



# Beverage Container Management Board

[www.bcmb.ab.ca](http://www.bcmb.ab.ca)

Three Year Business Plan  
January 1, 2015 to December 31, 2017

---

## ***Table of Contents***

---

|  |    |
|--|----|
| Table of Contents.....   | 2  |
| I. Accountability Statement .....  | 3  |
| II. Realizing an Innovative, Convenient and Cost-Effective Beverage Container Recycling System |    |
| A. Vision & Mission.....   | 4  |
| B. Mandate.....  | 4  |
| C. Operating Principles.....   | 6  |
| III. Environmental Stewardship Through Beverage Container Recycling                            |    |
| A. The BCMB's Contribution to Environmental Stewardship in Alberta.....                        | 7  |
| B. Current Environment for Beverage Container Recycling.....                                   | 8  |
| IV. 2015-2017 Goals, Strategies and Performance Measures.....                                  | 11 |
| V. Financial Plan.....   | 26 |
| VI. Monitoring and Evaluation.....   | 30 |

## ***I. Accountability Statement***

---

The Beverage Container Management Board's (BCMB) Business Plan for the period January 1, 2015 through December 31, 2017 was prepared in accordance with the requirements of the Beverage Container Recycling Regulation, as amended, which was enacted under the *Environmental Protection and Enhancement Act* and the organization's bylaws. All of the BCMB's existing, and proposed, policies and procedures as of November 2014 and all of the Board's accountability obligations and relationships have been considered in preparing this Budget and Business Plan. As well, the Government of Alberta's and Department of Environment and Sustainable Resource Development's Business Plans and priorities were taken into account in the development of the BCMB's Business Plan.

The BCMB is committed to achieving the planned results laid out in this Business Plan.

Approved by the Board of Directors:

Beverage Container Management Board



Per: ROSS KISVOLD  
Chair

## ***II. Realizing an Innovative, Convenient and Cost-Effective Beverage Container Recycling System***

---

### **A. Vision and Mission**

The BCMB's vision is to be *"the leader in stewarding beverage containers to minimize their impact on the environment"*. The vision anticipates a beverage container management system with:

- higher return rates (85 percent or better);
- greater public participation;
- convenient, cost effective container collection;
- strong alignment among system stakeholders;
- consistent high levels of service from depots;
- consistent, fair and firm enforcement of depot and CSA/CSP standards; and
- financial transparency.

Consistent with its vision, the BCMB's mission is to *"govern a leading beverage container management system that is innovative, accessible and cost effective"*.

### **B. Mandate**

The Beverage Container Management Board was incorporated under the *Societies Act* as a management board under the Beverage Container Recycling Regulation pursuant to Section 175(jj) of the *Environmental Protection and Enhancement Act* on December 1, 1997. By Order in Council 505/2008 dated October 22, 2008, the Beverage Container Recycling Amendment Regulation extended the Beverage Container Recycling Regulation (BCRR) to October 31, 2013. The BCRR is currently under review as part of the Government of Alberta's regular and ongoing review of Alberta regulations.

The BCMB operates in accordance with the Societies Act Bylaws set by the membership, as well as the following by-laws set by the Board:

- Beverage Container Management Board Administrative By-law;
- Beverage Container Management Board Fee By-law;
- Beverage Container Management Board Administrative Compliance By-law;
- Beverage Container Management Board Handling Commission Criteria By-law;
- Beverage Container Management Board Uniform Code of Accounts Compliance By-law;
- Beverage Container Depot Operation and Administration By-law; and
- Beverage Container Depot Permit Application Renewal and Amendment By-law.

The BCMB's programs and goals support the priority placed by the Alberta government on policies, programs, services, strategies and performance measures related to sustainable environmental management. The BCMB is a leader in the development of policy and programs that better enable and lead the recycling of beverage containers in Alberta. The key outcome of beverage container recycling is the minimization of waste through the reuse and recycling of beverage containers.

Goal one of four in Alberta Environment and Sustainable Resource Development's 2015-2017 Business Plan is a healthy environment and ecosystem, to be achieved by meeting the desired environmental outcomes for air, land, water and biodiversity. To this end, its Business Plan speaks to an objective of reducing the number of kilograms of municipal solid waste per capita to landfills. In alignment with this objective, the BCMB's stated mandate from its incorporating documents is to *"establish, maintain and administer a waste minimization and recycling program for beverage containers."*

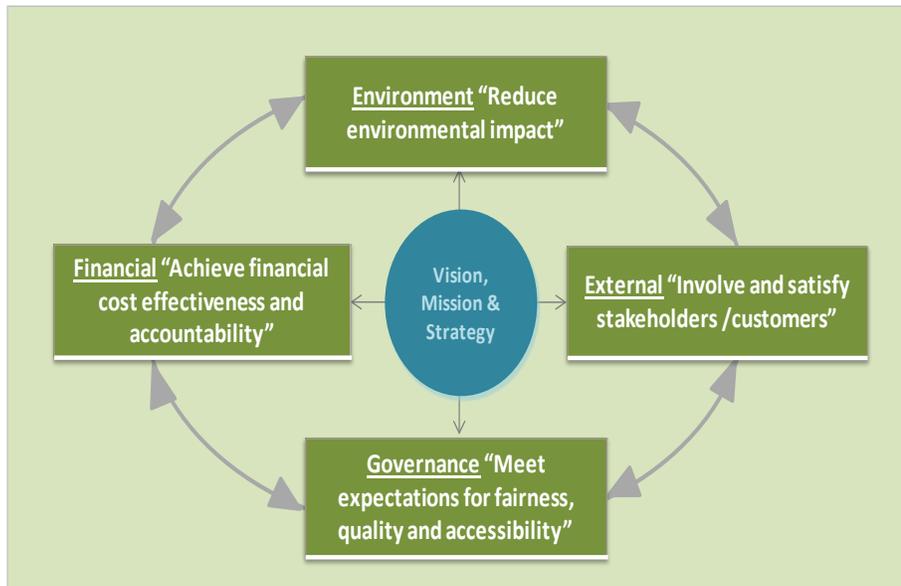
The BCMB achieves this mandate by realizing its four goals for Alberta's beverage container management system (see Exhibit II-1 on page 6):

1. A reduced environmental impact by (i) achieving and maintaining a beverage container return rate that is 85 percent or greater, and (ii) minimizing the systems' environmental footprint.
2. Financial cost effectiveness, accountability and transparency.
3. Wide-ranging public and consumer awareness of and participation in a system that meets their expectations and results in satisfaction.
4. Accessible, quality service that complies with legislation and the BCMB's standards for operations.

The BCMB's by-laws and policies, as well as information on beverage container recycling programs can be found at <http://www.bcmb.ab.ca>

## Exhibit II-1

### BCMB goals for the beverage container management system



## C. Operating Principles

In delivering its mandate and objectives, the BCMB adheres to five principles that guide its policies, operations and relations with stakeholders:

1. **Environmental Protection** – The BCMB is committed to the protection of the environment by removing beverage containers from the waste stream and by requiring that beverage container recycling and reuse activities have a minimal impact on the environment.
2. **Public Service** – The BCMB recognizes its obligation to serve the public interest by applying its expertise and knowledge in beverage container recycling and reuse, and in business management, to the enhancement of the environment.
3. **Accountability** – The BCMB is accountable to the Ministry, beverage container management system stakeholders, beverage consumers and Albertans. As a result, the BCMB is committed to processes that are transparent and fair.
4. **Excellence in Customer Service** – The BCMB is committed to service standards for system customers that will encourage participation in container recycling and reuse, while recognizing the need for a cost effective beverage container management system.
5. **Innovation** – The BCMB encourages innovation in all aspects of beverage container use and recycling.

---

## **III. Environmental Stewardship Through Beverage Container Recycling**

---

### **A. The BCMB's Contribution to Environmental Stewardship in Alberta**

The BCMB is a not-for-profit association formed by representatives of Alberta beverage manufacturers, container depots and the public (environmental organizations, municipalities and interested citizens)<sup>1</sup>. It is charged with the responsibility of administering and delivering Alberta's beverage container management system – a system for collecting and recycling and/or reusing beverage containers - within policy parameters established by the Minister of Alberta Environment and Sustainable Resource Development.

Since its inception on December 1, 1997, the BCMB has worked to ensure that Albertans have access to a convenient and cost-effective system for recycling and reusing used beverage containers. The BCMB exists to:

- optimize beverage container recycling and reuse by diverting material from landfills, reducing the environmental impacts of beverage container use and providing manufacturers with a source of clean, recyclable materials or reusable containers.
- govern and administer the beverage container recycling and reuse system. In this regard the BCMB has responsibility for:
  - registering all beverage containers sold and/or distributed within the province of Alberta;
  - setting both the criteria for establishing new beverage container depots and depot operating standards;
  - approving the establishment of new depots, issuing permits, monitoring ongoing depot operations for their effectiveness and service quality, and cancelling or suspending permits for non-compliance with approval conditions or operating standards;
  - overseeing aspects of the agreements between beverage manufacturers or the Collection System Agent (CSA)<sup>2</sup> and depots or retailers, related to the manner and frequency of container collections and the associated payments;

---

<sup>1</sup> The BCMB has a 16 member Board of Directors. Fifteen are voting members – five each from the beverage manufacturing sector, the depot sector and the public. One is a non-voting member who represents the Alberta Government.

<sup>2</sup> The CSA – the Alberta Beverage Container Recycling Corporation (ABCRC) – is currently the Collection System Agent for all non-refillable beverage containers in Alberta. Refillable containers are managed by Collection Service Providers (CSPs).

- assessing the operations of the CSA appointed by manufacturers and approving their choice;
- developing and implementing a process for setting the amounts that a manufacturer or the CSA/CSP pays to the depot for container collection (handling commissions); and
- setting fees paid by manufacturers or depots for permits, registrations or the operations of the BCMB.

The BCMB's members are dedicated to overseeing and enhancing Alberta's beverage container management system. The BCMB has developed and implemented policies, administrative mechanisms and programs to effectively meet its objectives. This continues to be a priority; however, the BCMB will also continually review its programs, seek improvements to services and look for innovative ways to benefit the public by:

- pursuing initiatives that improve container recycling return rates;
- reducing the environmental impact or footprint of operating the beverage container management system;
- ensuring that the beverage container management system operates in a cost effective and transparent manner;
- effectively governing and managing Alberta's beverage container management system; and
- improving accountability to the public and the Ministry of Environment and Sustainable Resource Development (the Ministry) through effective measurement and monitoring of performance.

## **B. Current Environment for Beverage Container Recycling**

### **1. Contributing to a Sustainable Environment**

A core foundation for beverage container recycling and reuse is the public's increasing awareness of the natural environment and their impact on it as consumers. This is reflected in public concern over waste and litter management. Issues such as climate change and energy conservation are also raising environmental awareness and inspiring activity on and attention to the importance of reuse and recycling of containers. As a consequence, there are increasing expectations on government, the beverage industry and others for the responsible use and recycling of the resources used in beverage container manufacturing.

The extent that beverage container recycling is understood and practiced by Albertans is measured by the container return rate and the extent of recycling and reuse that occurs. In the current environment, there are challenges and opportunities associated with increasing return rates. These include:

- increasing the extent to which beverage containers are recycled by (i) industrial, commercial and institutional organizations, and (ii) consumers in multi-family residential developments; and
- maintaining awareness of the importance of and approach to beverage container recycling in

Alberta – particularly in view of the province’s growth and the number of new Albertans.

Alberta and the BCMB are committed to the objective of environmental protection through beverage container recycling. To this end, the Government of Alberta has set the goal of achieving an overall 85 percent return rate for beverage containers. This is an overriding priority for the BCMB and achieving it will go a long way towards ensuring that the use of beverage containers and the associated recycling activities have a minimal impact on the environment.

*The strategic directions and activities identified in the BCMB’s 2015 – 2017 Business Plan have been developed with the primary goal of achieving the targeted 85 percent beverage container return rate.*

## **2. Enhancing the BCMB’s Core Responsibilities**

The BCMB has established the core competencies required to administer the beverage container management system – registering containers and manufacturers; permitting and monitoring depots; setting handling commissions; and overseeing aspects of the relations between manufacturers, depots, the CSA and the CSPs. While competencies and the task of achieving the targeted 85 percent return rate for containers are important, the BCMB must also refine its governance to enable and support continued improvement and a beverage container collection system that is innovative, accessible and cost effective for Albertans.

In 2008, the Government of Alberta completed its review of the BCRR and provided the BCMB with the renewed authority to fulfill its mission. It’s important for the organization to work with the CSA, CSPs and depots to review, clarify and improve on their respective roles and accountabilities. There is an increased expectation of leadership from the BCMB and in this regard the BCMB must focus on:

- delivering on all process responsibilities, particularly processes involving compaction, collection and auditing of beverage containers, handling commissions, joint communications with its key stakeholders and compliance;
- leveraging partnerships to enhance its capability in exercising its mandate; and
- quality outcomes that are supported by performance measurement.

*The BCMB’s 2015 – 2017 Business Plan contains the strategic priorities that will ensure continued delivery of core functions, improved governance and leadership, and an effective partnership between depots and manufacturers.*

## **3. Expanding and Strengthening the Beverage Container Recycling System**

Alberta is well known as a leader in Canada’s beverage container recycling industry. Many bottle depots are using leading-edge technology and automation as the industry strives to offer its customers the most efficient and effective return process possible.

The BCMB is nearing its goal of an 85 percent return rate in Alberta, though growing beverage sales make that goal more challenging to reach. The BCMB continues to work with industry to improve the return rate and an annual record of two billion containers returned to depots for recycling was reached in 2013.

This type of growth makes it imperative that the BCMB, depots, the CSA, the CSPs and industry stakeholders work together to expand and strengthen the beverage container recycling system. A number of related initiatives are being considered or are underway.

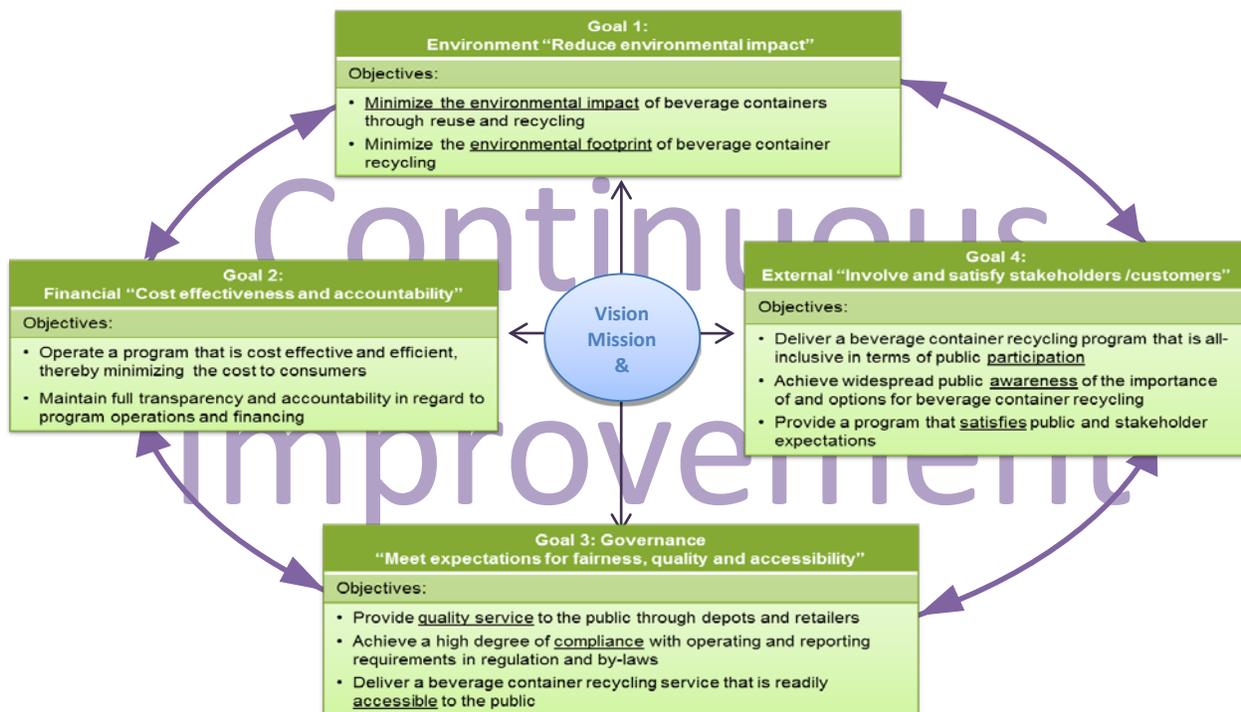
- Progress is being made on opening more depots in Calgary.
- Innovations such as swipe-card technology are being explored to allow the public to return beverage containers to depots 24/7 and 365 days a year, particularly in densely populated metro areas.
- Audits on metro Material Recovery Facilities (MRFs) are being conducted to determine their impact on the beverage container recycling industry.
- 'In-person' surveys are being used, along with telephone surveys, to measure the public's experiences at depots and to determine why they do/do not recycle.
- Industry is looking at how to provide post-secondary students with opportunities to recycle beverage containers and recover their deposit, as they often do not have easy access to a bottle depot.
- Industry is working on enhancing its relationship with municipalities.
- Opportunities to collaborate with Alberta Environment and Sustainable Resource Development's two other recycling Delegated Administrative Organizations are being pursued and joint communications initiatives with the Alberta Recycling Management Authority (ARMA) and Alberta Used Oil Management Association (AUOMA) are taking place.

## IV. 2015 – 2017 Goals, Strategies and Performance Measures

Exhibit IV-1 summarizes the BCMB's goals and objectives over the three-year planning period.

### Exhibit IV-1

#### BCMB 2015 – 2017 Goals and Objectives



In order to progress towards achieving its goals, the BCMB has identified and committed to strategies aimed at improving program delivery and outcomes.

## **Goal 1**      **REDUCE ENVIRONMENTAL IMPACT**

---

The BCMB recognizes the overriding importance of protecting and enhancing Alberta’s environment through minimizing the number of beverage containers discarded as litter, diverting beverage containers from the waste stream, and enabling the reuse of containers and use of recycled container materials – all in a manner that is environmentally responsible. Board members and stakeholders together strive to attain the Government of Alberta’s goal of an 85 percent container return rate. This is the most fundamental measure of the program’s achievements and is driving many of the Board’s actions over the next three years.

In 2014, the Board investigated and addressed many of the specific issues and barriers affecting the beverage container return rate. Concerted efforts were made to:

- continue research into best practices, current by-laws, policies and guidelines for multi-family dwellings with a goal to enhance access to recycling infrastructure for these dwellings in the future;
- improve its understanding of the source and quantity of the remaining beverage container waste in Alberta Material Recovery Facilities (MRFs);
- investigate shopping mall food court consumer and retail recycling habits, infrastructure and best practices;
- compare overall return rates and those for specific material streams with other jurisdictions in Canada and with California;
- enhance board and industry knowledge about the variables that impact the beverage container return rate. A return rate “boot camp” was held in May for board members to examine how the return rate is calculated and what drives or influences the rate;
- increase opportunities to evaluate current outcome measures, projects and marketing plans developed to increase the return rate in Alberta;
- build and strengthen relationships with the CSA, using its resources and experience in container recycling operations, communications and awareness. Some BCMB supported initiatives include:
  - the Recycling Infrastructure Program (RIP), which funds and supports depots that provide beverage container pick-up services from businesses, schools, and homes and place new beverage container recycling infrastructure in their communities; and
  - the Community Champions Program which supports the distribution of specialized (indoor and outdoor) recycling bins to Community Champions Partners (CCP). The bins are strategically placed in order to provide more accessible and convenient out-of-home recycling opportunities. This program connects businesses, non-profit and charitable organizations, and municipalities with their local depots. It provides important financial and social benefits to communities, with the ultimate goal of diverting beverage containers from landfills.
- provide continued support to the Alberta Bottle Depot Association (ABDA) in an effort to set-up point-of-return (POR) software in Alberta depots. The software provides an automated count of

containers that can be viewed by the consumer on a monitor. POR systems increase consumer confidence in the accuracy of the refund provided by a depot and streamline financial processes. All depots handling an excess of 10 million containers per year will be required to have a POR system in operation in their depot by January 2016;

- continue to evaluate the depot inspection process and evaluation criteria, including the depot permit matrix tool. Depot operators receive one to five year permits, depending on their performance over the length of their previous permit. The permit matrix allows the BCMB to consider criteria such as inspection scores, attendance at required industry meetings, and internal and external refund compliance programs when renewing depot operator permits. All applicable scoring and evaluation information is available on the BCMB website at [www.bcmb.ab.ca](http://www.bcmb.ab.ca);
- complete the survey management system which enables compliance officers to perform inspections electronically in the field, automatically saving the results in the database, reducing the need for paper and increasing efficiency. The system also enables the creation of other compliance forms and surveys when required;
- produce external signs for each depot. The sign features the ABDA trademarked logo “DEPOT *it’s worth it*”. Maintenance and posting of the sign was included in the depot inspection process and scoring system as of April 2014. All depots currently have the sign posted on the exterior of their building;
- introduce logo branded uniforms for front end employees of Depots. The ABDA trademarked logo “DEPOT *it’s worth it*” must appear on clothing of depot staff.

## **Goal 1**    *Strategies and performance measures*

---

Over the next three years, the Beverage Container Management Board will:

**A. Improve return rates.** The BCMB will continue to develop and implement partnerships, recycling campaigns and technologies that will increase the proportion of beverage containers returned to depots. Examples of initiatives include:

- research into best practices and the infrastructure needed to increase beverage container recycling at multi-unit family housing complexes. Partnering with the Canadian Home Builders Association, BCMB Administration will develop a pilot project that incorporates recycling facilities in a multi-family housing unit. The project would be piloted over a two year period with the goal of developing (i) a “best practices” manual that may contribute to standards for recycling facilities in future builds, and (ii) information on where to access recycling infrastructure.
- beverage container recycling programs and initiatives such as the Recycling Infrastructure

Program, Community Champions Program, Every Empty Counts (container recycling in schools), brochures and guides for the public, depot promotional materials/handouts, educational exhibits and industry presence at community events (Love to Recycle Team) and conferences throughout Alberta.

- continued work by two industry committees<sup>3</sup> on best operating practices as well as communications and marketing campaigns that can better reach and inform the public about the recycling and reuse of beverage containers.

**B. Increase depot responsibility and accountability for recycling.** The BCMB will focus on the development of an educational depot training manual. The manual will be a “how-to” on building and operational functions of a depot, industry resources and requirements.

**C. Develop a consistent, high quality beverage container recycling brand.** The BCMB will continue to work with industry stakeholders to introduce common signage that features the depot logo in all depots, at community events, on infrastructure such as bins and trailers, and within publications. As well, branding will continue to be incorporated into depot uniforms, which all depot employees will be required to wear as of January 1, 2015.

**D. Conduct waste characterization audits.** The BCMB will continue to coordinate and initiate waste audits that identify the source, type and quantity of beverage containers reaching landfills or being recycled through alternative methods (not being processed through depots).

- Joint Delegated Administrative Authority waste audits -the BCMB will continue to partner with the ARMA to conduct further Alberta waste audits and Material Recovery Facility audits that will focus on multi-family, industrial, commercial and institutional waste, and blue box/bag recycling streams and provide knowledge that supports targeted beverage container recycling initiatives.

---

<sup>3</sup> The Return Rate Committee (participants include the BCMB, ABDA and ABCRC) and Delegated Administrative Organization Executive Committee (includes members from the BCMB, ARMA and AUOMA)

| <b>GOAL 1 - REDUCE ENVIRONMENTAL IMPACT</b>                |  |                    |                    |                      |                    |                    |                    |
|--|--|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| <b>Performance Measures and Objectives<sup>4</sup></b>     | <b>2013 % of total # of containers returned to depots (2.01 billion)</b> | <b>Actual 2013</b> | <b>Target 2014</b> | <b>Estimate 2014</b> | <b>Target 2015</b> | <b>Target 2016</b> | <b>Target 2017</b> |
| <b>Objective: Environmental Impact</b>                     |  |                    |                    |                      |                    |                    |                    |
| <b>Overall return rate</b>                                 | <b>100%<sup>5</sup></b>  | <b>82.3%</b>       | <b>83.7%</b>       | <b>82.6%</b>         | <b>83.4%</b>       | <b>84.2%</b>       | <b>85.0%</b>       |
| <b>Return rate by container type:</b>                      |  |                    |                    |                      |                    |                    |                    |
| Aluminum   | 45.9%  | 87.2%              | 89.2%              | 87.1%                | 87.8%              | 88.6%              | 89.3%              |
| Bi-metal   | 0.3%   | 82.6%              | 83.6%              | 84.2%                | 84.3%              | 84.4%              | 84.5%              |
| Glass  | 8.8%   | 91.8%              | 90.6%              | 92.0%                | 92.2%              | 92.3%              | 92.5%              |
| Glass (Refillable)   | 6.2%   | 93.3%              | 93.3%              | 93.4%                | 93.3%              | 93.1%              | 93.0%              |
| Other Plastics   | 30.1%  | 77.1%              | 78.1%              | 78.2%                | 78.8%              | 79.5%              | 80.1%              |
| Polycoat   | 8.7%   | 65.7%              | 70.8%              | 66.7%                | 69.9%              | 73.1%              | 76.3%              |
| <b>Objective: Program Environmental Footprint</b>          |  |                    |                    |                      |                    |                    |                    |
| Environmental Benefits resulting from recycling activities |  |                    |                    |                      | TBD                | TBD                | TBD                |

<sup>4</sup> The 2014 estimates and 2015-17 targets are based on data available at the time of printing. Target rates consider the Board's direction for the system and provide a reasonable forecast of recoveries by container type.

<sup>5</sup> Reflects the total number of containers (2.01 billion containers) returned and the breakdown of containers by type.

## **Goal 2** COST EFFECTIVENESS AND ACCOUNTABILITY

---

The BCMB recognizes that it must operate cost effectively and efficiently in order to minimize program costs to consumers. This requires that the costs of collection be reduced through innovations that involve (i) the simplification of collection processes (e.g. less handling, fewer sorts and compaction) and (ii) the use of technology that may be new to the depots or to the CSA.

In 2014, the Board investigated and addressed some of the specific issues and opportunities related to improvements in cost effectiveness and efficiency by:

- benchmarking and evaluating leading practices in beverage container recycling as a source of options for improving cost effectiveness, including initial discussions on redevelopment of industry auditing processes and evaluation;
- coordinating the negotiation of compaction processes, including the introduction of a truck based pilot program in which containers are collected and compacted by the CSA at the depot;
- conducted an annual Depot Satisfaction Survey at its regional meetings to identify the depot operators' overall experience and satisfaction with the CSA;
- entering Phase II of the pilot project for the use of counting and sorting technologies with depots and the CSA to better understand potential benefits or considerations for the industry. An evaluation of Phase II will take place in late 2014;
- continuing to work with industry partners to develop and pilot an industry Quality Monitoring System to be used by the BCMB, the CSA and the depot network to monitor, track, report and enhance current system processes and services; and
- leading discussions and negotiations on the development of the CSA By-law and further development of requirements for reporting and evaluation in the CSA Operating Plan.

## **Goal 2** *Strategies and performance measures*

---

Over the next business planning period, the Beverage Container Management Board will:

**A. Actively monitor program system efficiency.** In consultation with the ABCRC and the ABDA, the BCMB will move forward with research to define best practices, policies and audit processes for beverage containers shipped to the ABCRC by depots. Specific attention will also be paid to defining new methods to audit compacted containers and the continuation of the truck-based compaction pilot at depots.

The BCMB will continue to enhance the effectiveness of the ABCRC in its capacity as a key agent in delivering the beverage container recycling program. To this end, the development of a Collection

System Agent By-law and Collection System Agent Operating Agreement will continue. The implementation of the by-law and agreement will help define the content of the ABCRC's current annual Operating Plan, the Service Agreement between the ABCRC and ABDA, and evaluation and reporting criteria applied to the CSA.

The BCMB will continue to conduct the annual Depot Satisfaction Survey. The survey is completed by depot operators to evaluate their experience with the performance and effectiveness of the ABCRC.

**B. Explore efficiencies through capital intensive technologies.** Promising technologies can enhance consumer convenience, improve container return rates and reduce costs. Examples of those currently being considered include:

- **Swipe Card Technology/Quick Drop Service** - an industry initiative to pilot alternative collection methods using a "quick-drop service" approach and swipe card technology. The pilot project will engage current depot operators in the development of a business plan for providing consumers with the opportunity to drop off containers at alternative sites and use a swipe card to identify themselves and receive their refund.

The quick drop alternative site would have limited staffing and ideally extend depot hours of operation. It would be located in high-density or convenient-to-access locations. Consumers would be paid through a web-based program that is operated by the depot operator. Collection and counting of the containers will be the responsibility of the depot operator. The goal of the pilot is to provide high quality service and increased accessibility to the consumer, while expanding the depot operators' business and connection to the community.

**C. Administer the Beverage Container Innovation Fund.** The BCMB will continue its mandate of exploring and introducing innovative methodology to enhance the efficiency and effectiveness of beverage container recycling. The BCMB is also looking within its own operations to increase efficiencies and decrease its environmental footprint.

**D. Implement an operational review program.** With the ABCRC and ABDA, the BCMB will continue to evaluate and monitor the Industry Quality Monitoring System aimed at improving the overall accuracy, process and communications within the beverage container management system. The system will be used to communicate within the industry; access required services; address complaints; track, report and evaluate outcome measures; and enhance performance standards.

The BCMB will continue to implement the case management system to record and manage depot files including advanced reporting and statistically sound data collection methods. The web-based inspection reports and Quality Monitoring System will link directly to the case management system. Depot Operators will have web portal access to view their inspection information and scores, permits, levies and payments.

| <b>GOAL 2 - COST EFFECTIVENESS AND ACCOUNTABILITY<sup>6</sup></b>                     |                    |                    |                      |                    |                    |                    |
|---|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| <b>Performance Measures and Objectives</b>  | <b>Actual 2013</b> | <b>Target 2014</b> | <b>Estimate 2014</b> | <b>Target 2015</b> | <b>Target 2016</b> | <b>Target 2017</b> |
| <b>Objective: Cost Effectiveness and Efficiency<sup>7</sup></b>                       |                    |                    |                      |                    |                    |                    |
| Net system cost in dollars per unit recovered   | 0.0207             | 0.0232             | 0.0216               | 0.0229             | 0.0269             | 0.0337             |
| Net cost in dollars by container type: <sup>8</sup>                                   |                    |                    |                      |                    |                    |                    |
| Aluminum  | 0.0051             | 0.0075             | 0.0049               | 0.0057             | 0.0078             | 0.0115             |
| Bi-Metal  | 0.0463             | 0.0467             | 0.0489               | 0.0502             | 0.0521             | 0.0543             |
| Glass   | 0.0739             | 0.0718             | 0.0741               | 0.0742             | 0.0745             | 0.0752             |
| Plastics  | 0.0291             | 0.0323             | 0.0309               | 0.0318             | 0.0366             | 0.0461             |
| Polycoat  | 0.0190             | 0.0246             | 0.0213               | 0.0281             | 0.0417             | 0.0596             |
| Achievement of BCMB budget objective  | Budget met         | Budget met         | Budget met           | Budget met         | Budget met         | Budget met         |
| <b>Objective: Transparency</b>  |                    |                    |                      |                    |                    |                    |
| System financial reporting requirements met (CSA, depot annual and financial reports) | Complete           | Complete           | Complete             | Complete           | Complete           | Complete           |
| BCMB financial reporting requirements met (quarterly/annual report, business plan)    | Complete           | Complete           | Complete             | Complete           | Complete           | Complete           |

<sup>6</sup> The 2013 actual is based on the ABCRC's 2103 Sustainability Report. The 2015-2017 target costs are based on forecasted sales and returns adjusted to reflect the Board's target return rates. Other variables (inflation, commodity prices, exchange rates, etc.) are assumed to remain constant.

<sup>7</sup> Actual costs will be sensitive to changes in key assumptions. These need to be considered when reading or using the targets:

- Financial inputs (costs and revenue) may change with inflation or deflation;
- A change in the return rate of any material stream can impact the available revenue;
- Commodity prices reflect global markets and are affected by a wide range of variables;
- The commodity prices for Aluminum, PET, Tetra and Gable Top containers are all paid in US dollars and are sensitive to exchange rates which can change significantly on a daily basis.

<sup>8</sup> The costs associated with the collection of refillable glass beer bottles are fully incorporated into the consumer cost of the product. BDL, which is responsible for the collection of these refillable glass bottles, also distributes full cases of beer as part of its operations. This business model means that operational costs are not solely attributable to either distribution or collection.

### **Goal 3**      **PROVIDE GOVERNANCE THAT MEETS EXPECTATIONS FOR FAIRNESS, QUALITY AND ACCESSIBILITY**

---

Consumers are more likely to use recycling facilities that are convenient to access, clean and efficient. They also want to be confident in the accuracy of their refund and the system integrity. Assurances in this regard are, in part, an outcome of the BCMB's core responsibilities as laid out in the Beverage Container Recycling Regulation and in the corresponding by-laws and policies. In this respect, the Board has solid processes and competent staff in place to govern, manage and/or take action in:

- registering containers as well as retailer, distributor and manufacturer compliance with the regulation;
- setting criteria for new beverage container depots and depot operating standards;
- establishing new depots and monitoring depot operations for their compliance, effectiveness and service quality;
- monitoring the operations of the CSA appointed by manufacturers;
- establishing the process for setting handling commissions; and
- reviewing operating and financial risks.

In 2014, the BCMB responded to a review of key operating and financial risks by:

- continuing to test servers and system back-ups, and by improving internal computer and communication systems;
- assessing human resource policies and compensation;
- undertaking a board governance manual review. The BCMB has hired a third party to review current governance practices and supporting documentation to ensure best practices are in place and that the BCMB board remains a high functioning board and governance system;
- redeveloping the Mystery Shopper Program to increase accuracy, processes and types of Mystery Shopper compliance in the system. Large load audits took place in the summer of 2014 and will help determine how the program should be designed in the future;
- continuing the redesign of the beverage container registration database. The database is being streamlined to allow for quick and accurate searches for containers and will be available to depots and the public via the BCMB web site;
- developing and approving two new by-laws: the Beverage Container Depot Operation and Administration By-law and the Beverage Container Depot Permit Application, Renewal and Amendment By-law. These by-laws enhance and clarify process surrounding permitting and operating new depots;

- forming a sub-committee to develop the Beverage Container Registration By-law to clearly identify process and requirements for registration of all beverage containers in Alberta;
- working with the City of Calgary to make by-law changes and begin community consultation to expand zoning criteria for depots; and by communicating and presenting to municipalities on the availability of infrastructure and the opportunity to partner with local depots to achieve recycling goals;
- continuing monthly Industry Leadership Committee meetings. The BCMB, ABDA and the ABCRC participate on this committee and discuss, prioritize and evaluate industry needs, technology, events and process. Currently three industry operational sub-committees report directly to the ILC;
- recruiting a new Data Collection Agent (DCA). The BCMB's current DCA has resigned and the BCMB, together with a board and industry task force, will evaluate the proposals received by companies to take over the role. The current DCA will continue its work through the transition process; and
- finalizing the 2014 Handling Commission Review (HCR) process (approved at June 5, 2014 Board meeting). The HCR process provides opportunity for interested parties to discuss and negotiate handling commissions within the industry. The process has been streamlined by legal counsel and the Handling Commission Review Task Force. Numerous policies and procedures have been updated and amended to assist parties during this process.

### **Goal 3**     *Strategies and performance measures*

---

Over the planning period, the Beverage Container Management Board will:

- A. Evaluate and improve the Handling Commission Review process.** The 2014 Handling Commission Review commenced in April 2013. The BCMB Board of Directors approved the new handling commissions at the June 5, 2014 board meeting. The handling commissions are effective for three years. The Handling Commission Review Task Force will continue review of policy in preparation for the next review in 2017.
- B. Improve depot acceptance by municipalities.** Depots attempting to relocate or new depots attempting to secure zoning in metropolitan areas often experience difficulties in obtaining zoning permits. The BCMB will continue to educate municipalities on the status and sophistication of the depot network and the importance of locating depots in areas accessible to the public.
- C. Improve the container registration process.** The development of the beverage container registration database will continue in 2014. The database will streamline online searching for products and provide depots accepting containers and manufacturers registering containers with onsite access. Online access will improve the clarity of container registration guidelines, make it easier to find specific containers within the database and use technology that is accessible on all devices, including mobile phones.

- D. Improve the assessment of the BCMB and system-wide risks.** The BCMB will continue to define risks and develop action plans to mitigate these risks. In 2015, the BCMB will hire an independent, third party consultant to complete a Root Cause Analysis (RCA) of threats to the beverage container recycling industry in Alberta. RCA solves problems by attempting to identify and correct the root causes of events, as opposed to simply addressing their symptoms. By focusing correction on root causes, problem recurrence can be prevented. This in-depth review will include depot operations, permits and collection of containers; CSA operations, reporting, security requirements and auditing processes; and BCMB By-laws, policies and procedures.
- E. Review BCMB governance.** As part of its ongoing commitment to enhance the effectiveness of its oversight of the beverage container recycling system, the BCMB has engaged an external consultant to review its governance structure and processes. The review is aimed at optimizing the function of the Board and its committees.

| <b>GOAL 3 - PROVIDE GOVERNANCE THAT MEETS EXPECTATIONS<br/>FOR FAIRNESS, QUALITY &amp; ACCESSIBILITY</b>          |                             |                                      |   |                                      |                                      |                                      |
|---|-----------------------------|--------------------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Performance Measures and Objectives</b>  | <b>Actual<br/>2013</b>      | <b>Target<br/>2014</b>               | <b>Estimate<br/>2014</b>                  | <b>Target<br/>2015</b>               | <b>Target<br/>2016</b>               | <b>Target<br/>2017</b>               |
| <b>Objective: Quality of Service</b>  |                             |                                      |   |                                      |                                      |                                      |
| Progress on business plan goals and targets   | Goals Achieved              | Goals Achieved                       | Goals Achieved                            | Goals Achieved                       | Goals Achieved                       | Goals Achieved                       |
| Number of consumer depot service complaints   | 116                         | <150                                 | 136                                       | <150                                 | <150                                 | <150                                 |
| Average number of inspections per depot   | 1.5                         | 2                                    | 1.5                                       | 1.7                                  | 1.9                                  | 2                                    |
| Number of retail locations inspected  | 157                         | 150                                  | 150                                       | 150                                  | 175                                  | 200                                  |
| Number of Mystery Shopper Audits  | 316                         | 400                                  | 298 <sup>9</sup>                          | 400                                  | 400                                  | 400                                  |
| <b>Objective: Compliance</b>  |                             |                                      |   |                                      |                                      |                                      |
| Compliance Rating (% of depots scoring >80% on depot inspections)   | 69%                         | 70% of depots to score 80% or higher | 76%                                       | 70% of depots to score 80% or higher | 75% of depots to score 80% or higher | 80% of depots to score 80% or higher |
| Compliance Rating (from retail inspections, % of retail locations inspected that meet requirements) <sup>10</sup> | 50%                         | 60%                                  | 55%                                       | 60%                                  | 65%                                  | 70%                                  |
| Compliance Rating (from CSA) <sup>11</sup>  | n/a                         | TBD                                  | n/a                                       | TBD                                  | TBD                                  | TBD                                  |
| Compliance Rating (BCMB regulatory requirements)  | Compliant                   | Compliant                            | Compliant                                 | Compliant                            | Compliant                            | Compliant                            |
| <b>Objective: Accessibility of Service</b>  |                             |                                      |   |                                      |                                      |                                      |
| Average travel time to a depot (from consumer survey)   | 48%<10min<br>34%=11-20 min. | 50%<10min<br>35%=11-20 min.          | 51%<10min<br>34%=11-20 min. <sup>12</sup> | 51%<10min<br>35%=11-20 min.          | 51%<10min<br>35%=11-20 min.          | 52%<10min<br>36%=11-20 min.          |
| Number of Depots in Alberta <sup>13</sup>   | 216                         | 222                                  | 218                                       | 221                                  | 223                                  | 226                                  |
| Number of bins outside depots <sup>14</sup>   |                             |                                      |   |                                      |                                      |                                      |
| (i) Community Champions (# bins)  | 27,925                      | 21,000                               | 30,000                                    | 30,000                               | 30,000                               | 30,000                               |
| (ii) Recycling Infrastructure Partnership (# bins)  | 59,485                      | 30,000                               | 9,000                                     | 10,000                               | 11,000                               | 12,000                               |

<sup>9</sup> The Mystery Shopper Program is currently being redeveloped to ensure accuracy and to introduce a year-round program with sufficient coverage.

<sup>10</sup> From January 1, 2014 to October 1, 2014, Compliance staff completed 150 retail inspections. Targeting of 'problem' retail locations will result in lower compliance achievement initially, with improvements expected in 2015 and 2016.

<sup>11</sup> Currently under development. Development of statistic to occur within the parameters of the CSA By-law and Operating documents.

<sup>12</sup> 51% of people surveyed in 2014 who visited a depot in the last six months said it takes them less than 10 minutes to get to a depot and 34% of people interviewed said it takes between 11 and 20 minutes.

<sup>13</sup> Includes only universal depots. There are currently 20 Class D permits.

<sup>14</sup> Formerly collected as a rolling number. Estimated 2014 number includes only bins distributed in 2014. Bins provided to communities in previous years cannot be confirmed as still accessible to the public.

## **Goal 4 INVOLVE, INFORM AND SATISFY STAKEHOLDERS/ CUSTOMERS**

---

The BCMB recognizes that to be successful, beverage container recycling must be widely accepted and operated to a standard that satisfies Albertans. Accountability to the Ministry and stakeholders is also paramount and requires clear measurement of progress and achievements, and transparent and thorough reporting. In this regard, the Board plans to place continued emphasis on the quality of its business plans and annual reports, and on its dialogue with Albertans. In 2014, the BCMB:

- coordinated and monitored beverage container industry public awareness events such as depot grand openings, RIP announcements, marketing and branding programs (e.g. trailer and bin wraps, and distribution of beverage container recycling posters);
- commissioned the Ipsos Reid annual public survey regarding beverage container recycling performance and experience with Alberta depots;
- conducted its annual Depot Exit Interview Survey - 380 people were interviewed at 10 Calgary depots regarding their experience at, accessibility to and suggested improvements for their depot. The survey will be conducted in Edmonton in 2015 and is used to benchmark successes and areas for improvement within the depot system;
- further developed and refined its website to increase ease of use and quality of information available to the public. The BCMB Director and industry partner intranet site was also further developed as a convenient, one-stop location to access all BCMB board and committee materials; and
- partnered with the ARMA and the AUOMA on a joint advertisement during Environment Week 2014 to congratulate Albertans on their successful recycling activities and to encourage continued growth in recycling.

## **Goal 4 Strategies and performance measures**

---

Over the planning period, the Beverage Container Management Board will:

- A. Seek public assessments of its performance and continue to improve performance reporting.** The BCMB will complete the annual public survey of beverage container recycling performance. The results from this survey are used as an annual benchmark for the BCMB and industry performance.

Also occurring annually and rotating between Calgary and Edmonton, the Depot Exit Interview Survey assesses the public's perception of the "depot experience", with a goal of enhancing customer service, communications and accessibility of service.

In addition, the BCMB will embark on surveying Albertans who purchase beverage containers but do not recycle them. Information from the survey will be used to assist the industry in quantifying barriers for current non-recyclers and to increase programming and innovation to better reach those Albertans.

The BCMB will continue to partner with the ARMA and AUOMA to explore opportunities to work together on recycling initiatives and jointly communicate with Albertans about the benefits of recycling.

The BCMB will continue to prepare and enhance the Annual Report, Three-Year Business Plan and communications materials, such as public brochures, the Board intranet site and the website. The web site will be used to communicate with industry (e.g. announcements, emergency protocol, suspicious containers) and to provide manufactures and depots with access to items related to their business, such as forms, new policies and by-laws, and a calendar of industry events.

| <b>GOAL 4 - INVOLVE, INFORM &amp; SATISFY STAKEHOLDERS/CUSTOMERS</b> |                                     |                                    |                                    |                                    |                                    |                                    |
|--|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Performance Measures and Objectives</b>                           | <b>Actual 2013</b>                  | <b>Target 2014</b>                 | <b>Estimate 2014</b>               | <b>Target 2015</b>                 | <b>Target 2016</b>                 | <b>Target 2017</b>                 |
| <b>Objective: Public participation</b>                               |                                     |                                    |                                    |                                    |                                    |                                    |
| Participation rate   | 91%                                 | 94%                                | 91% <sup>15</sup>                  | 94%                                | 94%                                | 94%                                |
| Number of school and special programs                                | 471                                 | 450                                | 562 <sup>16</sup>                  | 600                                | 600                                | 600                                |
| <b>Objective: Public awareness</b>                                   |                                     |                                    |                                    |                                    |                                    |                                    |
| Individuals aware of program   | 98%                                 | 97%                                | 97% <sup>17</sup>                  | 97%                                | 97%                                | 97%                                |
| Number of public awareness events held <sup>18</sup>                 | 260                                 | 200                                | 200                                | 200                                | 200                                | 200                                |
| Dollars spent on awareness activities <sup>19</sup>                  | 1.0 million                         | 0.85 million                       | 1.0 million                        | 1.0 million                        | 1.0 million                        | 1.0 million                        |
| <b>Objective: Public satisfaction</b>                                |                                     |                                    |                                    |                                    |                                    |                                    |
| Overall public satisfaction rating <sup>20</sup>                     |                                     |                                    |                                    |                                    |                                    |                                    |
| <b>Overall</b>   | <b>79%</b>                          | <b>83%</b>                         | <b>79%</b>                         | <b>83%</b>                         | <b>85%</b>                         | <b>85%</b>                         |
| Convenience  | 82%                                 | 84%                                | 83%                                | 84%                                | 85%                                | 85%                                |
| Pleasantness   | 76%                                 | 82%                                | 76%                                | 82%                                | 85%                                | 85%                                |
| <b>Objective: Stakeholder satisfaction<sup>21</sup></b>              |                                     |                                    |                                    |                                    |                                    |                                    |
| Depots (overall satisfaction with CSA) <sup>22</sup>                 | 100% moderately to highly satisfied | 94% moderately to highly satisfied | 95% moderately to highly satisfied |
| Depots (overall satisfaction with BCMB) <sup>23</sup>                | n/a                                 | TBD                                | 87% moderately to highly satisfied | 90% moderately to highly satisfied | 93% moderately to highly satisfied | 95% moderately to highly satisfied |
| Industry   | n/a                                 | n/a                                | TBD                                | TBD                                | TBD                                | TBD                                |

<sup>15</sup> 91% of Albertans returned beverage containers to a bottle depot, as reported in the 2014 Ipsos Reid Survey.

<sup>16</sup> Includes the number of schools and partners involved in ABCRC's Community Champions Program and does not include individual depot events.

<sup>17</sup> A maximum of 97% of survey respondents report that they have recycled beverage containers in the past six months.

<sup>18</sup> Includes only ABCRC Go Green Team events, not individual depot events.

<sup>19</sup> Includes ABCRC and BCMB expenditures on awareness and related programs.

<sup>20</sup> As reported in the 2014 Ipsos Reid Public Survey.

<sup>21</sup> The BCMB will be monitoring stakeholder satisfaction utilizing surveys and outcome measures.

<sup>22</sup> 2014 Depot Satisfaction Survey Results: percentage of respondents that score satisfaction as a 4, 5, 6, or 7 on a scale of 1 to 7.

<sup>23</sup> Included in the depot satisfaction survey at the 2014 Regional Meetings.

## V. Financial Plan

### A. Description and Status of Revenue Sources

The expected 2015 to 2017 (three year) operating revenue for the BCMB is summarized in Exhibit V-1. The BCMB receives its operating revenue from four sources:

- Container Fees. A fee (surcharge) is collected on each container returned. As of January 1, 2015 the fee is \$0.0011 per container. Estimated 2015 container fee revenue will be approximately \$2.3 million.
- Depot Fees. These include both permitting fees and levies for non-compliance. It is expected that annual BCMB revenue from these sources will continue to total \$60,000.
- Product registration fees. A \$5.00 fee is charged for each registered container and based on the numbers of registered containers it is expected that the BCMB's annual total revenue from these sources will continue to be \$42,500.
- Interest and other. This consists primarily of interest on the operating bank balance. It is expected that the 'interest and other' revenue will be \$36,000 in 2015 and decline modestly as bank balances are reduced in 2016 and 2017.

#### Exhibit V-1

#### BCMB revenue projections

|                           | 2014 Forecast      | 2015               | 2016               | 2017               |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Container fees            | \$2,276,843        | \$2,345,205        | \$2,415,561        | \$2,488,028        |
| Depot fees                | 60,100             | 60,000             | 60,000             | 60,000             |
| Product registration fees | 42,092             | 42,500             | 42,500             | 42,500             |
| Interest and other        | 44,502             | 36,000             | 33,000             | 30,000             |
| <b>Total Revenue</b>      | <b>\$2,423,537</b> | <b>\$2,483,705</b> | <b>\$2,551,061</b> | <b>\$2,620,528</b> |

## B. Program delivery and administrative expenditures

Expenses are incurred by the BCMB as it delivers programs and pursues its mandate and objectives. The estimated annual expenditures for 2015 through 2017 are provided in Exhibit V-2 and Exhibit V-3.

### Exhibit V-2

#### 2015 – 2017 planned expenditures

|  | 2014 Forecast      | 2015               | 2016               | 2017               |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Administrative and Management Expenses</b>                              |                    |                    |                    |                    |
| Payroll  | \$954,892          | \$1,052,948        | \$1,084,536        | \$1,117,072        |
| Staff training   | 29,500             | 35,000             | 35,000             | 35,000             |
| Board Directors' honoraria and expense                                     | 223,858            | 225,000            | 225,000            | 225,000            |
| Professional Fees  | 454,664            | 315,500            | 304,000            | 304,500            |
| Advertising  | 105,576            | 110,000            | 110,000            | 110,000            |
| Travel   | 78,894             | 94,000             | 94,000             | 94,000             |
| Regional Meetings  | -                  | 15,500             | 16,000             | 16,500             |
| Office   | 192,875            | 210,000            | 216,000            | 222,000            |
| HR Review  | 20,000             | -                  | -                  | 20,000             |
| Insurance and licenses   | 16,958             | 18,000             | 19,000             | 20,000             |
| Miscellaneous  | 4,769              | 5,000              | 5,000              | 5,000              |
| Depreciation   | 35,771             | 36,000             | 33,000             | 30,000             |
| Mystery Shopper  | 84,425             | 100,000            | 100,000            | 100,000            |
| Information System Maintenance   | 18,440             | 36,000             | 37,800             | 39,600             |
| <b>Total Administrative and Management</b>                                 | <b>\$2,220,622</b> | <b>\$2,252,948</b> | <b>\$2,279,336</b> | <b>\$2,338,672</b> |
| <b>Project Expenses</b>  |                    |                    |                    |                    |
| Reduced Environmental Impact   | 215,644            | 205,000            | 175,000            | 150,000            |
| Cost Effectiveness and Accountability                                      | 320,124            | 350,000            | 235,000            | 235,000            |
| Governance that Meets Expectations for Fairness, Quality and Accessibility | 375,880            | 380,000            | 250,000            | 450,000            |
| Involve, Inform and Satisfy Stakeholders                                   | 35,825             | 125,000            | 125,000            | 125,000            |
| <b>Total Project</b>   | <b>947,473</b>     | <b>1,060,000</b>   | <b>785,000</b>     | <b>960,000</b>     |
| <b>Excess (Deficit) Revenue over Expenditures</b>                          | <b>(744,558)</b>   | <b>(829,243)</b>   | <b>(513,275)</b>   | <b>(678,144)</b>   |
| <b>Net Assets</b>  | <b>\$3,348,115</b> | <b>\$2,518,872</b> | <b>\$2,005,597</b> | <b>\$1,327,453</b> |
| <b>Net Asset Target</b>  |                    |                    |                    |                    |
| Restricted for: Wind-up Costs  | 1,153,464          | 1,153,464          | 1,153,464          | 1,153,464          |
| Unrestricted for: Operating Reserve  | 275,000            | 275,000            | 275,000            | 275,000            |
| <b>Net Asset Target</b>  | <b>\$1,428,464</b> | <b>\$1,428,464</b> | <b>\$1,428,464</b> | <b>\$1,428,464</b> |
| <b>Net Assets Excess versus Target</b>                                     | <b>\$1,919,651</b> | <b>\$1,090,408</b> | <b>\$577,133</b>   | <b>(\$101,011)</b> |

**Exhibit V-3**

**2015 – 2017 Planned Project Expenditure Detail**

| BCMB Goals   | 2014<br>Forecast  | 2015                | 2016              | 2017              |
|--|-------------------|---------------------|-------------------|-------------------|
| <b>Goal 1 – Reduced Environmental Impact</b>   |                   |                     |                   |                   |
| a. Improve return rates “away from home”   | \$ -              | \$ 50,000           | \$ 25,000         | \$ -              |
| b. Increase depot responsibility and accountability for recycling                          | 25,450            | 30,000              | 25,000            | 25,000            |
| c. Develop a consistent high quality beverage container recycling brand                    | 20,861            | 25,000              | 25,000            | 25,000            |
| d. Total Recycling Benefits  | 19,718            | -                   | -                 | -                 |
| e. Waste Characterization Audits   | 149,615           | 100,000             | 100,000           | 100,000           |
| <b>Total Goal 1</b>  | <b>215,644</b>    | <b>205,000</b>      | <b>175,000</b>    | <b>150,000</b>    |
| <b>Goal 2 – Cost Effectiveness and Accountability</b>                                      |                   |                     |                   |                   |
| a. Improve container collection system process efficiency                                  | \$ 24,520         | \$ 25,000           | \$ 25,000         | \$ 25,000         |
| b. Explore efficiencies through capital intensive technologies                             | 99,062            | 100,000             | 100,000           | 100,000           |
| c. Beverage Container Innovation Fund  | 100,000           | 100,000             | 100,000           | 100,000           |
| d. Operational Review Program  | 96,542            | 125,000             | 10,000            | 10,000            |
| <b>Total Goal 2</b>  | <b>320,124</b>    | <b>350,000</b>      | <b>235,000</b>    | <b>235,000</b>    |
| <b>Goal 3 – Governance that Meets Expectations for Fairness, Quality and Accessibility</b> |                   |                     |                   |                   |
| a. Evaluate and Improve the Handling Commission review process                             | \$ 173,909        | \$ 50,000           | \$ 200,000        | \$ 400,000        |
| b. Improve depot acceptance by municipalities  | 17,550            | 40,000              | 40,000            | 40,000            |
| c. Ensure that depot standards promote efficiency and effectiveness                        | 14,421            | -                   | -                 | -                 |
| d. Improve container registration process  | 20,000            | 100,000             | 10,000            | 10,000            |
| e. Improve the assessment of BCMB and system-wide risks                                    | 150,000           | 150,000             | -                 | -                 |
| f. Governance enhancements   | -                 | 40,000              | -                 | -                 |
| <b>Total Goal 3</b>  | <b>375,880</b>    | <b>380,000</b>      | <b>250,000</b>    | <b>450,000</b>    |
| <b>Goal 4 – Involve, Inform and Satisfy Stakeholders</b>                                   |                   |                     |                   |                   |
| a. Seek public assessment of performance and continue improvement of performance reporting | \$ 35,825         | \$ 50,000           | \$ 50,000         | \$ 50,000         |
| b. Review and enhance transparency   | -                 | 75,000              | 75,000            | 75,000            |
| <b>Total Goal 4</b>  | <b>35,825</b>     | <b>125,000</b>      | <b>125,000</b>    | <b>125,000</b>    |
| <b>Total Projects</b>  | <b>\$ 947,473</b> | <b>\$ 1,060,000</b> | <b>\$ 785,000</b> | <b>\$ 960,000</b> |

The Board intends to retain net assets at a level adequate to cover: (i) \$1,153,464 in potential wind-up costs and (ii) \$275,000 in an operating reserve.

### **C. Fiscal responsibility and efficiency**

All BCMB expenses not directly allocated to projects are considered administrative expenses. Minimization of these expenses is an important goal for the BCMB. The available funds are retained as cash and are therefore invested conservatively – as a result capital has been preserved to avoid any capital market volatility.

---

## VI. Monitoring and Evaluation

---

### A. Monitoring and Evaluation Overview

The BCMB monitors its results and compares them to accountability targets or performance measures established for each facet of the beverage container recycling system. The measures are aligned with our goals of:

- positively impacting the environment;
- achieving financial effectiveness and accountability;
- providing quality and accessible service; and
- involving and satisfying stakeholders and consumers.

**Exhibit VI-1** provides an overview of each goal and the groupings of performance measures used. The core mandate for the Board is environmental – an aspect of performance that also receives the greatest weighting (40%). The financial facet is second (25%) followed by governance, and public and consumer response (17.5% each).

#### Exhibit VI-1

#### BCMB performance measures and their relative weighting

---

|   |  |
|---|--|
| <b>Environmental</b>                      | <ul style="list-style-type: none"><li>• Environmental Impact</li><li>• Program Environmental Footprint</li></ul>             |
| <b>Financial</b>                          | <ul style="list-style-type: none"><li>• Cost Effectiveness and Efficiency</li><li>• Transparency</li></ul>                   |
| <b>Governance<br/>(Internal)</b>          | <ul style="list-style-type: none"><li>• Quality of Service</li><li>• Compliance</li><li>• Accessibility of Service</li></ul> |
| <b>Public and Consumer<br/>(External)</b> | <ul style="list-style-type: none"><li>• Participation</li><li>• Awareness</li><li>• Satisfaction</li></ul>                   |

The scoring system is rated on a scale of 1 to 5:

|                                       |   |
|---------------------------------------|---|
| 5 – Work meets standard of excellence | • Work exceeds standard expectations, exceptional level of dedication and effort is present             |
| 4 – Work exceeds acceptable standards | • Work has met the expectations required, and has demonstrated extra effort in research and performance |
| 3 – Work meets acceptable standards   | • Work has met the expectations of the outlined objectives and goals                                    |
| 2 – Work needs improvement            | • Some of the stated objects and goals were met, however insufficient amount of information was present |
| 1 – Work does not meet expectations   | • Stated objectives and goals were not achieved, minimal work present                                   |

The measures are based on the Environment Canada October 2007 document “Performance Measurement and Reporting for Extended Producer Responsibility Programs”, on the practices of other similar organizations in North America and on Board deliberations. While the framework and most of the measures have been agreed to by the Board, some of the specific objectives, measures and targets still require definition or are being tracked for the first time.

Following is more detail on the measures.

### ***Environmental Measures***

Through new initiatives and continuous improvements on current processes, the BCMB works to increase the positive environmental impact of recycling in Alberta. Environmental performance measures focus on two objectives: (i) ensuring a positive and significant environmental impact in Alberta as a result of beverage container recycling, and (ii) evaluating the environmental footprint of the recycling program itself. In line with the high level of significance of BCMB’s environmental impact, the environmental measures receive the greatest weighting in the balanced scorecard.

### ***Financial Effectiveness and Accountability Measures***

The primary financial measure is the net system cost per container defined as the total expenses of the ABCRC and BCMB, less material revenues and unredeemed deposits divided by the number of containers returned. Cost efficiency is measured for individual container types and for the overall system.

The measure reports the net cost to beverage consumers and, as a result, it is an appropriate measure of overall financial effectiveness. It is important to keep in mind that of the factors in the equation, only the total expenses of the ABCRC and BCMB, and the unredeemed deposits (or number of containers returned) are affected by the BCMB beverage container recycling system. Aside from their

influence on the quality (consistency and purity) of containers processed, the recycled material revenues are not directly influenced by the Board. Over the planning period, net costs are expected to increase – primarily a result of reduced unclaimed deposits.

### ***Quality of Service and Accessibility Measures***

The BCMB has several measures of business (internal) performance that focus on ensuring that consumers are provided with high quality, accessible services. A number of the performance measures are used for evaluating the BCMB including progress on business plan goals and targets, and the numbers of stakeholder (public) service complaints, depot inspections, retail inspections and mystery shopper audits. The BCMB has developed a comprehensive depot rating system that builds on current depot inspections and rates each Alberta depot according to specific achievement guidelines. The measure is represented as a percentage of depots achieving 80 percent or higher. These scores are used to benchmark and guide improvement.

The BCMB will also report on the incidence of compliance (or non-compliance) resulting from its own activities and that result from depot and retail inspections and CSA compliance. CSA compliance will be defined and evaluated in connection with the development of the CSA By-laws and CSA Operating Agreement.

Accessibility of service is an important determinant of the return rate and participation rates. Benchmarking customer accessibility to depots and access to recycling infrastructure defines, in part, accessibility to beverage container recycling in Alberta. Convenient access to depots to return beverage containers is measured against depot siting criteria and available infrastructure programs and grants.

### ***Stakeholder/Customer Involvement and Satisfaction Measures***

The BCMB benchmarks public awareness and participation in the beverage container recycling program, as well as consumer and stakeholder satisfaction through a periodic public survey. This will include questions that allow the public to rate their satisfaction with the current system and indicate their participation level. Participation is measured in the annual survey, in-person depot exit interview surveys and through the number of special programs.

## **B. Evaluation Outcome**

At their 2014 Board Business Planning Session, the BCMB Directors evaluated their performance in achieving each objective. The BCMB Board of Directors will continue to evaluate the BCMB's performance and progress annually.