of 2023, but not yet completed, as well as proposed new initiatives. Additional projects, not listed in this plan, may be launched throughout 2023 provided they are vetted by the steering group and related subcommittee to determine their value and feasibility for implementation before the end of the operating year. In the section that follows, the  icon indicates a project currently underway, and the  icon indicates a project scope that is currently under consideration and refinement.


3.1.1 Change Management & Communications Subcommittee

The Change Management & Communications Subcommittee project list includes:


- The Transition Plan Implementation Check List
- Non-Eligible Source Management Resources – workshops, field studies, and cooperative procurement efforts

Transition Plan Implementation Checklist, Supports & Resources

Context: With their decisions made regarding whether to provide services to the producers, communities are now seeking transition planning supports for next steps.

 Deliverable: A **checklist tool** to assist staff in identifying key messages to communicate as a result of changes brought about by transition, and internal and external stakeholders to communicate with. Specifically:


- who will be affected internally (e.g., departmental/interdepartmental staff, senior leadership, councils) and externally (e.g., contractors, residents, business customers)
- what will be affected (e.g., policies, operational practices, by laws)
- how the various stakeholders and operations will be affected
- what key messages, information, or direction needs to be communicated and to whom
- when and how key messages should to be communicated

 Deliverable: **Supports and resources** that will help fulfill the change management and communications needs identified in the checklist tool, including, but not limited to:

- Sample reports and other templates (e.g., presentations) staff can use in their communications to other departments, senior management, committees, and councils, as well as to residents, and service providers.
- For opt-out communities - sample terms, conditions, and compensation arrangements that local communities can use in their negotiations with the Producer Responsibility Organization (PROs) who are interested in gaining access to some of the municipality's communication channels (e.g., websites, waste calendars, waste apps).

Non-Eligible Source Management Resources

Context: With the need to make decisions regarding whether to provide services to non-eligible sources (i.e., small business formerly part of the residential blue box program), communities are now seeking decision making guidance and planning supports for next steps.

 Deliverable: **Non-Eligible Source Planning Workshops** – updates to existing workshop materials to reflect new learnings and additional session deliveries to aid in planning for ongoing service delivery or discontinuation of service.

💡 Deliverable: **Non-Eligible Source Field Studies** - material composition audits in a range of communities to develop typical generation rates and profiles for various non-residential sources (e.g., BIAs, businesses embedded within residential routes, municipal facilities) to aid in decision making and planning.

💡 Deliverable: **Non-Eligible Source Cooperative Procurement Efforts** - some communities may find it difficult to find a hauler or processor for their non-eligible materials given low quantities and lack of service providers in their area. It is also expected that the costs for this service will increase beyond residential program costs given the limited economies of scale in the quantities to be collected (i.e., quantities are too small to earn the same 'bulk pricing' rates achieved through the residential blue box program).

In an attempt to establish adequate service options for the ongoing management of non-eligible materials, CIF will dedicate resources to attempt to develop a cooperative procurement process by encouraging local communities within a catchment to bundle their tonnage together and jointly seek bids for hauling, consolidation (as needed), and processing. CIF will lead the development of the procurement documents, and possibly coordinate the bid submissions and evaluation.

3.1.2 Contracts & Fair Compensation Subcommittee

The Contracts & Fair Compensation Subcommittee project list includes:

- Community Cooperation Tools & Resources
- By-law Review
- Activity Based Costing (ABC) Initiatives
- Public Space Coordination

Community Cooperation Tools & Resources

Context: To assist in the communication and management of key service delivery details not addressed by the regulation or the PROs' blue box service provider agreements for the common collection system, communities are now seeking planning tools and resources.

📋 Deliverable: Initiated in 2022, local communities, working with a law firm retained by CIF, have been working to create of a tool – possibly a **Memorandum of Understanding** - to be used between local communities and the Producer Responsibility Organizations (PROs), or their administrator. Its objective is to identify key areas of common concern and provide sample clauses to be used to help minimize disruption and confusion to residents during and after the transition period. Service delivery coordination details addressed by the tool may include:

- Aligning all curbside collection activities to ensure safe routing (i.e., coordinate recycling with other waste services)
- Directing customer calls/complaints to the appropriate service provider
- Establishing process/service standards for bins that are not collected/rejected by the collection operator

- Communication of service delivery needs for new builds (i.e., letting the administrator know when garbage/ green bin service will start for new single & multi-family dwellings)

The tool will be refined based on feedback from local communities, the PROs, and the Ministry.

By-law Review

Context: In addition to the community cooperation tool, local communities are seeking additional solutions to ensure effective coordination of all diversion programs.

💡 Deliverable: A **by-law and, or policy review** to determine best practice advice for updating or initiating diversion supports such as clear bags, Pay-As-You-Throw, and, or bag limits efforts.

Activity Based Costing (ABC) Initiatives

Context: Some local communities have indicated an interest in becoming subcontractors to collection service providers during and post transition for functions such as: resident customer service support through call-centre management, road supervisor compliant resolution for missed pick-ups or for containers tagged and left behind, illegal dumping and litter clean-up, and enforcement as well as blue box container distribution.

💡 Deliverable: An **ABC initiative** will look to establish an approach for determining cost ranges and recommended contracting terms to deliver a range of possible services as a subcontractor. These reviews will look closely at all cost components including administration, which has historically been limited in the Datacall reporting process.

Public Space Coordination for 2026

Context: As outlined in O. Reg. 391/21: BLUE BOX, starting in 2026 new regulatory requirements take effect for Public Spaces. Questions remain around, the coordination, the locations (e.g., parks, transit), the design of bins, and compensation.

💡 Deliverable: CIF will look to provide solutions in the form of a guide/checklist to assist communities in planning for these public space changes, as some public space sites will be the responsibility of the producers, and some will be the responsibility of the local community. It will be important to work out who manages which sites and scheduling.

3.1.3 Depot Subcommittee

The Depot Subcommittee project list includes:

- Depot Only Contract Negotiation Support (2026 Agreements)
- Depot Leasing Support
- Convenience Depot Support

Depot Only Contract Negotiation Support (2026 Agreements)

Context: Depot only services for 2026 onward will need to be procured resulting in new contracts which may entail new service parameters (e.g., staffing at all depots, expanded materials requiring additional bins).

💡 Deliverable: As communities go into discussions there will be an opportunity for renegotiation of terms and conditions. Lessons learned during transition will be documented and shared out to communities to assist in their blue box post transition contract talks.

Depot Leasing Support

Context: Some depot only communities are interested in continuing to offer blue box services at their depots from 2026 onward but are not interested in entering into another contract with the PROs. They prefer a leasing approach where the recycling portion of their depot locations is available to interested contractors for use in their bids for depot services.

💡 Deliverable: To support municipalities in this endeavour resources will be developed including **lease protocols guidance and sample contract clauses** that address specifics such as liability / risk management considerations, responsibilities of parties, and payment terms. Resources and supports would be derived from existing CIF post collection **asset valuation reports and workshop materials** and from learnings from communities who have recently leased blue box assets.

Convenience Depot Support

Context: As of 2026 producers no longer have a regulatory obligation to maintain depots in communities where residents receive curbside collection.

💡 Deliverable: A **planning workshop** would be developed to assist communities in determining whether to continue to provide blue box services if they are no longer receiving compensation. The session will help determine the financial and service implications of the decision. It will also help staff prepare council recommendations and plans for the implementation of the final decision including hauling and processing service procurement (if services are continued), budgets and communications plans (if services are discontinued).


3.1.4 Data Monitoring & Reporting Subcommittee

The Data Monitoring & Reporting Subcommittee project list includes:

- Municipalities as producers
- Waste Audit Analysis

Municipalities as Producers


Context: All local communities have a regulatory obligation to register as a producer, satisfy reporting requirements, and pay fees if they meet the minimum revenue and material generation thresholds.

 Deliverable: A **calculator and guidance document** has been initiated and will be finalized to assist municipalities in determining if they are required to register as a producer. The resource will also provide reporting guidance. The guidance document will be completed in collaboration with RPRA and cover the following topics.

- Key Terms, Definitions, Due Dates
- Calculator Instructions
- Obligated Material Determination & Consideration Guidance
- Registration, Reporting, & Producer Selection Considerations
- Frequently Asked Questions

Waste Audits

Context: Baseline blue box performance metrics (e.g., capture, contamination, blue box materials in the other waste streams) are needed to help municipalities determine their ongoing level of engagement (e.g., whether to become a service provider, whether to implement a Promotion & Education initiative to correct for blue box materials in the other waste streams).

 Deliverable: The year seven CIF and SO Waste Composition **Audit Series** was initiated in Q4 2022 and will be completed in Q3 2023. CIF engaged a third-party consultant to conduct **analysis** of current performance under the BBPP and forecasted impacts the new regulation.


3.1.5 Post Collections Subcommittee

The Post Collection Subcommittee project list includes:

- Price Sheet Trend Analysis

Price Sheet & Price Sheet Alternative Analysis

Context: As the PROs assume responsibility for many of Ontario's processing facilities previously operated by local communities, the number of contributors to the CIF Price Sheet will decline. Once the number of contributors to the Price Sheet falls below the minimum threshold, CIF will terminate its publication. This is anticipated to happen as early as July 2023.

 Deliverable: in preparation for the termination of the CIF Price Sheet, CIF hired a consultant to compare the CIF Price Sheet to another **post-consumer commodity pricing index** to determine if it could be recommended to local communities as a suitable alternative. A summary report with recommended next steps will be shared.


3.1.6 First Nations Subcommittee

The First Nations (FN) Subcommittee project list includes:

- Customized Transition Resources

Customized Transition Resources

Context: The Blue Box regulation details obligations specific to only the FN communities.

 Deliverable: regularly scheduled **webinars** for FN communities will be delivered to introduce and explain the blue box regulation and transition process. During these sessions, existing **CIF transition content and resources will be customized to meet FN needs** to help inform their blue box decision making process.

4.0 2022 Budget and Actual Year-End

The following section has been adjusted from the forecasted year-end projections, as presented in the interim operations plan, to the actual 2022 year-end.

Contributions to CIF Reserve Fund

Table 4 below details the 2022 contributions to the CIF Reserve Fund, which includes four sources of income:

- 1) Steward Obligation Funding
 - Funding derived as a percentage of the Steward's payment to reporting programs based on their datacall submissions. Consistent with the Minister's direction, CIF did not receive any funding from the Steward Obligation in 2022.
- 2) Interest Income
 - Interest income is earned from funds held in CIF's account.
- 3) Municipal contributions
 - Datacall penalties (i.e., penalty fees paid by a reporting program that are redirected to the CIF as income).
- 4) Release of Unspent Committed Funds
 - Return of funds previously committed to approved projects. Each year, CIF holds aside all funds committed to approved projects to ensure they can meet these obligations. Funds committed to approved projects are therefore not reflected in the CIF Reserve Fund balance. Throughout 2022, CIF closed 29 projects on its roster. Some of these projects were completed under budget, resulting in the transfer of these newly unencumbered funds back to the CIF Reserve Fund. Note: The CIF Reserve Fund is the CIF bank balance less outstanding committed funds).

Table 4: Contributions to CIF Reserve Fund

	2022 Budget	2022 YE Forecasted	2022 YE Actual
Steward Obligation Funding	\$0.00M	\$0.00M	\$0.00M
Interest Income	\$0.16M	\$0.20M	\$0.26M
Municipal Contribution	\$0.00M	\$0.05M	\$0.04M
Release of Unspent Committed Funds	\$0.00M	\$0.37M	\$0.42M
Total Contributions to CIF Reserve Fund	\$0.16M	\$0.62M	\$0.72M

CIF Administrative Expenditures & Transition Project Support Funding

Table 5 below compares the 2022 budget to the year-end actual for Administrative Expenditures and Transition Project Support Funding. Both are below budget due to:

- A protracted blue box service procurement phase led by PROs which delayed the development of CIF transition support resources as the local community needs could not yet be fully assessed.

Table 5: CIF Administration & Transition Project Support Expenditures

	2022 Budgeted	2022 YE Forecast	2022 YE Actual
Administration	\$0.65M	\$0.44M	\$0.61M
Transition Project Support	\$1.25M	\$0.91M	\$0.95M
Total	\$1.90M	\$1.35M	\$1.55M

CIF Overall Operations Plan Budget

Table 6 below compares what was budgeted to the actual year-end spending for the Overall Operating Plan. The year-end CIF Reserve Fund Balance was higher than projected due to:

- Higher than anticipated Total Funds to Reserve due to better than projected interest earnings, an unanticipated municipal contribution from penalties, and the return of newly unencumbered funds due to the wrap up of under budget approved projects.
- Lower than anticipated spending on Administration, as well as Transition Project Support initiatives (as described in Table 5)

Table 6: CIF Overall Operating Plan Budget

	2022 Approved Budget	2022 YE Forecast	2022 YE Actual
Opening CIF Fund 2021 Balance	\$11.15M	\$10.97M	\$10.97M
Contributions to the CIF Reserve Fund	\$0.16M	\$0.62M	\$0.72M
Transition Project Support	(\$1.25M)	(\$0.91M)	(\$0.94M)
Municipal Collective Transfer Fund (MCTF), AMO's M3RC	(\$0.50M)	(\$0.50M)	(\$0.50M)
Municipal Disbursement	TBD	TBD	(\$0.00M)
Administration	(\$0.65M)	(\$0.44M)	(\$0.61M)
CIF Reserve Fund Balance	\$8.91M	\$9.74M	\$9.64M

5.0 2023 Proposed Operations Plan Budget

The following section has been adjusted from the interim Operations Plan Budget, which set out spending projections for the first quarter of 2023, to a full year Operating Plan Budget.

Proposed 2023 Administration Budget

Table 7 details the proposed full 2023 Administration Budget. The only change from 2022 is the reallocation of \$25,000 from Salaries and Benefits to Project Management Support to reflect projected spending more accurately in these categories.

Table 7: Proposed 2023 Administration Budget

Item	2022 Approved Budget	2023 Proposed Budget
Salaries and Benefits	\$420,000	\$395,000
Office and Administrative Expenses	\$15,000	\$15,000
Travel, Training and Conferences	\$10,000	\$10,000
Legal and Professional Services	\$20,000	\$20,000
Project Management Support	\$75,000	\$100,000
Administrative Services	\$40,000	\$40,000
Communication Services	\$40,000	\$40,000
Committee Expenses	\$20,000	\$20,000
RPRA Fees	\$10,000	\$10,000
Total	\$650,000	\$ 650,000

Proposed 2023 Transition Project Support Budget

Table 8 provides a breakdown of funding needs to support the proposed 2023 transition program support projects detailed in section 3.0. The total proposed budget is \$900,000, which is lower than 2022's budget, but sufficient given the carryover of approved multi-year efforts that initiated in 2022.

Table 8: Proposed 2023 Transition Project Support Budget

Item	2022 Approved Budget	2023 Proposed Budget
Data Monitoring & Reporting Support	\$450,000	\$150,000
Contracts & Fair Compensation Support	\$400,000	\$150,000
Depot Support	\$0	\$100,000
Change Management & Communication Support	\$200,000	\$325,000
Post Collection Support	\$200,000	\$100,000
First Nation Support	\$0	\$75,000
Total	\$1.25M	\$0.90M

Proposed 2023 Combined Administration & Transition Project Support Budget

Table 9 compares the 2022 budget to the 2023 proposed budget for combined Administration and Transition Project Supports.

Table 9: Proposed 2023 Combined Administration and Program Budget

Item	2022 Approved Budget	2023 Proposed Budget
Administration	\$650K	\$650K
Transition Project Support	\$1.25M	\$900K
Total	\$1.9M	\$1.55M

Proposed 2023 CIF Overall Operating Plan Budget

Table 10 below compares the 2022 Overall Operating Plan Approved Budget to the Actual Year-End, explanations for the variances are found under the Table 6 section above. The 2022 Actual CIF Reserve Fund YE Closing Balance, sets the 2023 Opening Balance. The 2023 Proposed Overall Operating Plan Budget presented allows:

- Administrative and Transition Project Support expenditures consistent with 2022.
- Two disbursements, provided approval is granted by the CIF governance committees and RPRA, for:
 1. A final MCTF disbursement of up to \$0.50M to support continued AMO's M3RC activities.
 2. A \$2M disbursement of the CIF Reserve Funds to individual municipalities, recycling associations and First Nations communities to support the implementation of their transition plans.
- An administrative WUP budget to support the implementation of the draft Administrative WUP (Appendix 2). The budget allocation will be adjusted as the specifics of the plan are confirmed.

- A sufficient Reserve Fund Balance that permits continued operation through 2024, should CIF's governance committees and RPRA elect to approve a one-year extension of CIF services.

Table 10: Proposed 2023 CIF Overall Operating Plan Budget

	2022 Approved Budget	2022 Actual YE	2023 Proposed Budget
CIF Reserve Fund ¹ Opening Balance	\$11.15M	\$10.97M	\$9.64M
Contributions to the Reserve Fund	\$0.16M	\$0.72M	\$0.20M
Administration	(\$0.65M)	(\$0.61M)	(\$0.65M)
Transition Project Support	(\$1.25M)	(\$0.94M)	(\$0.90M)
MCTF (AMO's M3RC)	(\$0.50M)	(\$0.50M)	(\$0.50M)
Municipal Disbursement	TBD	\$0.00M	(\$2.00M)
Initial Administrative WUP Budget ²			(\$1.0M)
CIF Reserve Fund YE Closing Balance	\$8.91M	\$9.64M	\$4.8M

Notes:

1. The Reserve Fund Balance = CIF Bank Balance - committed funds
2. The Initial Administrative WUP Budget allocation is a placeholder. It will be refined as budget needs are understood and quantified. Updates will be presented at governance committee meetings as changes are made.

Appendix 1: 2018-2022 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.

2018-2022 CIF Financial Statement

Income Sources	Year ended	Year ended	Year ended	Year ended	Year ended
	Dec. 31,	Dec. 31,	Dec. 31,	Dec. 31,	Dec. 31,
	2018	2019	2020	2021	2022
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)
Cash Forward	\$23,305,487	\$19,807,154	\$17,553,275	\$14,965,065	\$12,713,937
Income Sources					
Municipal Contributions	\$23,993	\$3,122	\$26,556	\$0.00	\$44,616
Interest	\$433,617	\$412,493	\$223,063	\$131,938	\$262,286
Other					
Total Income	\$23,763,097	\$415,615	\$249,619	\$131,938	\$306,902
Expenditures					
Administration	\$428,944	\$572,094	\$466,572	\$408,285	\$332,847
AMO Admin Reserve Balance	-\$64,168	-\$74,858	\$216,918	-\$232,545	\$153,968
RPRA Expensed	\$2,648	\$21,808	\$7,173	\$4,337	\$29,012
Project Support	\$162,011	\$63,365	\$130,146	\$56,437	\$91,490
Best Practices	\$1,841,134	\$923,616	\$618,050	\$866,619	\$908,084
Centre of Excellence	\$750,374	\$1,163,469	\$398,968	\$279,934	\$30,759
AMO Transfer	\$835,000	\$0.00	\$1,000,000	\$0.00	\$500,000
Municipal Disbursement				\$1,000,000	
Total Expenditures	\$3,955,944	\$2,669,494.00	\$2,837,827	\$2,383,066.39	\$2,046,160
Year End Fund Balance	\$19,807,154	\$17,553,275	\$14,965,065	\$12,713,937	\$10,974,679

*Fund balance as of December 31, 2022

Appendix 2: Draft Administrative Windup Plan

On February 7 and February 9, 2023, CIF Governance Committees directed CIF staff prepare for consideration at the March 2023 CIF governance meetings an Administrative WUP and Budget for 2024 (or at the termination of operations). It is to be based on the currently approved WUP wherein CIF terminates operations effective December 31, 2023, with completion of administrative closure by mid 2024. Additionally, the administrative WUP should allow for consideration that:

- The Transition Services Committee may consider a one-year extension of the CIF operations timeline, at a later date in 2023, that outlines specific actions and supports required by members.
- And, that the CIF 2023 Operating Budget, including disbursements and administrative windup budget, maintains a sufficient reserve fund balance that permits continued operations through 2024.

Taking direction from the February 2023 governance committee resolutions, and the approved [CIF WUP](#), a draft list of tasks associated with windup of the CIF has been initiated in the table below. The CIF staff will lead the windup planning process, working in close consultation with RPRA. The first step will involve refining of the table below through consultation with RPRA, SO, AMO, and the City of Toronto. CIF staff will prepare and report updates to the CIF Governance Committees on the progress against the finalized tasks list at each Governance Committee meeting beginning in May 2023 until the windup of the CIF. A budget of \$1M has been allocated for windup activities. This will cover the cost of staff salaries, and professional fees for services such as legal, accounting, and appraisal, as needed. The \$1M budget is an estimate that will require refinement as administrative windup needs become better understood and quantified.

Windup Implementation Work

#	Objective / Tasks	Description	Timeline
1	Project Closures	Existing Roster Management Close out existing projects	Ongoing
2	Financial Reconciliation & Admin Windup Budget Refinement	Quarterly reporting to CIF committees & coordination with RPRA on formal reconciliation Further refinement of the estimated Administrative Windup Budget	Ongoing
3	Inventory	Create list of all CIF assets & resources Create list of all CIF current contracts, funding agreements, and projects	Ongoing progress reporting to RPRA, completion August 2023

#	Objective / Tasks	Description	Timeline
4	Transfer of Resources & Assets, as well as, Disbursement of Funds	<p>Transfer of Resources & Assets</p> <p>Arrangements will be made to make resources available on an ongoing basis to Ontario communities where possible. CIF has physical, data, and intellectual assets, these will be managed through the parameters set in the CIF WUP (section 7, page 24, 25, 26).</p> <p>Disbursement of Funds</p> <p>Disbursement of remaining funds to appropriate parties will occur in two phases as the CIF winds-up.</p> <ul style="list-style-type: none"> The first disbursement will occur midway through 2023 in the amount of \$2M (if approved by both CIF Governance Committees & RPRA). CIF staff will coordinate with RPRA to determine the amounts per participating community & coordinate further with SO to distribute the funds (in a similar manner as the 2021 disbursement). The timeline of the final disbursement will occur following CIF Governance Committee's 2024 extension decision. The final disbursement will amount to the CIF remaining funds once projects have been closed and CIF committed resources are freed. 	Initiate in Q2, 2023
5	One-year extension consideration	<p>CIF Staff will provide CIF governance committees with a recommendation regarding the one-year extension.</p> <p>The process by which a decision will be made about CIF's extension into 2024 will include meetings with staff from AMO and the City of Toronto, as well as meetings with members of MWA, RPWCO, Transition Working Groups, and individual communities.</p>	<p>No later than:</p> <p>September 26 for the TSC</p> <p>September 28 for the WUC</p>

CIF staff are to adjust the timeline, found in the figure below, as needed. Changes to the timeline will be reported through updates to the CIF Governance Committees.

