

November 10, 2025

To:

City of Windsor	Steve Vlachodimos, Clerk svlachodimos@citywindsor.ca
County of Essex	Katherine Hebert, Clerk khebert@countyofessex.ca
Town of Amherstburg	Kevin Fox, Clerk kfox@amherstburg.ca
Town of Essex	Joseph Malandrucolo, Town Solicitor, Legal and Legislative Services/Clerk jmalandrucolo@essex.ca
Town of Kingsville	Angela Toole, Acting Clerk atoole@kingsville.ca
Municipality of Lakeshore	Brianna Coughlin, Clerk bcoughlin@lakeshore.ca
Town of LaSalle	Jennifer Astrologo, Director of Council Services/Clerk jastrologo@lasalle.ca
Municipality of Leamington	Brenda Percy, Clerk bpercy@leamington.ca
Town of Tecumseh	Robert Auger, Director of Corporate Services/Clerk rauger@tecumseh.ca

Re: Resolution of EWSWA Board

Correspondence from the Ministry of the Environment, Conservation and Parks Re: Blue Box Collection from Industrial, Commercial and Institutional Sources

Memo dated November 4 2025 Re: Recycling Program Transition Financial Information

The Essex-Windsor Solid Waste Authority, at its meeting held on Tuesday, November 4, 2025, adopted the following resolution:

Resolution 88-2025

Moved by Kieran McKenzie

Seconded by Mark McKenzie

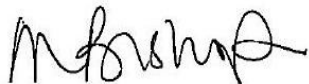
That the Board receive the correspondence dated October 1, 2025, from Todd McCarthy, Minister of the Environment, Conservation and Parks Re: Blue Box Collection from Industrial, Commercial and Institutional Sources as information.

That the Board direct Authority Administration to distribute the correspondence dated October 1, 2025, from Todd McCarthy, Minister of the Environment, Conservation and Parks Re: Blue Box Collection from Industrial, Commercial and Institutional Source to the Clerk's Department at the City of Windsor, County of Essex and seven (7) County Municipalities as information.

That the Board direct Authority Administration to distribute the memo dated November 4, 2025, Re: Recycling Program Transition Financial Information to the Clerk's Department at the City of Windsor, County of Essex and seven (7) County Municipalities as information.

Carried

Sincerely,



Michelle Bishop, General Manager

Email: mbishop@ewswa.org

Phone: 519-776-6441 ext. 1225

Attachments:

- Correspondence dated October 1, 2025, from Todd McCarthy, Minister of the Environment, Conservation and Parks Re: Blue Box Collection from Industrial, Commercial and Institutional Source as information.
- Memo dated November 4, 2025 Re: Recycling Program Transition Financial Information

**Ministry of the Environment,
Conservation and Parks**

**Ministère de l'Environnement,
de la Protection de la nature et des
Parcs**



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357-2025-2245

October 1, 2025

Ms. Michelle Bishop
General Manager
Essex-Windsor Solid Waste Authority
Email: mbishop@ewswa.org

Dear Ms. Bishop:

As you know, Ontario is transitioning the blue box system from municipal control to a producer-run model where Producer Responsibility Organizations (PROs) will be running a province-wide blue box collection system. This will save municipalities over \$171 million annually and the transition will be complete in 2026.

I am writing today to confirm that, under the Blue Box Regulation, PROs are not, and have never been, responsible for collecting blue box waste from industrial, commercial, and institutional (IC&I) sources. In addition, PROs have indicated that, beginning in 2026, they will not voluntarily continue to offer this service to municipalities who are willing to pay for it as they have been doing for some small IC&I locations during the transition.

As PROs have been communicating since 2023, this means that municipalities will need to continue to work with their small IC&I establishments to identify the best path forward for collection in their communities. It is the ministry's understanding that many municipalities have already started this work to be ready for January 1, 2026.

This is not the outcome I had hoped for when I wrote PROs on June 4, 2025, to ask them to prepare an offer of service that would continue small IC&I collection at municipal cost. I had heard from municipalities and PROs that PROs could leverage the province-wide blue box collection system to offer a cost-effective option for municipalities to consider.

Unfortunately, on September 19, 2025, PROs indicated that they would not be able to fulfill my initial direction. They identified operational, infrastructure, and financial challenges to providing small IC&I collection that would make it impractical and unaffordable for most municipalities and potentially disruptive for the residential collection run by PROs.

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Ms. Michelle Bishop

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While I remain disappointed that the design of the proposal does not support broader curbside collection, leaving a gap in service across municipalities, I am pleased that PROs have agreed to work with communities that rely on depots for blue box collection to facilitate small IC&I collection. They are proposing to allow for comingling of residential and small IC&I blue box in shared depot containers. This means that municipalities will not have to plan and pay for separate depot containers for small IC&I blue box waste, which would add cost and burden. Under the PROs' proposed approach, PROs will be responsible for hauling and recycling the estimated share of collected recyclables from residential sources, and municipalities will be responsible for hauling and recycling the estimated share from small IC&I establishments.

I am very disappointed that PROs were not able to deliver an offer for small IC&I collection. However, I also recognize that the vast majority of businesses in Ontario arrange their own recycling collection through private contracts, or through an arrangement with their municipalities. While PROs will not be making municipalities an offer for small IC&I collection, these private sector solutions are still available to municipalities. If municipalities are not going to offer this service to businesses, proactive communication will be needed to inform individual businesses and business associations of the need to organize recycling independently.

My government is committed to the best possible blue box system for both producers and municipalities. To this end, we will be considering improvements to the system over the coming year. As this occurs, we will be looking into how any changes to the Blue Box Regulation could leverage the producer-run system and support our communities, small businesses, and institutions to cost-effectively maintain blue box services.

My ministry will be in touch with further information over the coming months as we move forward on this initiative. In the meantime, if you have questions about the PROs' offer to facilitate small IC&I collection in depot communities, please contact info@circularmaterials.ca.

Thank you for your continued support of the transition to producer responsibility. This transition will improve the amount of material recycled in Ontario and save money for municipalities.

Sincerely,



Todd McCarthy
Minister of the Environment, Conservation and Parks

c: Cathy Copot-Nepszy, Manager of Waste Diversion, Essex-Windsor Solid Waste Authority



Essex-Windsor Solid Waste Authority

Memo

To: The Chair and Board of the Essex-Windsor Solid Waste Authority

From: Michelle Bishop, General Manager
Steffan Brisebois, Manager of Finance and Administration

Meeting Date: Tuesday, November 04, 2025

Subject: Recycling Program Transition Financial Information

The following information is included to provide supplemental information related to the recycling program costs referenced in the Draft 2026 Operational Plan and Budget.

Overview of Recycling Program Costs

The recycling program, which included both the collection and processing of recyclable materials within the region, was comprised of three main cost categories:

1. Collection Costs – These included payments made to the City’s collection contractor, internal City administrative and supervisory costs, and costs associated with City operations to collect recyclable materials within the County.
2. Processing Costs – These covered the operation of the material recovery facilities (MRFs), including contract labour, facility operating expenses, and related overhead.
3. Administrative Costs – These included office expenditures, consulting services and property taxes.

The total program costs were partially offset by revenues generated through:

- The sale of recyclable materials; and
- Funding received from producer organizations, which was equal to 50% of the net program costs (defined as total costs less revenues from the sale of recyclables and other program income).

Net Program Costs

After accounting for revenues and producer funding, the net program cost ranged from approximately \$1 million to \$4 million per year. The variance in annual costs was primarily driven by fluctuations in producer funding and commodity prices for recyclable materials.

Between 2022 and 2024, program costs increased substantially due to:

- Rising inflation and fuel prices, which were reflected in the cost of collection contracts, and
- The expiration of the County’s collection contract, which resulted in higher costs for City-operated collection services.

During this same period, commodity prices declined significantly, which further increased net program costs leading up to the transition of the Blue Box Program.

Funding Approach and Blue Box Program Transition

To avoid passing these increased costs on to municipalities, particularly in light of the planned wind-up of the Blue Box Program in August 2024, the additional expenses were covered through the use of reserves rather than through municipal contributions.

The chart below summarizes the previously endorsed recycling program budgets and illustrates that the financial impacts of the Blue Box Program wind-up had been anticipated and incorporated into prior approved operating plans and budgets. As a result, there was no significant surplus or excess cash flow associated with the program wind-up.

	2024 Budget	2025 Budget	2026 Budget (DRAFT)
Gross Operating Budget	\$8,163,390	\$1,939,400	\$425,000
Revenue (Producers & Sale of Recyclables)	\$4,356,540	\$303,500	\$0
Net Budget	\$3,806,850	\$1,635,900	\$425,000
Net Budget Reduction		(\$2,170,950)	(\$1,210,900)
Budgeted Operational Deficit – All Programs	(\$3,231,420)	(\$352,525)	(\$564,920)