



An environment **worth protecting** and preserving  
2014 ANNUAL REPORT









# The Environmental Impact of Beverage Container Recycling

Alberta is well known for its natural beauty and the strong landmarks that help define our province. The Rocky Mountains...striking hoodoos...acres of grassland...glacier fed lakes...fields of canola...all showcase our natural environment – an environment that is worth protecting and preserving.

Environmental protection is the foundation of Alberta's beverage container recycling industry and one of the BCMB's operating principles. The recycling and reuse of beverage containers is our business, but it is also forms the basis of our vision to be *“the leader in stewarding beverage containers to minimize their impact on the environment”*.

A focus on climate change and energy conservation is continuing to raise environmental awareness and inspire activity on, and attention to, the importance of recycling containers. As a consequence, there are increasing expectations on government, beverage manufacturers and the beverage container recycling industry to encourage even more Albertans to recycle their containers.

To this end, the Government of Alberta has set the goal of achieving an 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.

Increasing the return rate, and in turn, keeping beverage containers out of landfills requires a commitment throughout our industry to implement new processes and efficiencies and for all partners to work together to meet changing consumer needs. Simply put – we need to make it as easy as possible for Albertans to return their beverage containers to a bottle depot and increase their awareness of why it's important to do so.

Alberta already has a successful beverage container recycling system. However, the number of containers sold and returned for reuse and recycling continues to grow at record levels. That growth is a challenge that the BCMB and its partners willingly face every day with innovation and hard work, and with the knowledge that protecting our environment is worth it.







Albertans are now recycling over two billion beverage containers a year. That's more than 500 containers for every Albertan.



DINOSAUR PROVINCIAL PARK



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There are many environmental and economic benefits to recycling beverage containers. It saves energy, reduces landfill use and helps combat global warming with the reduction of greenhouse gas emissions.



LODGEPOLE PINES IN ALBERTA

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# Letter to the Minister

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June 10, 2015

Honourable Kyle Fawcett  
Minister of Environment and Sustainable Resource Development  
Government of Alberta  
420 Legislature Building  
10800 – 97 Avenue  
Edmonton, AB T5K 2B6

Dear Minister Fawcett:

On behalf of the Board of Directors of the Beverage Container Management Board, I am pleased to present our Annual Report for the fiscal year ended December 31, 2014 in accordance with Section 5 of the Beverage Container Recycling Regulation (Alta. Reg. 101/1997 as amended).

Yours truly,



Andrew Stephens  
Chair  
Beverage Container Management Board





## Chair's Report

2014 was a year of new ideas and new developments for the Beverage Container Management Board as we dug deeper into new technology and methods of increasing the beverage container return rate in Alberta. It was also a bittersweet year for me as it was my last full year as Chair of the Board of Directors.

I joined the BCMB as Chair in 2006 at a time when the industry was struggling with a declining beverage container return rate. That year 1.5 billion containers were reused or recycled, a record number. However, the amount of containers not being recycled was increasing as well, which was having a negative impact on the return rate and the environment.

Eight years later we have made tremendous strides in the beverage container recycling industry thanks to new technology being embraced by bottle depots, an increasing number of depots in the province and Albertans' growing awareness of the environmental benefits of returning their containers for reuse and recycling. We still face the challenge of reaching our return rate goal of 85%, but we are not far away. In 2014 Albertans returned almost 2.1 billion beverage containers to bottle depots, a return rate of 83.3%.

Two of the by-laws approved by the Board of Directors in 2014 were the *Beverage Container Depot Operation and Administration By-law* and the *Beverage Container Depot Permit Application, Renewal and Amendment By-law*. These by-laws are aimed at a more streamlined process for permitting and operating new depots. This should help make it more convenient to return beverage containers in Alberta.

The BCMB also continued to look at new technology and processes that create efficiencies in the beverage container recycling system and help us to continually modernize an industry focused on environmental sustainability.



I would like to recognize and thank our former President, Malcolm Kirkland, who left his position with the BCMB in October 2014 to pursue a new career opportunity. Under Malcolm's leadership over the last three years, the BCMB saw many changes that have benefitted the industry.

Our Board had the pleasure of working with the Honourable Robin Campbell, Minister of Environment and Sustainable Resource Development and his department for part of the year, followed by the Honourable Kyle Fawcett who was appointed Minister in September. The ongoing support of the Ministry is always important to our success and is sincerely appreciated.

I resigned from my position as Chair of the BCMB in February 2015 and want to thank all Directors I've worked with, past and present, for their commitment to this industry and its growth.

I am also sincerely grateful to the wonderful staff of the BCMB who I have had the privilege and honour to work with over the last eight years. Your support and hard work has been invaluable to our success. I know I am leaving the BCMB and the industry in Alberta in great hands, with an exciting future as Canada's leader in beverage container recycling.

A handwritten signature in black ink that reads "Ross Risvold".

Ross Risvold  
Chair



## President's Report

With almost 2.1 billion containers returned to depots in 2014 and the more than 129,000 tonnes of waste diverted from landfills as a result, it's easy to see that protecting our environment is a priority for Albertans. A recent comparison with a number of other Canadian jurisdictions, as well as California, shows Alberta has the highest return rate of those Canadian jurisdictions and that rate is essentially equal to California as well.

The industry's tremendous success in 2014 is due in large part to the work of outgoing BCMB Chair Ross Risvold and former President Malcolm Kirkland. Ross left his position as Chair in February 2015 and Malcolm left the organization at the end of October 2014. On behalf of the Board of Directors, BCMB staff, stakeholders and all Albertans, I sincerely thank both of them for their unwavering commitment to the industry and their willingness to take risks and try new things to enhance the industry.

As you will see throughout the 2014 Annual Report, the BCMB focused its efforts throughout the year on researching and refining best practices in technology, operations and processes for the beverage container recycling industry, as well as better understanding the recycling habits of Albertans. This kind of knowledge and a desire to implement new ideas are serving the industry well as we strive to create the awareness and efficiencies needed to achieve our 85% return rate goal.

Alberta has always been a leader in beverage container recycling. Moving from our 83.3% return rate in 2014 to 85% in the face of continually increasing beverage sales is a challenge we are meeting head on with innovation, clear operating standards for depots and changes in the administration of the system.



It's exciting to see depot owners beginning to embrace new point-of-return software, counting and sorting technology, and automated cash dispensers. New technology creates many efficiencies in depots and has significantly increased the volume of containers they can handle on any given day.

From an administrative standpoint, the BCMB is developing and implementing new systems such as the Quality Monitoring Program and a new online container registration database. We've also equipped our compliance officers with new tools such as a depot permit matrix and survey management system that allow them to enter inspection results and information electronically while at depots.

None of our accomplishments are achieved alone. We work closely with our industry partners and other delegated administrative organizations on initiatives and programs that support and enhance not only the beverage container recycling industry but recycling in general.

Most importantly, thank you to all Albertans who participate in our industry-leading beverage container recycling program. With your continuing support, we will achieve our 85% return rate goal.

A handwritten signature in dark ink, appearing to read 'Andrew Stephens'.

Andrew Stephens  
Acting President







HIKING NEAR CANMORE



## 2014 Highlights

The BCMB worked closely with its key stakeholders in 2014 to expand and strengthen the beverage container recycling system. The challenge of reducing the number of containers ending up in landfills while beverage sales continue to increase requires continued focus on improvements and efficiencies in a system that is already leading-edge in Canada.

Significant achievements were made in 2014 on administrative and operational processes system wide that will help streamline our business so all depots, though independently owned, have a similar approach to their operations and are as efficient and modernized as possible.

- Albertans returned almost 2.1 billion beverage containers for reuse and recycling, resulting in a return rate of 83.3%.
- 2,281 new non-alcoholic beverage containers and 6,031 new beer and liquor products were registered in 2014. Twenty-nine new distributors/manufacturers joined the system as well.
- The BCMB attended six trade shows and conferences in 2014 to promote the beverage container recycling industry in Alberta.
- The new Saddleridge Bottle Depot opened in northeast Calgary and a new depot opened in Vilna after the previous one closed earlier in the year.
- The BCMB worked with the Alberta Bottle Depot Association to continue the implementation of point-of-return (POR) software in depots. All depots handling in excess of 10 million containers per year will be required to have a POR system in place by January 2016.
- Phase II of a pilot project for the use of counting and sorting technologies was conducted with depots and the collection system agent (CSA).
- A survey management system was implemented that enables compliance officers to perform inspections electronically in the field.
- A truck-based pilot program for compaction was introduced. Containers are collected and compacted by the CSA at the depot.
- The BCMB continued to work with industry partners to develop and pilot an online Quality Monitoring System to allow depot operators to effectively communicate with the CSA and collection service provider (CSP). All depots will be required to use the quality monitoring system by March 16, 2015.
- Redesign of the beverage container registration database continued to allow for quick and accurate searches for containers and simplification of processes between the BCMB, the Alberta Beverage Container Recycling Corporation (ABCRC) and the Alberta Liquor and Gaming Commission (AGLC). Once complete, the database will be available to depots and the public on the BCMB's web site.
- Two new by-laws were developed and approved by the Board in 2014: the *Beverage Container Depot Operation and Administration By-law* and the *Beverage Container Depot Permit Application, Renewal and Amendment By-law*. The by-laws enhance and clarify the process for permitting and operating new depots in Alberta.
- Significant work was also done on the new *Beverage Container Registration By-law* and final negotiations took place on the draft CSA By-law which will be presented to the Board of Directors at their February 2015 meeting.
- The BCMB successfully worked with the City of Calgary to make by-law changes to expand zoning criteria for depots.
- Uniforms were introduced for front-end employees of bottle depots with the "DEPOT it's worth it" logo.
- The Board of Directors approved the 2014 handling commissions in June.
- The BCMB partnered with the Alberta Recycling Management Authority to conduct waste audits at the City of Edmonton's Material Recovery Facilities (MRFs).





CAMPING IN THE ROCKY MOUNTAINS

# About the BCMB

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). It is responsible for administering and delivering Alberta's beverage container management system – a system for collecting and recycling and/or reusing beverage containers.

As a Delegated Administrative Organization (DAO), the BCMB has delegated government authority under the Ministry of Environment and Sustainable Resource Development to impose requirements on recycling program stakeholders. DAOs are unique as a range of stakeholders are encouraged to participate, including industry, government and the public. These parties are primarily involved in program stewardship through appointments to the Board of Directors.

## OUR VISION

- To be the leader in stewarding beverage containers to minimize their impact on the environment.

## OUR MISSION

To govern a leading beverage container management system that is innovative, accessible and cost effective.

## OUR MANDATE

To establish, maintain and administer a waste minimization and recycling program for beverage containers.

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.

## OUR GOALS

The BCMB achieves its mandate by realizing the four goals for Alberta's beverage container management system:

1. A reduced environmental impact by achieving and maintaining a beverage container return rate that is 85 percent or greater, and by minimizing the systems' environmental footprint.
2. Financial cost effectiveness, accountability and transparency.
3. Governance that meets expectations for fairness, quality and accessibility.
4. Wide-ranging public and consumer awareness of, and participation in, a system that meets their expectations and results in satisfaction.



## 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.

# Alberta's Beverage Container Recycling System

## BENEFITS OF RECYCLING CONTAINERS

Albertans are now recycling over two billion beverage containers a year. That's more than 500 containers for every Albertan.

Our environment is worth protecting and preserving, and there are many environmental and economic benefits to recycling beverage containers. It saves energy, reduces landfill use and helps combat global warming with the reduction of greenhouse gas emissions. In fact, more than 129,200 tonnes of material was diverted from landfills in 2014 due to the recycling of more than two billion containers.

Each beverage container material type has unique processes and energy requirements for both manufacturing and recycling. Some of the commercially useful products that come from Alberta's recycled beverage containers include: new containers, plastic chairs, fibreglass insulation, cardboard boxes and construction re-bar.

As an incentive for consumers to recycle, the provincial government imposes (through regulation) a refundable deposit on each beverage container. The deposits are 10 cents for containers one litre or less in size and 25 cents for those over one litre.

Consumers are entitled to a cash refund of the full deposit they have paid on each container and are reimbursed at a depot.

## HOW THE BEVERAGE CONTAINER RECYCLING SYSTEM WORKS

As the system regulator, the BCMB works closely with its key stakeholders to manage and regulate Alberta's network of 216 bottle depots, one of the largest of its kind in Canada. The Alberta Bottle Depot Association (ABDA) represents all depots in the province.

The Alberta Beverage Container Recycling Corporation (ABCRC) is the collection system agent (CSA) for non-refillable containers and is responsible for the recycling of beverage containers. Collection service providers (CSP) are responsible for the collection of refillable containers, mainly glass beer bottles.

The BCMB's core responsibilities are:

- registering containers and manufacturers
- permitting and monitoring depots;
- setting handling commissions; and
- overseeing aspects of the relations between manufacturers, depots, the collection system agent and the collection service providers

The BCMB maintains a database of 120,000 registered containers, including alcohol and non-alcohol beverage products. Most Albertans now recycle their beverage containers and the most popular method of doing so is through depots. The BCMB works with depots to ensure high levels of service and convenience for customers. For a complete list of depots in Alberta or to find the depot nearest you, visit our web site at [www.bcmb.ab.ca](http://www.bcmb.ab.ca).

Beverage manufacturers are responsible for post-consumption collection of their beverage containers in Alberta. These containers are gathered from depots around Alberta by either the CSA or CSPs such as Alberta Beer Container Corporation.



## CONTAINER RECYCLING FEE

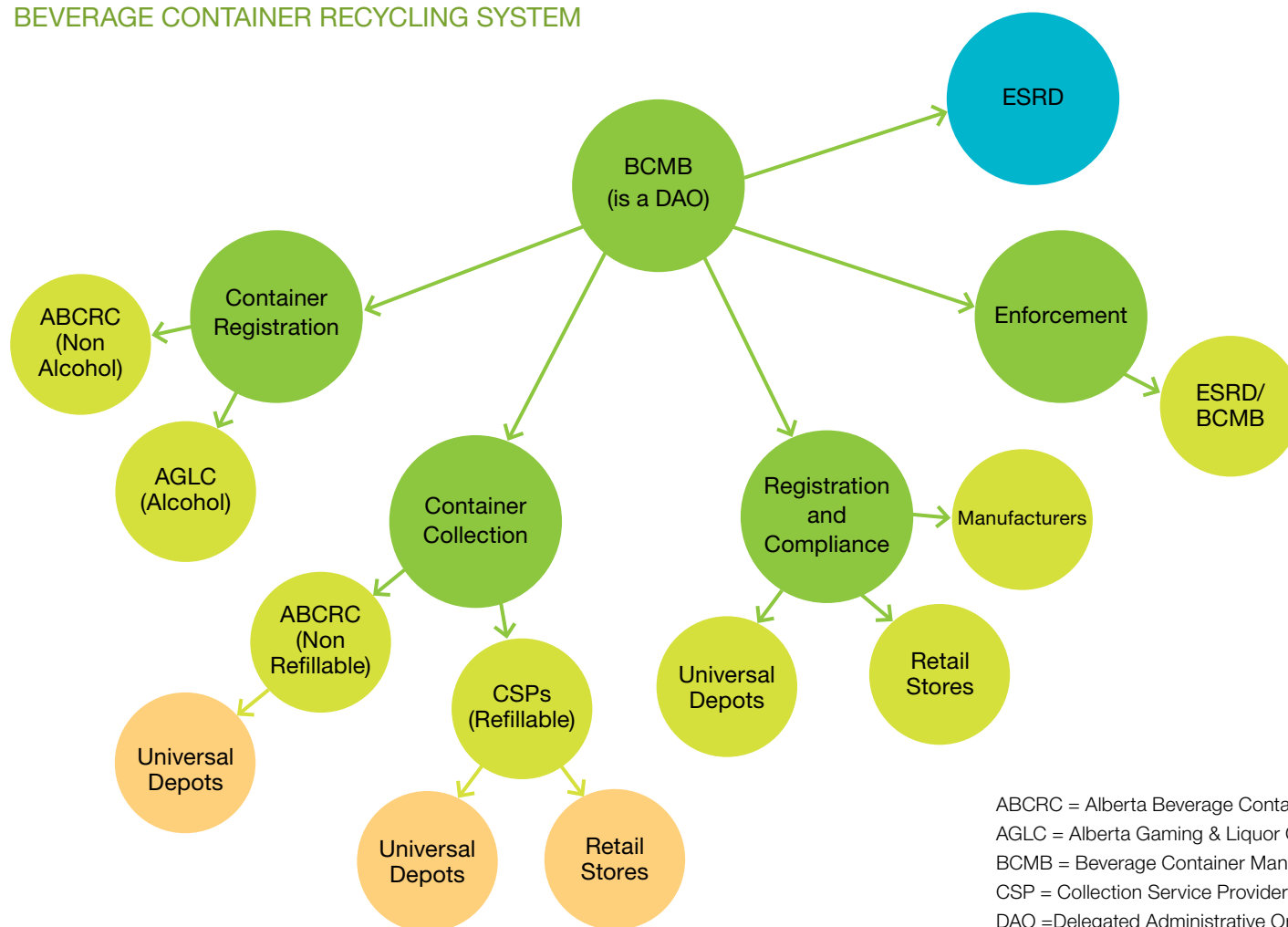
The Government of Alberta does not supply or receive any funding for or from the operation of the beverage container recycling system. A *Container Recycling Fee* (CRF) or environmental levy may be applied at the point of purchase to cover the net costs in recycling beverage containers. The fee is required to fund that portion of system operations costs (collection, transportation, marketing and processing) not covered by material revenues (i.e., the 'salvage value' of the containers) and unredeemed deposits. The CRFs are non-refundable and based on a not-for-profit formula. They range from no charge to up to 8 cents per container. More information on the CRF can be found at [www.abcrc.com](http://www.abcrc.com).

## HANDLING COMMISSION

Manufacturers (through the CSA or a CSP) pay a *handling commission* to the depots for each of their containers received. In return, the depot operator sorts the containers into different groups based on material type and deposit level.

The process of setting handling commission rates is led by the BCMB. The handling commission paid to bottle depot owners is the only revenue that depots receive for the handling of containers.

## BEVERAGE CONTAINER RECYCLING SYSTEM



ABCRC = Alberta Beverage Container Recycling Corporation  
 AGLC = Alberta Gaming & Liquor Commission  
 BCMB = Beverage Container Management Board  
 CSP = Collection Service Provider  
 DAO = Delegated Administrative Organization  
 ESRD = Alberta Environment and Sustainable Resource Development





Albertans returned almost 2.1 billion beverage containers for reuse and recycling, resulting in a return rate of 83.3%.



LOCAL FAMILY'S SUV READY FOR A TRIP TO THE DEPOT

# Performance Measure Reporting

## GOAL 1 — Reduce Environmental Impact

As required under the Beverage Container Recycling Regulation and our by-laws, the Beverage Container Management Board develops a three-year business plan annually that guides its operations and lays out its goals and strategies for that time period. BCMB's Annual Report allows us to report each year on our progress in relation to the Business Plan and highlight our accomplishments for that year.

In preparing its Business Plan, the BCMB takes into account the priorities contained in the Government of Alberta and Ministry of Environment and Sustainable Resource Development's (ESRD) Business Plans related to sustainable environmental management. One of the two stated goals for ESRD is the achievement of the Province's desired environmental outcomes for air, land, water and biodiversity. To this end, its 2014-2017 Business Plan speaks to an objective of waste reduction with a specific expectation for reducing the number of kilograms of municipal solid waste per capita to landfills.<sup>1</sup> The BCMB goals are aligned with this objective.

### STRATEGIES

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 through the beverage container recycling system. This is the most fundamental measure of the program's achievements and drives many of the Board's actions.

#### 1. 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.

#### *Progress in 2014*

- The BCMB investigated shopping mall food court consumer and retail recycling habits, infrastructure and best practices.
- Overall return rates and those for specific material streams were compared with other jurisdictions in Canada and with California. The comparison confirmed Alberta has one of the highest return rates in Canada and is on par with California as well.



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## GOAL 1 – REDUCE ENVIRONMENTAL IMPACT

- 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.
- The BCMB continues to build and strengthen relationships with the CSA, using its resources and experience in container recycling operations, communications and awareness. Some BCMB supported initiatives in 2014 included:
  - » 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. The BCMB and ABCRC coordinated a media event in June 2014 to recognize a RIP partnership between Hunting Hills High School and the South Hill Bottle Depot in Red Deer.
  - » the Community Champions Program, which supports the distribution of specialized (indoor and outdoor) recycling bins to Community Champions Partners.

## 2. Increase depot responsibility and accountability for recycling

This year the BCMB will focus on the responsibility and accountability of depots by developing web-based software to streamline the depot inspection process. Compliance Officers will be able to enter compliance results while the inspection is occurring. They will also be able to access all information pertaining to a specific depot while in the field and email depot operators immediately with the results of the inspection process, past audits and permit information. This will enhance access to information for both the depot operator and Compliance Officers, and will result in more meaningful communication regarding depot and BCMB expectations and responsibilities.

### *Progress in 2014*

- The BCMB continued to support 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 the 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.
- The BCMB reviewed the depot inspection process and evaluation criteria, including the depot permit matrix tool which 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.
- A survey management system was implemented 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.

- New online training modules were developed for depots outlining operational requirements for a successful depot. New depot operators, depots receiving one-year permits and depot staff looking to enhance their industry knowledge will be required to complete the online training.

### 3. 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 events, on infrastructure such as bins and trailers, and within publications.

#### *Progress in 2014*

- The Joint Marketing Committee (with representation from BCMB, ABCRC and ABDA) continued to explore opportunities to market the industry and increase the return rate in Alberta.
- External signs featuring the ABDA trademarked logo “DEPOT it’s worth it” were produced for each depot. Maintenance and posting of the sign became a requirement and that requirement 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.
- Uniform requirements were introduced for front-end employees of bottle depots. The ABDA trademarked logo “DEPOT it’s worth it” must appear on the clothing of depot staff.

### 4. Total recycling benefits

In partnership with the Alberta Recycling Management Authority (ARMA) and Alberta Used Oil Management Association (AUOMA), the BCMB will seek to develop a return rate study that is national in scope. The study will compare Canadian recycled product return rates to those in Alberta.

#### *Progress in 2014*

- The BCMB moved forward with a National Return Rate Study of beverage containers, comparing deposit programs in Canada. The study also included results from California as it has the largest deposit program in North America. The study acknowledged the diversity of provincial programs but confirmed the ongoing success and high return rates of deposit programs throughout Canada.

### 5. Waste characterization audits

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).

#### *Progress in 2014*

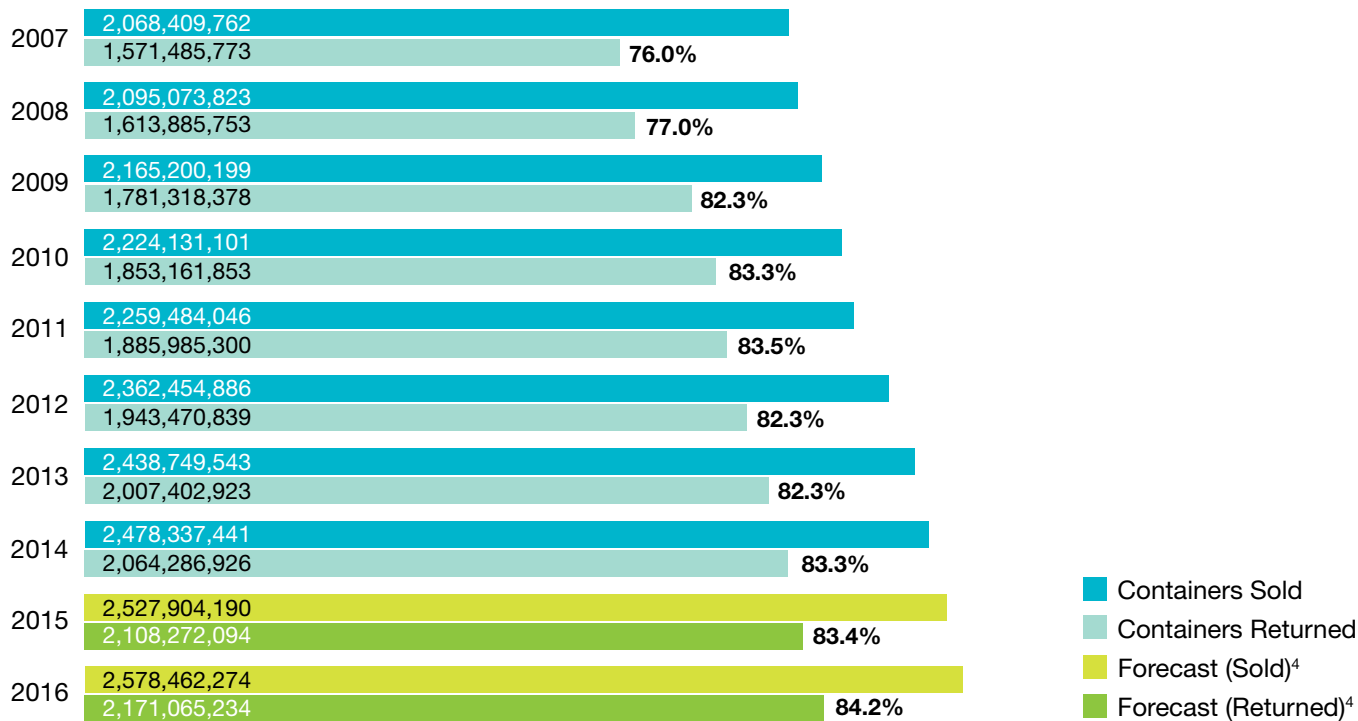
- The BCMB improved its understanding of the source and quantity of the remaining beverage container waste in Alberta Material Recovery Facilities (MRFs) through a joint audit with ARMA. Edmonton and Calgary MRFs currently sort and collect beverage containers from other recycled material and waste. All retrieved containers are returned to a bottle depot. The deposit refund plays a significant role in the annual budget for these facilities.



## GOAL 1 – REDUCE ENVIRONMENTAL IMPACT

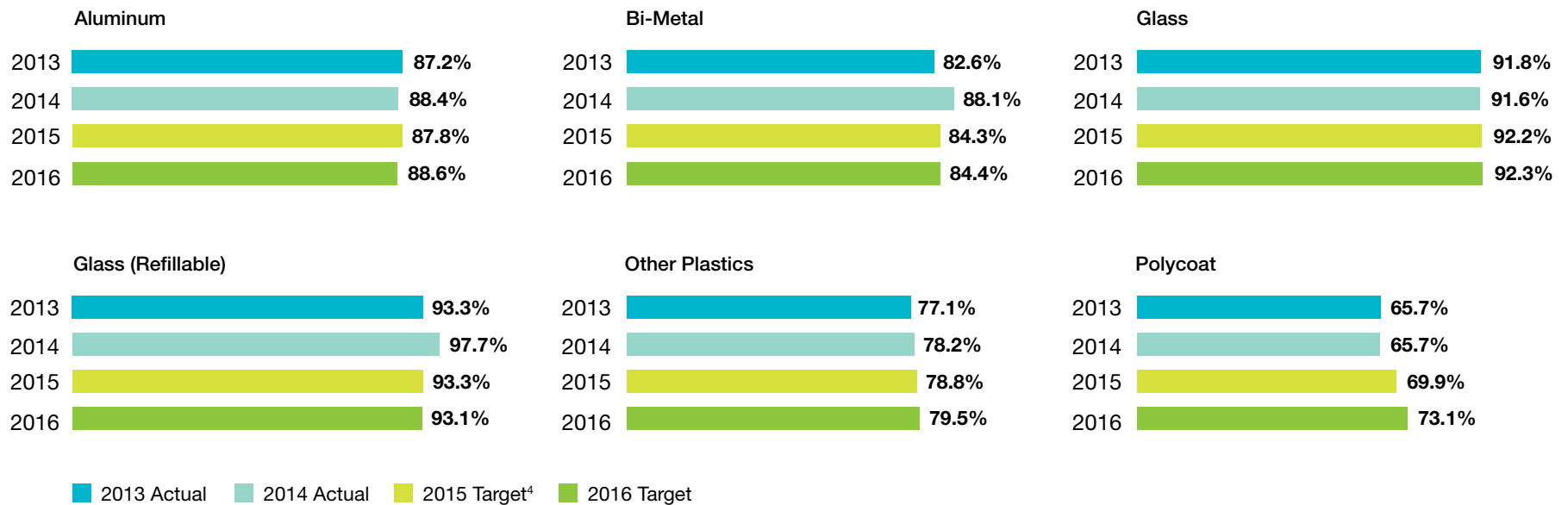
### PERFORMANCE MEASURES

Number of Containers Returned and Overall Return Rate (%)<sup>2</sup>



Note: All footnotes can be found on pages 46-47.

Return Rate by Container Type (%)<sup>3</sup>



Performance Measure and Objective	2013 Actual	2014 Actual	2015 Target <sup>4</sup>	2016 Target
<b>Objective: Program Environmental Footprint</b>				
Environmental benefits resulting from recycling activities <sup>5</sup>	n/a	n/a	TBD	TBD

Note: All footnotes can be found on pages 46-47.



## 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 the simplification of collection processes (e.g. less handling, limited sorts and compaction) and the use of technology that may be new to the depots or to the CSA.

### STRATEGIES

#### 1. Improve container collection system process 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.

#### *Progress in 2014*

- The BCMB benchmarked and evaluated leading practices in beverage container recycling as a source of options for improving cost effectiveness. Initial discussions took place on redevelopment of industry auditing processes and evaluation. A re-evaluation of the Progressive Action Policy occurred to ensure audits of beverage containers appropriately reflected correct variances and did not penalize depots unfairly.

## 2. 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 Services*** – an industry initiative to pilot alternative collection methods using a “quick-drop service” approach and swipe card technology. 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.
- ***Automated Container Counting and Sorting Equipment*** – equipment provided by Anker Anderson and installed in two Alberta depots will be assessed for an additional year. Additional information is required to complete the evaluation of the equipment and to determine servicing needs.
- ***Compaction*** – continued coordination of an initiative to promote the use of compaction technologies and determine the appropriate handling fees associated with compaction of beverage containers.

## *Progress in 2014*

- The Industry Leadership Committee began drafting a Terms of Reference for development of Quick Drop/Swipe Card technologies.
- Phase II of the pilot project for the use of counting and sorting technologies with depots and the CSA began to better determine the potential benefits and considerations for the industry. An evaluation of Phase II took place in late 2014 and is currently being reviewed by the Data Collection Agent.
- In December 2014, the Board approved an In-Depot Compaction Agreement providing an opportunity for any depot to compact on site if financially feasible to do so. The agreement provides guaranteed handling commission rates for in-depot compaction based on the type of equipment used and types of containers being compacted.
- A truck-based pilot program was introduced, in which containers are collected and compacted by the CSA at the depot. The pilot is anticipated to be complete by the winter of 2015.



### 3. Actively monitor program effectiveness

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 and 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.

#### *Progress in 2014*

- The BCMB lead 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. The CSA By-law will be reviewed by the Board in February 2015.
- The annual Depot Satisfaction Survey was conducted by the BCMB at its regional meetings in the spring of 2014 to identify the depot operators' overall experience and satisfaction with the CSA and the BCMB.

### 4. 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.

#### *Progress in 2014*

- While no funds were used in 2014, the Beverage Container Innovation Fund continues to be available for those in the industry wishing to explore new technology.

### 5. Operational Review Program

Together with the ABCRC and ABDA, the BCMB will develop an Industry Quality Monitoring Program aimed at improving overall accuracy, process and communications within the beverage container management system. Once developed, 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 develop a 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.

#### *Progress in 2014*

- Work continued with industry partners to develop and pilot an online Quality Monitoring System. The system is a quality assurance/issues management tool that allows depot operators to effectively communicate with the CSA and CSP. The tool tracks all issues, monitors how issues are resolved and will ultimately allow the BCMB to enhance processes and policy for the betterment of the industry. All depots will be required to use the quality monitoring system by March 16, 2015.

## PERFORMANCE MEASURES

Performance Measures and Objectives <sup>6</sup>	2013 Actual <sup>7</sup>	2014 Actual	2015 Target	2016 Target
<b>Objective: Cost Effectiveness and Efficiency<sup>8</sup></b>				
Net system cost per unit recovered	\$0.0207	\$0.02284	\$0.0229	\$0.0269
Net cost by container type <sup>9</sup>				
• Aluminum	\$0.0051	\$0.00302	\$0.0057	\$0.0078
• Bi-Metal	\$0.0463	\$0.05844	\$0.0502	\$0.0521
• Glass	\$0.0739	\$0.08671	\$0.0742	\$0.0745
• Plastics	\$0.0291	\$0.03352	\$0.0318	\$0.0366
• Polycoat	\$0.0190	\$0.02364	\$0.0281	\$0.0417
Achievement of BCMB budget objective	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
BCMB financial reporting requirements met (quarterly/annual report, business plan)	Complete	Complete	Complete	Complete

Note: All footnotes can be found on pages 46-47.

## 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 of 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 on:

- 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.

### STRATEGIES

#### 1. Evaluate and improve the Handling Commission Review process

The 2014 Handling Commission Review (HCR) commenced in April 2013. The process is led by BCMB legal counsel and includes all identified interested parties and the Data Collection Agent. It is anticipated that the new handling commissions will be brought before the BCMB Board of Directors at the April 2014 board meeting. The HCR process provides opportunity for interested parties to discuss and negotiate handling commissions within the industry.

#### *Progress in 2014*

- The Board approved the 2014 Handling Commissions in June 2014. However, the commissions were legally challenged by the ABCRC and Alberta Beer Container Corporation. A judicial review of the new handling commissions was conducted by the Court of Queen's Bench which upheld the Handling Commissions set by the Board. The Handling Commission policies and process will be reviewed and updated by the BCMB as needed.



## 2. 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. In 2014, the BCMB will roll-out a new communications plan to help educate municipalities on the status and sophistication of the depot network and the importance of locating depots in areas accessible to the public.

### *Progress in 2014*

- The BCMB successfully worked with the City of Calgary to make by-law changes and begin community consultation to expand zoning criteria for depots.
- Communication with and presentations to municipalities were carried out on the availability of infrastructure and the opportunity to partner with local depots to achieve recycling goals.
- The BCMB began production of an informational video on the role and mandate of the BCMB and our commitment to work with municipalities to increase awareness of beverage container recycling and to make it easier for bottle depots to receive development permits.

## 3. Ensure that depot standards promote efficiency and effectiveness

Through annual regional meetings hosted by the BCMB, the industry has an opportunity to encourage best practices; roll-out new pilots or programs; provide updates, educational and training opportunities; introduce staff and network within the industry; tour depot facilities; and view technology in operation. Regional meetings also provide an opportunity for communications, public events and a survey of the depot network on their satisfaction and areas for improvement.

### *Progress in 2014*

- Evaluation of the existing Mystery Shopper Program began with a goal to increase accuracy, processes and types of mystery shopper compliance in the system.
- Mystery shopper audits took place in the summer of 2014 and will help determine how the Mystery Shopper Program should be designed in the future.
- Depots completed the BCMB's annual Depot Survey at Regional Meetings in the spring of 2014.

#### 4. Improve container registration process

The beverage container registration database and process of registering containers will continue to be assessed and apparent weaknesses addressed. In partnership with the ABDA, ABCRC and AGLC, the BCMB will continue to develop a beverage container registration database that will be accessible to the public via the BCMB website. The database will streamline searching for products and allow depot operators to confirm that products are registered with the BCMB prior to accepting the product at their depot. Some areas of improvement include the clarity of container registration guidelines, the ease of finding specific containers within the database and the use of technology that is accessible on all devices, including mobile phones.

##### *Progress in 2014*

- Redesign of the beverage container registration database continued. The database is being streamlined to allow for quick and accurate searches for containers and simplification of processes between the BCMB, AGLC and ABCRC. Once complete, the database will be available to depots and the public via the BCMB web site.
- A sub-committee was formed to develop the *Beverage Container Registration By-law* that will help clearly identify process and requirements for registration of all beverage containers in Alberta.

#### 5. 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. Beginning in 2014, the BCMB will undertake the hiring of an independent, third party consultant to complete a Root Cause Analysis (RCA) of threats to the beverage container recycling industry in Alberta. 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.

##### *Progress in 2014*

- The BCMB continued to test servers and system back-ups, and improved internal computer and communication systems.
- Compensation and succession planning were assessed.
- A review of the BCMB's board governance was initiated. A third party was hired to review current governance practices and supporting documentation to ensure best practices are in place and that the BCMB board remains a high functioning governance board.
- Two new by-laws were developed and approved: the *Beverage Container Depot Operation and Administration By-law* and the *Beverage Container Depot Permit Application, Renewal and Amendment By-law*. The by-laws enhance and clarify process for permitting and operating new depots.
- Monthly Industry Leadership Committee meetings continued. The BCMB, ABDA and the ABCRC participate on the committee and discuss, prioritize and evaluate industry needs, technology, events and processes. Currently three industry operational sub-committees report directly to the ILC.
- A new Data Collection Agent (DCA) was recruited. The former DCA continued its work through the transition process.
- While the RCA did not begin in 2014, an evaluation of the beverage container management system is being planned.

## PERFORMANCE MEASURES

Performance Measures and Objectives	2013 Actual	2014 Actual	2015 Target	2016 Target
<b>Objective: Quality of Service</b>				
Progress on business plan goals and targets	Goals achieved	Goals achieved	Goals achieved	Goals achieved
Number of consumer depot service complaints	116	123	<150	<150
Average number of depot inspections per depot	1.5	1.3	1.7	1.9
Number of retail locations inspected	157	150	150	175
Number of mystery shopper audits <sup>10</sup>	316	280	400	400
<b>Objective: Compliance</b>				
Compliance rating (% of depots scoring 80% or higher on depot inspections)	69%	80%	70%	75%
Compliance rating (from retail inspections, % of retail locations inspected that meet requirements) <sup>11</sup>	50%	55%	60%	65%
Compliance rating (from CSA) <sup>12</sup>	n/a	n/a	TBD	TBD
Compliance rating (BCMB regulatory requirements)	Compliant	Compliant	Compliant	Compliant
<b>Objective: Accessibility of Service</b>				
Average travel time to a depot (from consumer survey)	<ul style="list-style-type: none"> <li>• 48% &lt; 10 min.</li> <li>• 34% = 11-20 min.</li> </ul>	<ul style="list-style-type: none"> <li>• 51% &lt; 10 min.</li> <li>• 34% = 11-20 min.<sup>13</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 51% &lt; 10 min.</li> <li>• 35% = 11-20 min.</li> </ul>	<ul style="list-style-type: none"> <li>• 51% &lt; 10 min.</li> <li>• 35% = 11-20 min.</li> </ul>
Number of depots in Alberta <sup>14</sup>	216	216	221	223
Number of bins outside depots <sup>15</sup>				
• Community Champions (# bins)	27,925	44,167	30,000	30,000
• Recycling Infrastructure Partnership (# bins)	59,485	36,815	10,000	10,000

Note: All footnotes can be found on pages 46-47.



## GOAL 4 —• Involve, Inform and Satisfy Stakeholders/Customers

The BCMB recognizes that in order for it to be successful, beverage container recycling must be widely accepted and operated to a standard that satisfies Albertans. Accountability to the Ministry, the public 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

### STRATEGIES

#### 1. Seek public assessments of performance and continue improvement of performance reporting

The BCMB will complete the annual public survey of beverage container recycling performance. The results from this survey are used as annual benchmarks for the BCMB and industry performance.

Occurring every second year, the Depot Exit Interview Survey will be conducted at Alberta depots to assess the public's perception of the "depot experience" with a goal of enhancing customer service, communications and accessibility of service for the public.

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

*Progress in 2014*

- The BCMB coordinated, participated in and monitored beverage container industry public awareness events such as RIP announcements and marketing and branding programs (e.g. trailer and bin wraps, and distribution of beverage container recycling posters).
- In early 2014, the BCMB commissioned the Ipsos Reid public survey regarding beverage container recycling performance and experience with Alberta depots. Results were reported in the 2013 Annual Report. The survey will now be conducted every two years to coordinate with other surveys conducted by the BCMB. The next public survey will be in 2016.
- The BCMB conducted its annual Depot Exit Interview Survey at 10 Calgary depots to determine customer experiences at, accessibility to and suggested improvements for their depot. The survey will be enhanced in 2015 to include other depots across Alberta. The survey is used to benchmark successes and areas for improvement within the depot system.
- The BCMB's website was further developed and refined 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 Board and committee materials.
- The BCMB 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 – INVOLVE, INFORM AND SATISFY STAKEHOLDERS/CUSTOMERS

### PERFORMANCE MEASURES

Performance Measure and Objective	2013 Actual	2014 Actual	2015 Target	2016 Target
<b>Objective: Public Participation</b>				
Participation rate	91%	91% <sup>16</sup>	94%	94%
Number of school and special programs <sup>17</sup>	471	523	600	600
<b>Objective: Public Awareness</b>				
Individuals aware of program	98%	97% <sup>18</sup>	97%	97%
Number of public awareness events held <sup>19</sup>	260	222	200	200
Dollars spent on awareness activities <sup>20</sup>	\$1.0 million	\$3.1 million	\$1.0 million	\$1.0 million
<b>Objective: Public Satisfaction</b>				
Overall public satisfaction rating <sup>21</sup>	79%	79%	83%	85%
• Convenience	82%	83%	84%	85%
• Pleasantness	76%	76%	82%	85%
<b>Objective: Stakeholder Satisfaction<sup>22</sup></b>				
Depots (overall satisfaction with CSA) <sup>23</sup>	100% moderately to highly satisfied	95% moderately to highly satisfied	95% moderately to highly satisfied	95% moderately to highly satisfied
Depots (overall satisfaction with BCMB) <sup>24</sup>	n/a	87% moderately to highly satisfied	90% moderately to highly satisfied	93% moderately to highly satisfied
Industry	n/a	n/a	TBD	TBD

Note: All footnotes can be found on pages 46-47.



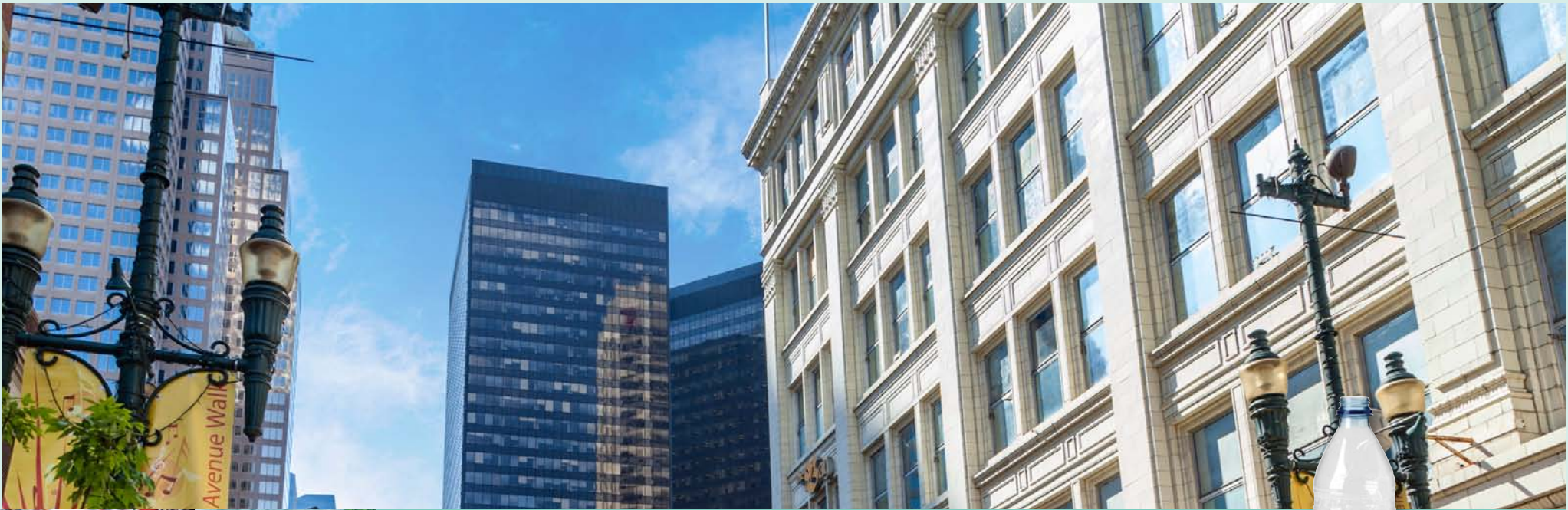


The BCMB recognizes the importance of protecting and enhancing Alberta's environment by minimizing the number of beverage containers discarded as litter.



HIKING IN A MEADOW OF WILD FLOWERS





More than 129,200 tonnes of material was diverted from landfills in 2014 due to the recycling of more than two billion containers.



SHOPPERS ON STEPHEN AVENUE WALK IN CALGARY



## 2014 Board of Directors

The Beverage Container Management Board consists of a 16-member Board of Directors. Membership on the Board is set under the Societies Act By-law and includes representation from a cross-section of stakeholders including: beverage manufacturers, bottle depot operators, hotel and liquor store operators, municipal governments, the provincial government, non-government environmental organizations and the public. Board members each sit for three-year terms and serve on a number of Board committees as well.<sup>25</sup>

The Board of Directors has the following responsibilities:

- setting criteria for the system
- conducting inspections
- registering beverage containers
- issuing operating permits for container depots
- approving the collection system agent

### DEPOT REPRESENTATIVES



**Kulwant Dhillon**

*Appointed to the Board in 2009*

Kulwant Dhillon is an innovative thinker with broad based expertise in operations, finance, business development and government relations. He has been involved in the beverage container recycling industry since 1990 as a depot owner and liquor store operator.

Kulwant established Moneyback Containers in 1990, the Alberta OK Liquor Store chain in 1993, a marketing company involved in importing food/beverages and gift/promotional items, and a Texaco Xpress Lube and Carwash complex. He has a B.Sc. in Mechanical Engineering and previously worked with SNC-Lavalin Inc. as a Team Leader on a Syrian pipeline project. Kulwant is also the Founding Chairperson and President of a community credit union.



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## BOARD OF DIRECTORS – DEPOT REPRESENTATIVES



**Karim Dossa**

*Appointed to the Board in 2008*

Karim has been involved with the beverage container recycling industry in Alberta since 1986 when he purchased the Beddington Heights Bottle Depot in Calgary, Alberta. He currently serves on the Board of Directors for the BCMB and the Alberta Bottle Depot Association.

Karim has volunteered with various organizations, including the City of Calgary's Parks and Recreation department organizing and implementing youth soccer and volleyball programs. He has also been involved with the Ismaili Volunteer Corps both as a member and in a leadership capacity and served on the Council of Elders with the Ismaili Muslim Community, planning and executing a number of projects within the community.



**Jeff Linton**

*Served on the Board in 2009 for a two-year term and re-appointed in 2013*

Jeff Linton is an organizational and administrative consultant and currently serves as the Executive Director for the Alberta Bottle Depot Association, a position he has held for 16 years.

Jeff has more than 30 years of management experience across multiple disciplines including the food service industry, computer manufacturing and business development within a non-profit organization framework. Jeff's career has focused on adding value through innovation, business development and operational efficiency.



**Ivonne Martinez**  
*Appointed to the Board in 2012*

Ivonne Martinez is a seasoned government relations and communications professional with over 23 years of experience working with the federal government, the Alberta and British Columbia governments, and the oil and gas industry. She has worked for Cabinet Ministers at both levels of government and spent six years with Nova Corporation and TransCanada Pipelines.

Ivonne is currently the President of the Alberta Liquor Stores Association, a position she has held for the last three years, after returning from working abroad in Dubai, UAE for seven years.



**Brenda Smith**  
*Appointed to the Board in 2012*

Brenda Smith has 30 years of experience in the financial services industry with experience ranging from personnel management, training and marketing to actively managing loan and investment portfolios. Her last 10 years in the financial services industry was spent working with a wealth management team at BMO Nesbitt Burns.

Brenda also worked in the oil and gas servicing sector with a U.S. based company before moving to Signature Support Services where she has served for the past eight years as the Business Services Director for Recycle Plus. She oversees the real estate assets of the organization along with providing direction for the two bottle depots in Grande Prairie, Alberta (Plus I and Plus II).

Brenda serves on the Alberta Bottle Depot Association Board of Directors and presently holds the position of President. She also serves on a condominium board and was previously a Board member with the Grande Prairie and District Association for Persons with Developmental Disabilities.

## MANUFACTURERS



**Neil Antymis, ICD.D, CGA**  
*Appointed to the Board in 2007*

Neil Antymis is a Certified Corporate Director and Certified General Accountant. He is currently employed as Director, Government Affairs for PepsiCo Beverages Canada. He serves on the boards of seven environmental stewardship organizations across Canada, including the Beverage Container Management Board, and is a director on the Canadian Beverages Association board where he serves as Treasurer, Audit Committee Chair and Environmental Committee Chair.

Prior to his work in government affairs and environmental stewardship, Neil was the Planning Manager – Western Canada for The Pepsi Bottling Group. In that position, Neil leveraged his skills and experience to develop strategies, action plans and performance management systems in partnership with the senior leadership team in the areas of production, distribution, sales, warehousing, fleet and service. Neil has worked in the Pepsi system for 25 years with an environmental stewardship focus for the past 10 years.



**John B. Challinor II, APR**  
*Appointed to the Board in 2014*

John B. Challinor II is the Director of Corporate Affairs for Nestlé Waters Canada and a member of the company's leadership team. He joined Nestlé Waters in June 2008 and is responsible for Nestlé Waters' day-to-day corporate communications and public affairs activities in the Canadian marketplace. John has more than 30 years of corporate communications and marketing experience, having served in executive and senior advertising positions, industry and government affairs, and public relations roles with a number of companies.

John is Chair of the Canadian Beverage Container Recycling Association, President of the Alberta Beverage Council, and a member of the Board of Directors of Encorp Pacific Inc., the Alberta Beverage Container Recycling Corporation and the Beverage Container Management Board. He is also Chair of Environment Committee for the Canadian Bottled Water Association and a member of the Environment Committee, Canadian Beverage Association.





**Sherman Hanowski**  
*Appointed to the Board in 2012*

Sherman has worked in financial roles in the railway, telecommunication and mining sectors, as well as the Alberta Gaming & Liquor Commission, including internal and forensic audit, financial analysis, budgeting and as controller. In his current role with the Alberta Gaming & Liquor Commission, Sherman manages the contract of the private warehouser and distributor of liquor for the Province of Alberta.

Sherman received a Bachelor of Commerce degree from the University of Saskatchewan in 1974. He articulated with Ernst & Young and qualified as a Chartered Accountant in 1976. He also qualified as a Certified Fraud Examiner in 1999.

He currently is on the Board of Directors for the Beverage Container Management Board, the Alberta Beverage Container Recycling Corporation and the Alberta Beer Container Corporation.



**Ian Tott**  
*Appointed to the Board in 2009*

Ian Tott is the Vice President of Warehouse and Distribution – Western Canada with Saputo Dairy Products Canada and brings 37 years of experience in the food and beverage industry to the BCMB. During his tenure with Saputo, he has served in many positions, including roles in the company's sales, warehouse and distribution structures.

Ian is presently the Chair of the Alberta Dairy Council, a Director representing the dairy processors on the Alberta Beverage Container Recycling Corporation Board, a Director representing the dairy processors on the BCMB and formerly represented the dairy processors in Manitoba on the Canadian Beverage Container Recycling Association Board.



**Brian Zeiler-Kligman**  
*Appointed to the Board in 2011*

Brian Zeiler-Kligman became Canada's National Brewers' inaugural Director of Sustainability in 2011. In this role, Brian drives regulatory and policy initiatives related to industry sustainability, including container recovery and management, across Canada. Brian also works with related companies such as the Beer Store in Ontario and Brewers Distributors Limited in Western Canada to manage and implement logistical, operational and financial aspects of sustainability initiatives.

Previously, Brian held lead policy positions with the Toronto Board of Trade and the Canadian Chamber of Commerce and he practiced in a number of regulatory areas at a large national law firm. Brian is also part-time faculty at York University, teaching international business, with academic publications on international trade, investment and social policy issues.

A member of the Ontario Bar, Brian holds a LL.B. (University of Ottawa), a M.A. (Norman Paterson School of International Affairs) and a B.A. (International Relations – UBC).

## PUBLIC MEMBERS



**Anne Auriat**

*Appointed to the Board in 2011*

Anne Auriat is currently Manager of Waste Minimization Programs for the Towns of Edson and Hinton, along with Yellowhead County. She has been directly involved with the recycling programs in these communities for the past 18 years, first as a County Councillor for six years. She was involved in the construction of the original Edson facility and later as coordinator and manager, building the waste minimization program from its beginnings in newspaper and cardboard to its present multiple-material intake that includes papers, plastics, waste oils, hazardous materials, and a popular take-it-or-leave-it facility. During her tenure as Manager, the regional program has received a nomination for an Emerald Award.

Anne was born and raised in Carrot Creek, Alberta and attended the University of Alberta where she received a BSC in Agricultural Economics. She is married to Curtis Brinker and has four children. In addition to her management duties, Anne is co-owner of an environmental consulting/managing business, Silkstone Environmental Ltd. Anne also volunteers with numerous local non-profit groups.



**Andre Chabot**

*Appointed to the Board in 2011*

Andre Chabot was elected to his first term on the City of Calgary Council for Ward 10 during a by-election on February 28, 2005.

Andre has a long history of community service. He believes in and promotes strategic growth and infrastructure improvements that complement and support sustainable development for business and residents.

Andre is a City of Calgary representative on the Alberta Urban Municipalities Association (AUMA) and sits on the following AUMA committees: Beverage Container Management Board (BCMB) and BCMB's Return Rate committee; Transmission Facilities Cost Monitoring Committee (TFCMC); Standing Policy Committee on Sustainability and the Environment; Alberta Data Partnership Limited.

Andre also participates on a number of Calgary City Council committees on issues such as: planning and urban development; transportation and transit; gas, power and telecommunications; priorities and finance; legislative governance; and intergovernmental affairs. He is a member of the Inter-Municipal Committee (IMC) for Chestermere and the Calgary Stampede Board.



**Patrick Kane**  
*Appointed to the Board in 2000*

Patrick Kane is a senior manager with Alberta Environment and Sustainable Resource Development (ESRD) responsible for the development of waste policy for Alberta. In his role with ESRD, Patrick has played a key role in the establishment of recycling programs for beverage containers, used oil materials, tires, unused paint and paint containers, and Canada's first program for electronics recycling.

His team was awarded the Recycling Council of Alberta "R's of Excellence Award" for government leadership (2005) and for the development of Alberta's Greening Government Strategy (2011), and was the recipient of an Alberta Emerald Award (2007) for the development of provincial waste stewardship programs. The Alberta Emerald Foundation showcases environmental leadership in Alberta, setting an example of environmental excellence for all to follow.

Patrick is a Certified Management Accountant, has a Business Administration Degree from the University of New Brunswick, is a certified Environmental Practitioner (EP) and has obtained the Chartered Director (C.Dir.) designation from The Directors College (a joint venture of McMaster University and The Conference Board of Canada).



**Elaine Noel-Bentley**  
*Appointed to the Board in 2009*

Until her retirement, Elaine Noel-Bentley was employed at Petro-Canada for 20 years, the last 10 years as Senior Director of Total Compensation. Prior to her years at Petro-Canada, she was employed at Great-West Life and the Government of Alberta's Treasury department.

In addition to being a Director on the BCMB, Elaine is currently a board member on the Public Service Pension Board, the Alberta Municipal Services Corporation Board and the APEX Governance Board. She also teaches periodically on pensions and benefits at Humber College and the University of Calgary.

Elaine has a B.A. in Mathematics and an M.A. in English, and is a graduate of the Directors Education Program.





**Ross Risvold, Chair**  
*Appointed to the Board in 2005*

Ross Risvold is a former municipal politician who is involved provincially, nationally and internationally on sustainable development and technology transfer issues.

Ross has 12 years of experience in municipal government and is a retired Mayor of Hinton, Alberta. He has provided consulting services for over 30 years to communities, resource management companies and all levels of government on sustainability opportunities and issues management. This work has involved community futures, aboriginal communities, resource management, research and development, and technology transfer.

In addition to eight years as Chair of Alberta's Beverage Container Management Board, Ross has also served on the Board of Directors for Alberta's Climate Change Central, the Federation of Canadian Municipalities and the National Advisory Board for Forest Research. He is a former General Manager for the Banff Centre for Management and Director for the Environmental Training Centre at Hinton.



**Ken Teare**  
*Appointed to the Board in 2010*

Ken Teare is a Management Consultant with 35 years of experience in business and engineering. He provides consulting services to utilities, governments, municipalities and service organizations. Ken has a Master of Business Administration in Finance and Marketing and a Bachelor of Science in Electrical engineering.

Ken is a former President and General Manager of the Alberta Beverage Container Recycling Corporation and has led or been involved in strategic planning and the development of a governance structure and performance measures in the beverage container recycling industry.

Ken is a past Chairman and board member with the Tire Recycling Management Association. He has also worked in a number of roles for West Kootenay Power in British Columbia and on audit teams that performed operational effectiveness audits of B.C. Hydro and SaskPower.

Ken has served on environmental committees for the City of Calgary and Calgary Chamber of Commerce, has been a member of the Judges Panel for the Alberta Emerald Foundation, and has been an active member of the Rotary Club of Alberta since 1978.

## References

<sup>1</sup> Environment and Sustainable Resource Development Business Plan 2014-17, February 18, 2014.

<sup>2</sup> Forecasts for 2015 and 2016 are based on a 2% increase in container sales with a targeted return rate of 85%.

<sup>3</sup> Reflects the total number of containers returned (2.07 billion) and the breakdown of containers by type.

<sup>4</sup> The 2015 and 2016 target rates consider the Board's direction for the system and provide a reasonable forecast of recoveries by container type.

<sup>5</sup> The BCMB continues to research a method of defining emission targets and quantifying the environmental footprint of the beverage container management system.

<sup>6</sup> The 2014 actual is based on the ABCRC's 2014 Sustainability Report. The 2015 and 2016 target costs are based on forecasted sales and returns adjusted to reflect the Board's target return rates. Other variables (ie. inflation, commodity prices, exchange rates) are assumed to remain constant.

<sup>7</sup> The 2013 Actuals have been revised slightly from those reported in the 2013 Annual Report to reflect updated figures received from the ABCRC after the 2013 Annual Report was published.

<sup>8</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>9</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.

<sup>10</sup> The Mystery Shopper Program is currently being redeveloped to ensure accuracy and to introduce a year-round program with sufficient coverage.

<sup>11</sup> From January 1, 2014 to December 31, 2014, Compliance staff completed 104 retail inspections. Targeting of 'problem' retail locations will result in lower compliance achievement initially, with improvements expected in 2015 and 2016.

<sup>12</sup> Currently under development. Development of statistic to occur within the parameters of the CSA By-law and operating documents.

<sup>13</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>14</sup> Includes only universal depots. There are currently 20 Class D permits.

<sup>15</sup> Formerly collected as a rolling number. 2014 actual includes only bins distributed in 2014. Bins provided to communities in previous years cannot be confirmed as still accessible to the public.

<sup>16</sup> 91% of Albertans returned beverage containers to a bottle depot, as reported in the 2014 Ipsos Reid Survey.

<sup>17</sup> Includes the number of schools and partners involved in ABCRC's Community Champions Program and does not include individual depot events.

<sup>18</sup> In 2014, a maximum of 97% of survey respondents report that they have recycled beverage containers in the past six months.

<sup>19</sup> Includes only ABCRC Go Green Team events, not individual depot events.

<sup>20</sup> Includes ABCRC and BCMB expenditures on awareness and related programs.

<sup>21</sup> As reported in the 2014 Ipsos Reid Public Survey.

<sup>22</sup> The BCMB will be monitoring stakeholder satisfaction utilizing surveys and outcome measures.

<sup>23</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>24</sup> Included in the depot satisfaction survey at the 2014 Regional Meetings.

<sup>25</sup> A list of Board committees and the members serving on each can be found on page 57 in the Financial Statements.





Alberta has one of the highest return rates  
in Canada and is on par with California as well.



STAIRS LEADING TO A RIVER VALLEY TRAIL IN EDMONTON



# Independent Auditor's Report

April 22, 2015

To the Directors of  
Beverage Container Management Board

We have audited the accompanying financial statements of Beverage Container Management Board, which comprise the balance sheet as at December 31, 2014 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beverage Container Management Board as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

Chartered Accountants



*PricewaterhouseCoopers LLP*  
Edmonton

# Balance Sheet

AS AT DECEMBER 31, 2014

	2014	2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,432,658	\$ 2,641,109
Accounts receivable	37,563	64,824
Prepaid expenses and advance	58,356	16,818
	2,528,577	2,722,751
<b>Investment</b>	284,450	280,520
<b>Restricted cash</b> (note 9)	1,193,379	1,153,464
<b>Property and equipment</b> (note 3)	53,633	87,546
	4,060,039	4,244,281
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	209,649	151,608
<b>Net Assets</b>		
<b>Unrestricted</b>	2,657,011	2,939,209
<b>Restricted</b> (note 8)	1,193,379	1,153,464
	3,850,390	4,092,673
	4,060,039	4,244,281

Approved by the Board of Directors

Director 

Director 

The accompanying notes are an integral part of these financial statements.

# Statement of Changes in Net Assets

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014			2013
	Restricted	Unrestricted	Total	Total
<b>Balance – Beginning of year</b>	\$ 1,153,464	\$ 2,939,209	\$ 4,092,673	\$ 4,177,425
Transfer	25,735	(25,735)	–	–
Excess of revenues over expenditures (expenditures over revenues) for the year	14,180	(256,463)	(242,283)	(84,752)
<b>Balance – End of year</b>	1,193,379	2,657,011	3,850,390	4,092,673

The accompanying notes are an integral part of these financial statements.



# Statement of Revenues and Expenditures

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014		2013
	Actual	Budget (Unaudited)	Actual
<b>Revenues</b>			
Container fees	\$ 2,272,164	\$ 2,320,776	\$ 2,209,460
Depot fees	59,150	60,000	72,600
Interest and other	44,900	25,750	47,086
Product registration fees	42,189	40,000	40,851
	2,418,403	2,446,526	2,369,997
<b>Operating expenditures</b>			
Payroll	928,177	1,047,831	893,855
Professional fees	462,643	364,500	470,582
Board of Directors' honoraria and expenses	190,036	230,000	216,811
Office	177,944	199,000	172,812
Travel	70,311	94,000	96,494
Advertising	87,697	110,000	79,875
Mystery shopper	77,521	100,000	68,994
Depreciation	35,398	36,000	40,901
Staff training	19,873	30,000	29,824
Insurance and licences	14,199	17,000	13,255
Miscellaneous	3,900	5,000	4,910
Information system maintenance	12,570	20,000	2,037
Loss on disposition of assets	1,753	–	–
HR review	–	20,000	–
	2,082,022	2,273,331	2,090,350
<b>Project expenditures</b>	578,664	1,330,000	364,399
<b>Excess of expenditures over revenues for the year</b>	(242,283)	(1,156,805)	(84,752)

The accompanying notes are an integral part of these financial statements.

# Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of expenditures over revenues for the year	\$ (242,283)	\$ (84,752)
Items not affecting cash		
Depreciation	35,398	40,901
Loss on disposition of assets	1,753	–
	(205,132)	(43,851)
Net change in non-cash working capital items	43,766	(20,527)
	(161,366)	(64,378)
<b>Investing activities</b>		
Purchase of property and equipment	(3,238)	(59,093)
Increase in investment	(3,931)	(4,563)
Increase in restricted cash	(39,916)	(57,092)
	(47,085)	(120,748)
<b>Decrease in cash during the year</b>	(208,451)	(185,126)
<b>Cash – Beginning of year</b>	2,641,109	2,826,235
<b>Cash – End of year</b>	2,432,658	2,641,109
<b>Supplementary information</b>		
Interest paid	–	–
Interest received	30,982	37,292

The accompanying notes are an integral part of these financial statements.

# Notes to the Financial Statements

DECEMBER 31, 2014

## NOTE 1 NATURE OF OPERATIONS

The Beverage Container Management Board (the Board) was incorporated under the Societies Act of the Province of Alberta on October 9, 1997. As a not-for-profit organization, no provision for corporate income taxes has been provided in these financial statements, pursuant to Section 149(1)(l) of the Income Tax Act. Pursuant to the Beverage Container Recycling Regulation, Alberta Regulation 101/97, the Board has been delegated responsibility to administer the regulation and supervision of the beverage container management system in the Province of Alberta.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses is dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

### Revenue recognition

Container fees represent a levy charged for each registered beverage container recycled in the Province of Alberta. Product registration and depot fees are recorded as the related service is performed.

### Property and equipment

Property and equipment are recorded at cost. Depreciation on these assets is provided for using the straight-line method as follows:

Office equipment	5 years
Leasehold improvements	10 years
Computer equipment and accessories	4 years
Computer software	4 years
Furniture and fixtures	5 years

### Investments

Investments are recorded at fair value with any changes in fair value recorded in the statement of revenues and expenditures. As at December 31, 2014, the investments consisted of guaranteed investment certificates that mature in 2015 and earn interest at 1.30%.

### Financial instruments

The Board records cash, restricted cash, accounts receivable and accounts payable and accrued liabilities at amortized cost. Amortization is recorded on a straight-line basis. Investments are recorded at fair value.

Financial assets are tested for impairment at the end of each reporting period when there are indications the assets may be impaired.

# Notes to the Financial Statements

DECEMBER 31, 2014

## NOTE 3 PROPERTY AND EQUIPMENT

	2014			2013
	Cost	Accumulated amortization	Net	Net
Office equipment	\$ 7,042	\$ 5,400	\$ 1,642	\$ 3,050
Leasehold improvements	9,950	3,179	6,771	7,766
Computer equipment and accessories	118,311	89,552	28,759	44,704
Computer software	21,269	17,478	3,791	5,952
Furniture and fixtures	78,512	65,842	12,670	26,074
	235,084	181,451	53,633	87,546

## NOTE 4 COMMITMENTS

Under the terms of operating agreements, the Board is required to make the following annual payments:

2015	\$ 334,335
2016	65,190
2017	68,495
2018	68,495
2019	68,495
Thereafter	131,282

## NOTE 5 FINANCIAL INSTRUMENTS

### Credit risk

The Board's exposure to credit risk is indicated by the carrying value of its accounts receivable. The Board's receivables are from long-standing organizations and management believes credit risk to be low.

### Fair values

The carrying value of cash and restricted cash, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the relatively short-term maturities or nature of these instruments.



# Notes to the Financial Statements

DECEMBER 31, 2014

## NOTE 6

### BOARD MEMBER AND MANAGEMENT REMUNERATION

The Board has expensed honoraria, which includes travel time but not travel or other expenses paid to its Directors and President as follows:

	2014	2013
Board Chairperson		
Mr. R. Risvold <sup>a, c, g, q, r</sup>	\$ 31,075	\$ 37,950
Board Members		
Ms. B. Smith <sup>r</sup>	7,350	7,315
Mr. T. Marr-Laing	–	3,824
Ms. M. Martin	15,400	23,113
Ms. E. Noel Bentley, Chair – Compliance Committee <sup>g, q</sup>	9,450	10,325
Mr. K. Dhillon <sup>r</sup>	4,945	11,445
Mr. K. Teare, Chair – CSA Performance Criteria Review Committee <sup>c</sup>	2,100	3,640
Mr. J. Linton, Chair – Governance and Compensation Committee and Beverage Container Registration Bylaw Sub-Committee <sup>b, g</sup>	10,290	3,640
Mr. K. Dossa <sup>a, c</sup>	6,125	5,803
Mr. P. Kane	–	–
Mr. N. Antymis <sup>b, g</sup>	–	–
Mr. J. Challinor <sup>c, r</sup>	–	–
Mr. I. Tott <sup>g</sup>	–	–
Ms. A. Auriat, Chair – Return Rate Committee <sup>a, r</sup>	11,340	8,722
Mr. A. Chabot <sup>r</sup>	4,270	2,100
Mr. S. Hanowski, Chair-Audit Committee <sup>a, b, q</sup>	–	–
Mr. B. Zeiler-Kligman <sup>q</sup>	–	–
Ms. I. Martinez <sup>q, g</sup>	–	–
	102,345	117,877

# Notes to the Financial Statements

DECEMBER 31, 2014

## NOTE 6 BOARD MEMBER AND MANAGEMENT REMUNERATION – CONTINUED

	2014	2013
The President and Acting President were paid the following gross compensation:		
President	168,010	174,200
Acting President (Mr. R. Risvold)	17,706	–
Subtotal	185,716	174,200
	288,061	292,077

<sup>a</sup>member of Audit Committee

<sup>b</sup>member of Beverage Container Registration Bylaw Sub-Committee

<sup>c</sup>member of CSA Performance Criteria Review Committee

<sup>g</sup>member of Governance and Compensation Committee

<sup>q</sup>member of Compliance Committee

<sup>r</sup>member of Return Rate Committee

## NOTE 7 BUDGET AMOUNTS

The budget amounts have been presented for information purposes and have not been audited.

## NOTE 8 INTERNALLY RESTRICTED SURPLUS

The Board of Directors has established a reserve fund to cover the costs of winding up the Beverage Container Management Board's programs, should the Board of Directors decide this to be necessary.

## NOTE 9 RESTRICTED CASH

Restricted cash is comprised of guaranteed investment certificates in the amount of \$774,153 maturing in 2015 as well as \$419,226 allocated from the operating cash account. This cash has been restricted and includes amounts related to the internally restricted surplus of \$1,193,379 (note 8).



## Contact Us

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