Board of Directors Meeting Highlights
Held on November 18th, 2021 at 8:30 AM
as a Virtual Meeting

2022 Budget

As we prepare for the blue box transition in 2024, in light of COVID the Association is finally benefiting from the best markets prices in its history but it continues to struggle with difficult labour market conditions and excessive contamination of the recycling bins.

In 2022, the per share cost will rise to $65.69 which represents a 2% increase on recycling fees. Waste automated rates are based on the September CPI rate posted at 4.4% as published by Statistic Canada. Commodity revenue for 2022 is based on current tonnages and the 5 year average prices since the current market highs are not sustainable. Grants are based on what was received for this year. Expenses reflect a full staff complement and expected increases in supplies and fuel.

	2021 Budget	2021 Projection	2022 Budget	$ Diff.	%
Sales					
Commodity Revenue	1,475,000	2,348,000	1,636,000	-712,000	30.3%
Grants	2,517,000	2,882,000	2,882,000	0	0.0%
Municipal Levy	4,601,000	4,416,000	4,506,000	90,000	2.0%
Automated Revenue	3,818,000	3,847,000	4,069,000	222,000	5.8%
Containerized Services	1,500,000	1,681,000	1,750,000	69,000	4.1%
Disposal Revenue	539,000	497,000	517,000	20,000	4.0%
Processing Revenue	288,000	411,000	400,000	-11,000	-1.7%
Other	10,000	157,000	20,000	-137,000	-87.3%
Total Sales	**14,748,000**	**16,239,000**	**15,780,000**	**-459,000**	**-2.8%**
Total Cost of Goods Sold	**1,795,000**	**2,036,000**	**1,865,000**	**-171,000**	**-8.4%**
Gross Profit	**12,953,000**	**14,203,000**	**13,915,000**	**-288,000**	**-2.0%**
Operating Expenses					
Total Administration Expenses	1,053,000	954,000	1,108,000	154,000	16.1%
Total Collection Expenses	6,484,000	6,626,000	7,151,000	525,000	7.9%
Total Processing Expenses	2,468,000	3,212,000	3,144,000	-68,000	-2.1%
Total Operating Expenses	**10,205,000**	**10,792,000**	**11,403,000**	**611,000**	**5.7%**
Operating Income	**2,780,000**	**3,411,000**	**2,512,000**	**-899,000**	**-26.4%**
Total Nonoperating Expense	**2,577,000**	**2,594,000**	**2,432,000**	**-162,000**	**-6.2%**
Net Change in Cash Position	**171,000**	**817,000**	**80,000**	**-737,000**	**-90.2%**
Share Charge	$64.40	$64.40	$65.69	$1.29	2.00%

SWANA report examines the value of recyclables

The organization's CEO says the recovery in pricing has been "one of the few silver linings of the COVID-19 pandemic."

Following China's ban on the import of several recyclables, some curbside recycling programs faced challenges. However, beginning in 2020, commodity prices for recyclables have recovered strongly in many cases, benefitting local recycling programs, according to a new report from the Solid Waste Association of North America (SWANA), Silver Spring, Maryland.

In "Recycling Markets Have Strongly Recovered Since National Sword," SWANA reports the prices and demand for recyclables from municipal curbside recycling programs have rebounded and are close to record highs in the U.S. and Canada. The report quantifies how much commodity prices have recovered from 2020 lows and discusses how increased domestic demand and consumer brand commitments to use recycled materials have improved market conditions.

"One of the very few silver linings of the COVID-19 pandemic has been the remarkable recovery of recycling prices," says David Biderman, SWANA CEO and executive director. "This is encouraging investments in new technologies at MRFs and new carts at municipalities."

The report cites the Northeast Recycling Council's Report on Blended MRF Commodity Values in the Northeast from April to June 30, when the "blended" value of a ton of recyclables recovered at MRFs in New England increased by 160 percent to $134.26 compared with April through June of 2019.

An Old Toronto, ON Incinerator Could Soon Become a Massive Community Hub

After sitting vacant for more than three decades, an old Toronto incinerator is about to have a new life breathed into it. The Wellington Destructor, located on the southeast corner of Wellington Street West and Walnut Avenue near Stanley Park, is set to undergo a total transformation that would see it become a large community hub.

The City-of-Toronto-owned building was built in 1925 and used as a garbage incinerator until the mid-70s. It was then switched over to be a garbage transfer station until the '80s, and has sat vacant ever since. The City announced that it is recommending real estate development company TAS be given a long-term lease for the site — 49 years with two optional 25-year extensions — during which time they will renovate and operate the property.

"This is a great step forward in the Wellington Destructor project," said Mayor John Tory. "By preserving its heritage elements and creating new flexible spaces, this site will serve many uses and become a destination for people to create, learn and innovate."

NWRA Responds to 2020 Injury and Illness Report from BLS

The United States Bureau of Labor Statistics (BLS) released its 2020 Employer-Reported Workplace Injuries and Illness report. According to the report, private industry employers reported 2.7 million non-fatal workplace injuries and illnesses last year. The overall injury rate for the waste and recycling industry declined to 3.5 from 4.2 in 2019. The injury rate for solid waste collection fell to 5.2 from 5.8 over the same period. The rate for landfills fell to 3.4, down from 3.9 in 2019. The injury rate at materials recovery facilities (MRFs) rose to 5.2 from 3.6 in 2019.

"The recent BLS data tell us we have more work to do to reduce injuries and illness in the waste and recycling industry. Though we are pleased with the significant drop at landfills and among waste hauling, it is important that we work just as hard to reduce injuries and illness at MRFs and across the industry," said NWRA President and CEO Darrell Smith. "We cannot be satisfied with this report and we have a long way to go."

Bank of Canada ends QE bond buying program, a sign that higher rates are coming

Canada's central bank is keeping its benchmark policy interest rate right where it is, but is signalling that higher rates are coming soon.

In its latest policy decision, the Bank of Canada opted to hold its benchmark rate steady at 0.25 per cent, the same level it has been throughout the pandemic.

The bank slashed its rate in March 2020 to stimulate the economy by making it as cheap as possible to borrow and invest.

While holding that rate steady, the bank's statement does make it clear that it's getting ready to raise that rate sooner rather than later as the economy gets back on to its own two feet and the cost of living is increasing at a faster pace than expected.

Normally, higher than expected inflation is the sort of thing that would compel a central bank to hike its interest rate to cool things down. But the bank isn't doing that because stimulus is still needed to get out of the pandemic hole that the economy fell into last year.

While the bank makes it clear it's not ready to raise its benchmark rate yet, it gave a clear signal that it is headed in that direction by winding down its so-called quantitative easing program, one that saw the bank buy up as much as $5 billion worth of government bonds every week to keep lending cheap.

What is QE and how does it work?

Quantitative easing or QE works by having a central bank buy up large amounts of government bonds, which pushes up the price of those bonds since there is a sudden and sustainable surge in demand for them.

That in turn drags down their yield or the rate of interest attached to them, which has the effect of bringing down the cost of all sorts of things linked to government bond yields, including some mortgages and business loans.

Governments around the world implemented QE programs throughout last year as a way to squeeze as much stimulus into the system, even after they slashed their lending rates to basically zero.

As Canada's economy has slowly improved through 2021, the bank has slowly wound down the number of bonds it was buying under the program, and announced it would come to an end entirely.

That's a sign that the bank is getting ready to raise rates. Economists think there could be as many as four rate hikes by the end of next year.

The Canadian dollar jumped on the news, gaining about two thirds of a cent to trade at 81.35 cents US.

ATA's Spear questions vaccine mandate

The American Trucking Associations (ATA) continue to question a U.S. plan to require companies with more than 100 employees to mandate Covid-19 vaccines.

In a letter to ATA members, president and CEO Chris Spear noted the OSHA mandate was sent to the White House for review, and warns of "obvious problems and potentially dire consequences."

Saskatchewan and Manitoba truckers were vaccinated at the rest area near Drayton, North Dakota. (File Photo: North Dakota Department of Health)

The letter notes that a small portion of the trucking industry has more than 100 employees. "If these mandates are designed to actually better protect all Americans, how are employee lives at a smaller employer less important," Spear asks.

He also says drivers spend most of their work days isolated in a truck cab – "literally one of the safest places possible during a pandemic" – and that testing hundreds of thousands of truck drivers who move across the country every day is a virtual impossibility.

"We are working to ensure the ultimate rule, if and when it issues, takes into account the vital work that ATA members do every day in delivering life-saving Covid vaccines, medical supplies, and the necessities of life," Spear said.

In a September Pulse survey of Today's Trucking readers, 63% of respondents said Canadian jurisdictions should also require workplaces with more than 100 employees to ensure employees are vaccinated or tested once per week. The survey included 554 respondents.

Canada short 18,000 truck drivers in second quarter

About 18,000 of Canada's truck driving jobs were vacant in the second quarter of 2021, leaving 72% of surveyed employers to identify driver recruitment as a significant business challenge.

The results emerged Tuesday with the release of Trucking HR Canada's latest labor market information update.

While the number of vacancies is expected to ease somewhat after 2021, Trucking HR Canada projects the industry will annually face 17,230 truck driver vacancies in coming years.)

About 40% of employers surveyed by Trucking HR Canada said current business activity was higher than pre-pandemic levels, while 2/3 were unable to hire all the people they needed in the past year. Fleets reported they receive few applications for vacant driving positions, and the applicants who respond rarely have the training and experience needed to start immediately.

About 1/3 of surveyed employers said retirements and voluntary turnover had also increased during the pandemic.

Young truck drivers up to the age of 24 were more likely than their older peers to be laid off during the pandemic, and many left the labor force altogether, Trucking HR Canada adds. The labor force for young truck drivers was down 38% year over year in January 2021. But the number of truck drivers age 55 and over expanded.

While women account for 3.7% of truck driving jobs, they represented 15.9% of the drop in employed truck drivers during the second quarter. Most of those who lost their jobs also left the labor force, although the share of female drivers recovered to pre-pandemic levels by June.

The facts emerged against a backdrop of an acute driver shortage in the U.K., where panicked consumers have been draining fuel stations dry.

"While the causes of the U.K. driver shortage are nuanced and context-specific, the 'perfect storm' represented by the crisis raises important questions about the driver shortage in Canada," the updates notes.

"In Canada, labor shortages in trucking and logistics are an ongoing and growing concern."

As an example, Trucking HR Canada cites Forest Products Association of Canada estimates that the driver shortage cost its industry sector about $450 million in lost productivity.

U.S. driver shortage worse than ever: ATA

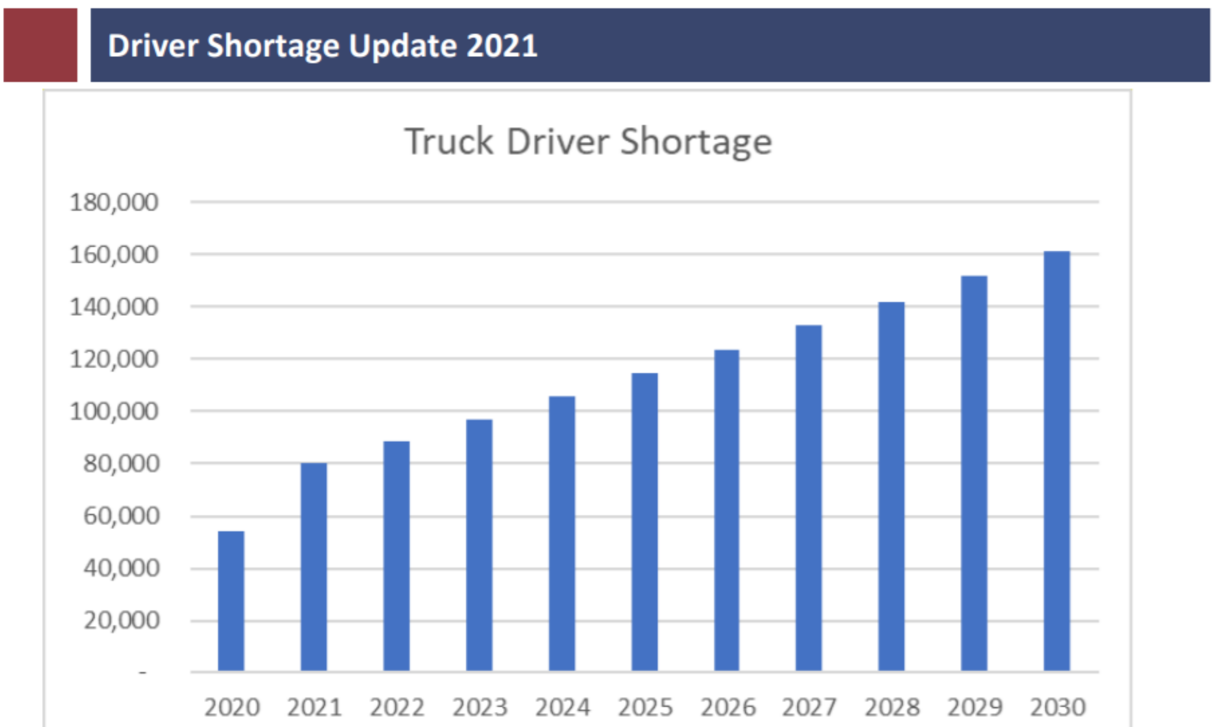
The U.S. trucking industry is short about 80,000 drivers today – an all-time high – and if current trends continue, will be short 160,000 drivers by 2030.

The figures come from the latest analysis by the American Trucking Associations (ATA). ATA chief economist Bob Costello discussed the report with media, saying the numbers should come as a warning that the supply chain issues seen today could be permanent in the future due solely to a lack of drivers.

The driver shortage was first documented by ATA in 2005.

“Those items that were true in 2005 are still true today,” Costello said, citing factors like an aging demographic, an inability to attract women, and lifestyle challenges. “We have some new things that have exacerbated the shortage.”

Among those, he listed the pandemic, which curtailed the flow of new entrants, and a surge in e-commerce. Costello said van delivery drivers may make less money than over-the-road truckers, however they are home every night and can supplement their income as rideshare drivers.



(Source: ATA)

There’s also the drug and alcohol clearinghouse, which came into effect in January and has sidelined about 70,000 drivers.

Costello noted the driver shortage actually improved just prior to the pandemic, due to softening freight demand.

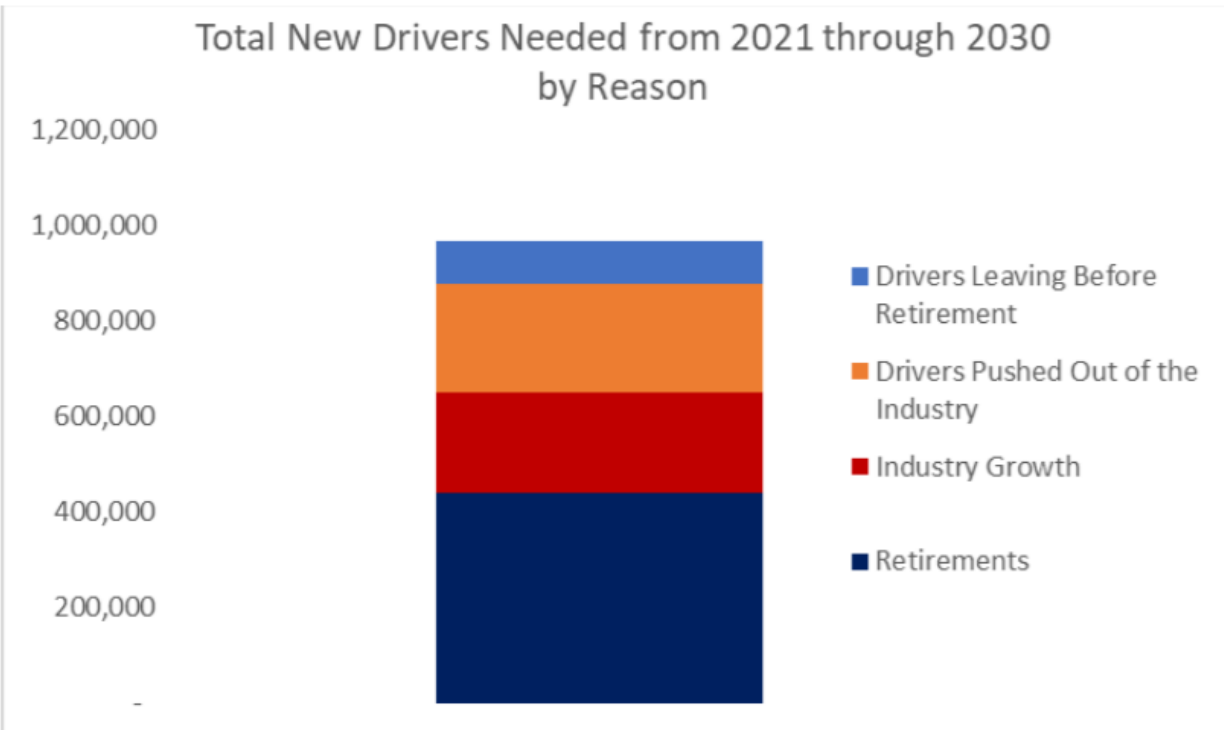
He said shippers have a role to play in solving the problem, by reducing wait times for drivers at their facilities.

As an example, he said consumers may find only three varieties of apples at their local supermarket instead of seven, as some shipments aren't able to be delivered.

While truck driver wages are on the rise (Costello said average weekly earnings in the industry are increasing at five times the historical average), he said lifestyle issues are a bigger concern. As trucker wages increase, he said many drivers would prefer to drive less and enjoy more home time.

The shortage is most pronounced in the over-the-road truckload segment. But even LTL and private fleets are struggling, Costello said, noting private fleets that historically never had to offer signing bonuses are now doing so.

Over the next decade, ATA projects the U.S. industry will need to attract nearly a million drivers, primarily due to driver retirements. "We need to figure out how to get a lot of people into this occupation over the next 10 years," Costello said.



(Source: ATA)

Getting young drivers approved to run across state lines is another partial solution, Costello said. While fleets have plenty of intrastate freight, it tends to be inner-city and more challenging for newly licensed drivers.

"It's better for those folks as they're learning to be out on the open road," he said. The average newly trained entrant to the profession is 35 years old. Costello said that's when they typically want to be home with their families.

Costello also noted fleets do receive lots of applicants, but "there's a quality issue here. They cannot hire the vast majority of them."

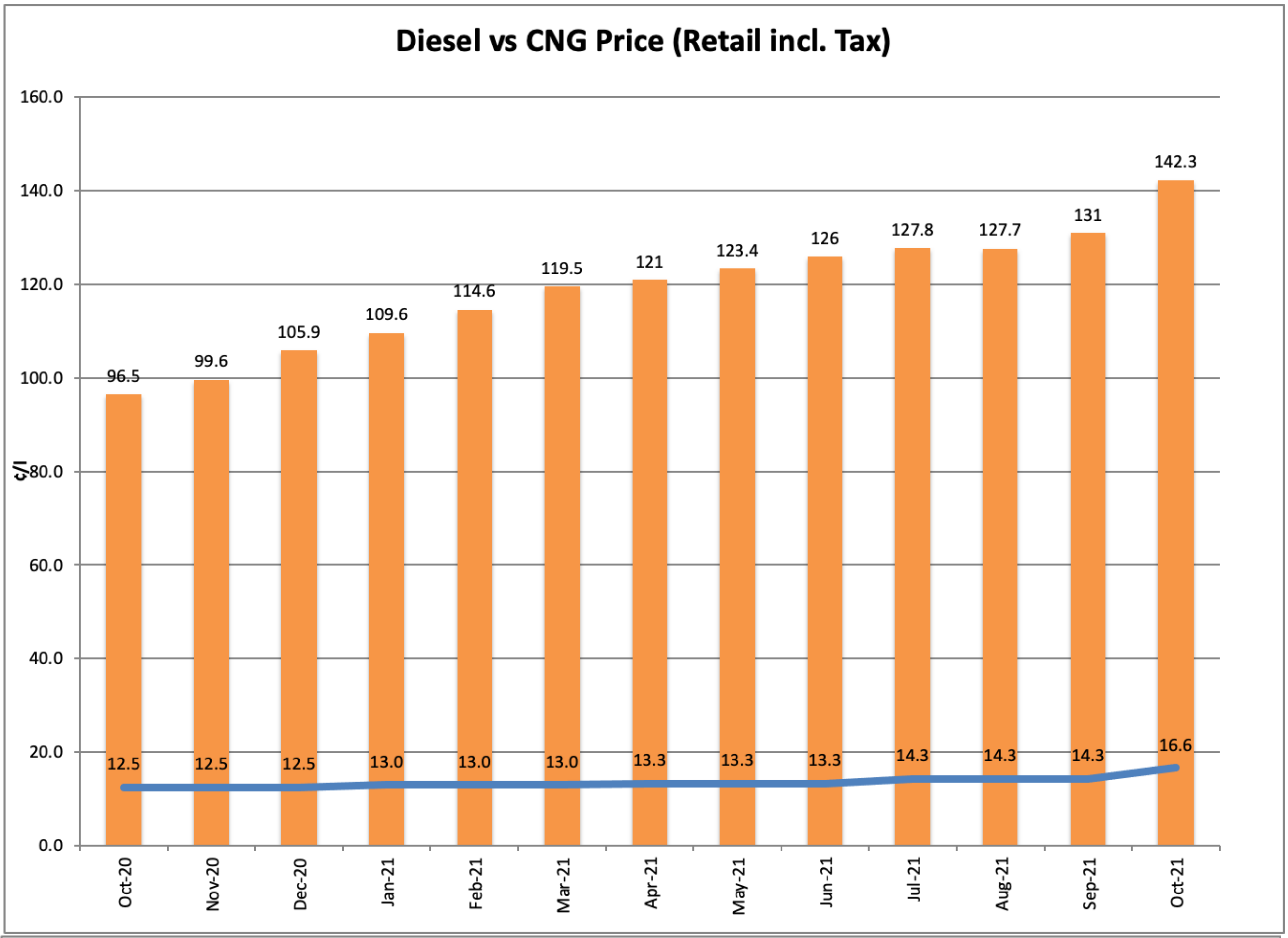
Driver turnover also remains a challenge, at about 90% today, but well off the record 136% in 2005.

GFL Into Second Step of Proposed Moose Creek Landfill Expansion in Ontario

GFL Environmental Inc., which owns and operates the landfill, is looking to expand it by 15.1 million cubic meters — enough to increase the location's lifespan by 20 years. The current location only has an estimated four years left before it becomes full. "It's a long process, therefore we started it before it was actually full," said Daniel Brien, vice-president of environmental compliance and landfill operations for GFL. "It's the continuation of our operation."

Located north of Moose Creek, the landfill currently has a permitted annual fill rate of 755,000 tons per year and an average daily fill rate of 2,500 tons per day. Although the company is seeking to enlarge the site, it isn't requesting an increase in the permitted daily and annual fill. According to Brien, the same amount of traffic will continue to flow to the landfill — there won't be any increase. "It's only to continue to serve our customers," he said. "We serve pretty much the majority of eastern Ontario."

Locally, North Glengarry and North Stormont both send curbside garbage to this GFL facility. The Mohawk Council of Akwesasne also has a contract with GFL to landfill the waste collected from the northern part of the community. Beyond that, GFL has collection contracts with some commercial, industrial, and multi-residential buildings in the region.



Diesel vs CNG Price (Retail incl. Tax)
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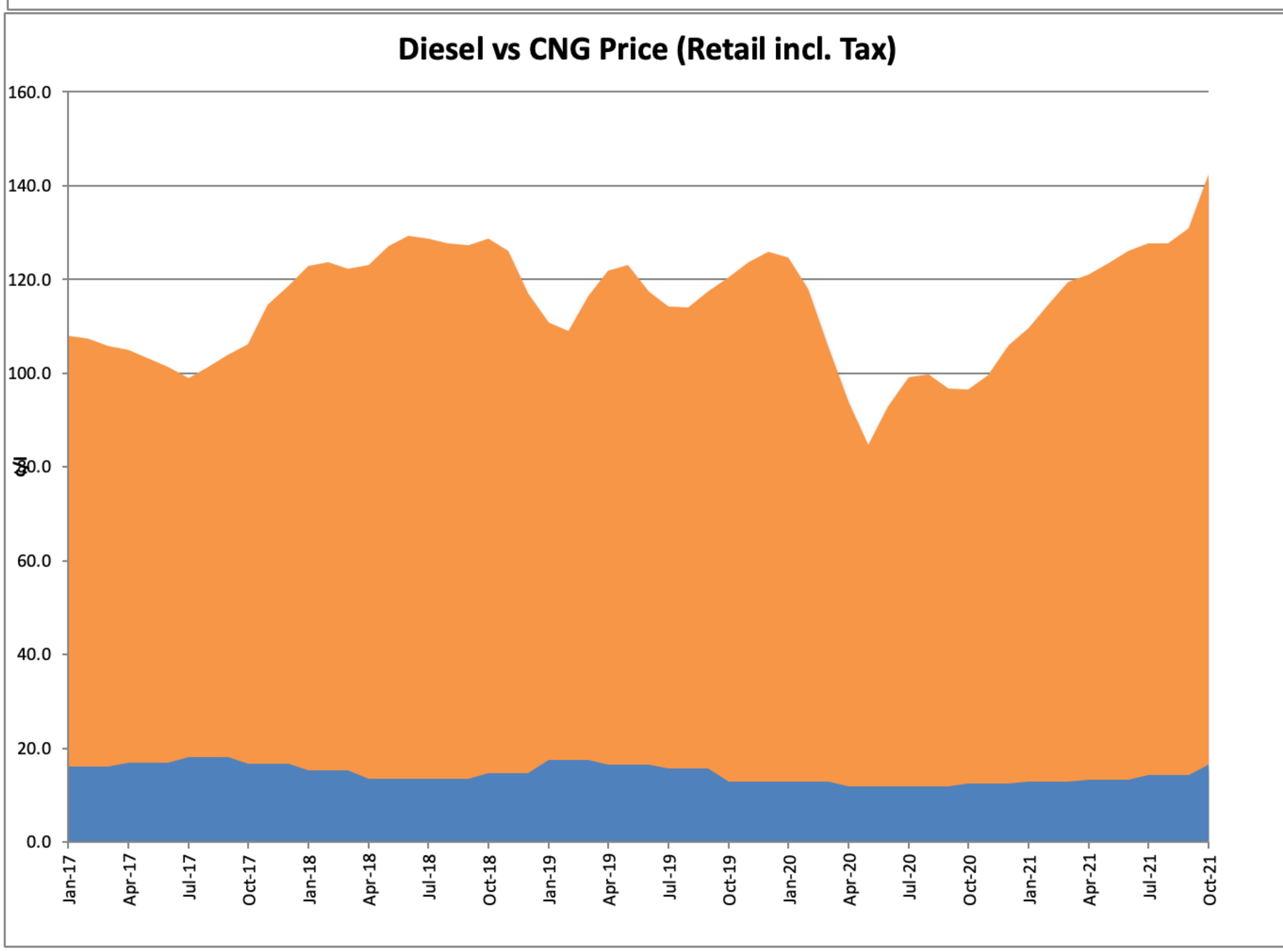

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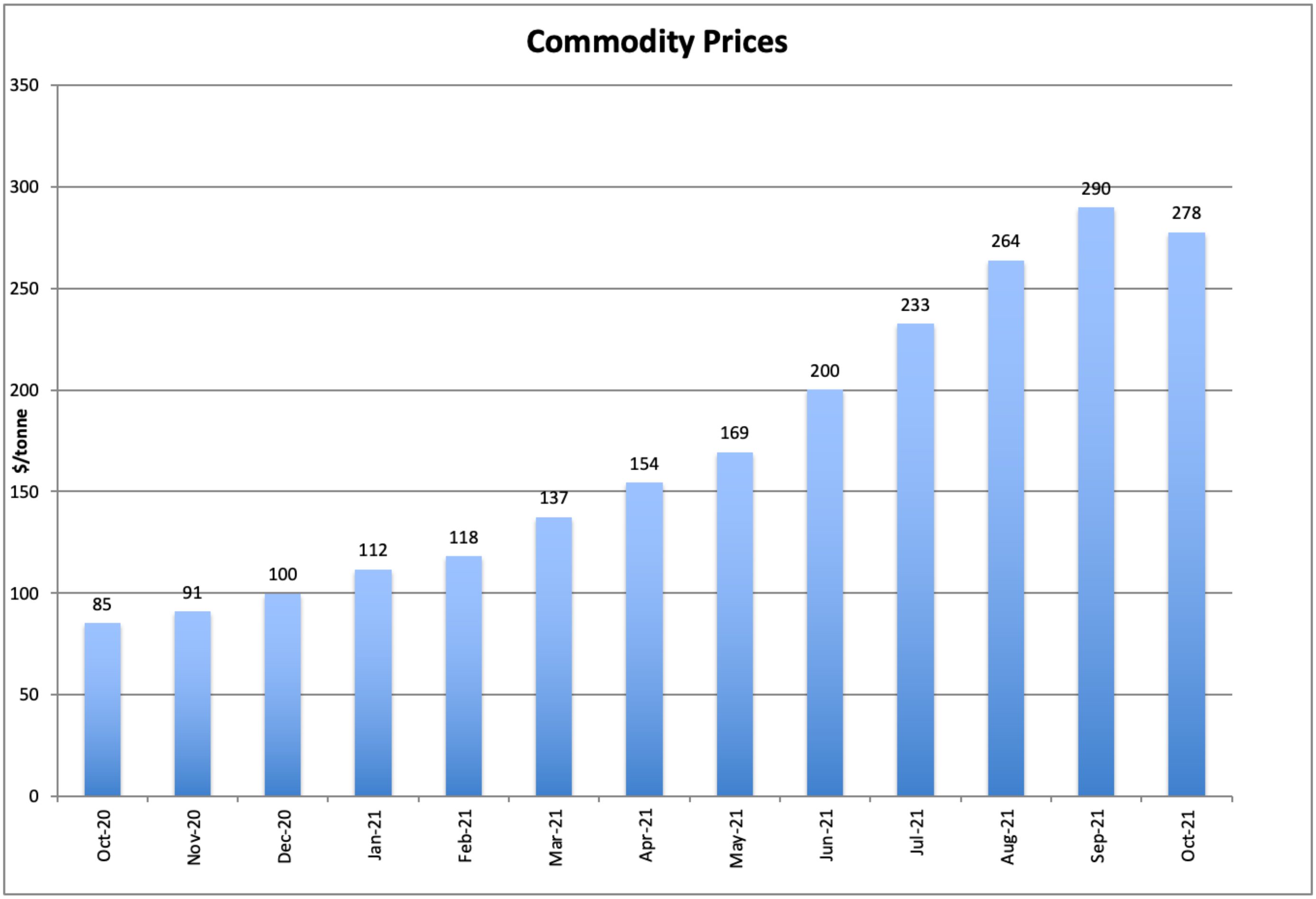
Commodity Prices
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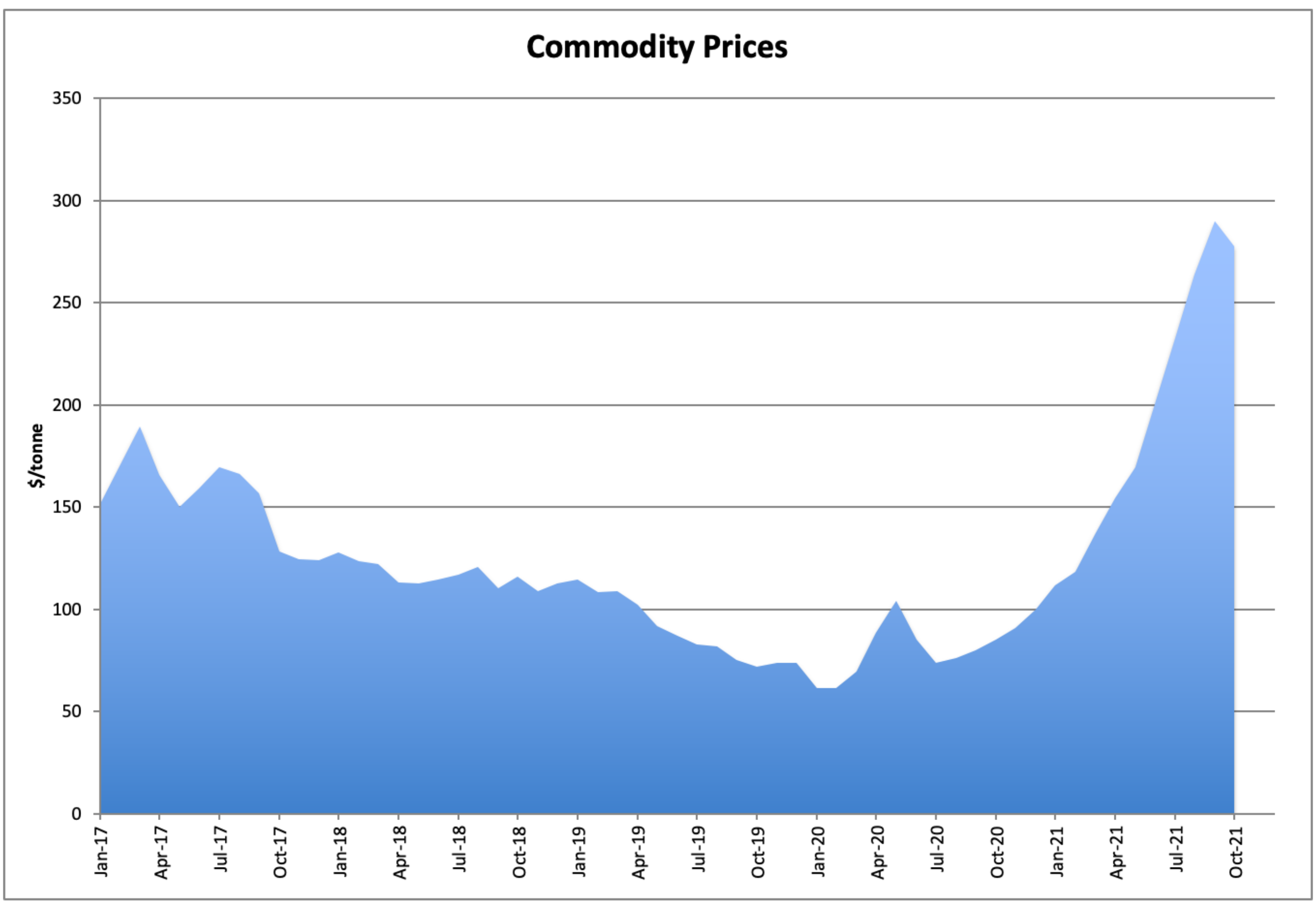
Commodity Prices
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