

City Council Report

REPORT NUMBER 103-2026-Infrastructure & Operations-Environment

DATE

PREPARED

February 11, 2026

FILE

**CITY COUNCIL
MEETING DATE**

March 3, 2026

SUBJECT

Circular Materials - Recycling Depot Update and Operations Agreement

RECOMMENDATION TO CITY COUNCIL

WITH RESPECT to Report 103-2026 (Infrastructure & Operations – Environment), we recommend the City of Thunder Bay enter a Depot Operations Agreement with Circular Materials for the 900 Walsh Street Recycling Depot location;

AND THAT the Commissioner – Infrastructure & Operations be authorized to execute this Agreement and any other necessary documentation related to the Agreement;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

The City of Thunder Bay transitioned its residential Blue Box (blue bag) recycling program to full producer responsibility on July 1, 2024, in accordance with the requirements of *O. Reg 391/21 “Blue Box”*. At this time operation of the City’s three recycling depots fell to the Producers.

According to the Regulation, operation of the City’s recycling depots beyond December 31, 2025, had been subject to review and change by the Producers. Administration was informed by Circular Materials in late November 2025 that starting January 1, 2026, it would only operate one recycling depot in the community.

Administration was successful in negotiating the continued operation of the 900 Walsh Street recycling depot with Circular Materials. The City is now required to enter into a formal operations agreement with Circular Materials.

All three of the City’s recycling depots will continue to operate through 2026, with the City paying for the operation of the other two.

The Province has repeatedly indicated that Ontario residents were not to experience a reduction in residential Blue Box recycling services because of the transition to full producer responsibility and Thunder Bay is joining municipal advocacy around this concern.

DISCUSSION

The City of Thunder Bay, in accordance with O. Reg 391/21 “Blue Box”, transitioned its residential Blue Box (blue bag) recycling program to full producer responsibility on July 1, 2024. Circular Materials (CM) now manages the program. CM is the administrator of the common collection system in Ontario on behalf of Producers and they contracted GFL Environmental (GFL) to continue providing residential Blue Box collection services to Thunder Bay residents.

The City owns three residential recycling depots located at 900 Walsh Street, 85 Front Street and the City’s Landfill Site. The depots currently collect approximately a quarter of the City’s residential Blue Box recyclable material and receive over 100,000 vehicles annually at all three locations combined. The depots are an important part of the City’s waste diversion efforts, and the data indicates the sites are well used by residents.

Producers had been required to maintain depot collection services for Blue Box materials in the City of Thunder Bay during the regulatory transition period between July 1, 2024, and December 31, 2025. The depots had been licensed/leased to GFL during this timeframe and operated under contract with CM.

Operation of the City’s recycling depots beyond December 31, 2025, had been subject to review and change by the Producers. CM informed Administration in late November 2025 that starting January 1, 2026, it would only operate one depot in the community to meet its regulatory obligations.

Circular Materials Operations Agreement

Administration was successful in negotiating with CM to continue the operation of the 900 Walsh Street recycling depot to meet their service level obligations under the Blue Box regulation. CM requested that the City operate the depot for them. The City is now required to enter into a formal operations agreement with CM, where the City is responsible for operation of the 900 Walsh Street depot under contract to CM. The contract term is for one year commencing January 1, 2026 with options to extend the agreement. Under this service model, the City will receive full cost recovery from CM for its operating costs for the site and continue to contract GFL to operate the site as its subcontractor. CM is responsible for the collection and processing of the recyclables at the depot. The City’s legal counsel has reviewed the agreement on behalf of the City of Thunder Bay and has no concerns with signing.

2026 Depot Operations

All three of the City's recycling depots will continue to operate through 2026. The 900 Walsh Street location will be operated by the City under contract to CM as their required site and both the 85 Front Street and the City's Landfill Site depots will be operated under full municipal control. GFL will continue to operate the sites under contract to the City. This allows the City to fully assess its depot operations in conjunction with the CM site, engage in advocacy efforts with the Province, and provide a more informed decision to Council on the future of depot operations for 2027 and beyond.

Provincial Advocacy

The Province has repeatedly indicated that Ontario residents were not to experience a reduction in residential Blue Box recycling service because of the transition to full producer responsibility for residential Blue Box services. Reducing the number of Producer-operated depots in the community from three to one is a reduction in service. Administration, through its member associations, will continue advocacy efforts to have the Province amend the Regulation to require Producers to continue to offer the depot services residents are accustomed to. Administration will also bring this item to Council's Inter-Governmental Affairs Committee to recommend advocacy from the City to our provincial representatives to re-establish the City of Thunder Bay's three depots and have the City reimbursed for costs incurred in the interim by Producers.

CONSULTATION

On December 16, 2025 Administration brought an update on its depot operations to the Quality-of-Life Standing Committee. The Committee unanimously endorsed the recommendations in the report, including the required funds to support depot operations in the draft 2026 operating budget.

FINANCIAL IMPLICATION

City Council approved as part of the 2026 operating budget \$400,000 to continue operation of the City's 85 Front Street and Landfill Site recycling depots. The expected financial compensation from the operation of the 900 Walsh Street depot on behalf of CM will be \$108,000 for 2026 which will cover the City's operating costs for this site. The City's operating costs for the 900 Walsh Street depot are lower because CM is responsible for the collection and processing of the recyclables at this site.

BACKGROUND

At the December 16, 2025 Quality of Life Standing Committee Meeting, Report 356-2025-Update on the City's Recycling Depot Operations was provided and Committee endorsed including recycling depot operations in the draft 2026 operating budget.

At May 5, 2025 Committee of the Whole Meeting, Report 149-2025 - update on the Solid Waste Management Strategy was provided for information.

At the June 3, 2024 Committee of the Whole Meeting, Report 193-2024 - update on the Solid Waste Management Strategy was provided for information.

At the May 6, 2024 Committee of the Whole Meeting, Report 151-2024 – update on Provincial Blue Box transition in the City was provided for information.

At the May 1, 2023 Committee of the Whole Meeting, Report 148-2023 - update on the Solid Waste Management Strategy was provided for information.

At the July 18, 2022 Committee of the Whole Meeting, Report R120/2022, Council approved opting out of providing service for all components of the municipal residential recycling program effective on its transition date of July 1, 2024.

At the April 4, 2022 Committee of the Whole Meeting, Report R48/2022 - update on the Solid Waste Management Strategy was provided for information.

At the September 22, 2021 Committee of the Whole Meeting, memo on regulatory updates to the Provincial Blue Box Program was provided for information.

At the May 3, 2021 Committee of the Whole Meeting, Report R54/2021– update on the Solid Waste Management Strategy was provided for information.

At the September 14, 2020 Committee of the Whole Meeting, Report R108/2020 - update on the Solid Waste Management Strategy was provided for information.

At the August 12, 2019 Committee of the Whole Meeting, memo was provided on Provincial Solid Waste regulatory changes for information.

REFERENCE MATERIAL ATTACHED

None.

REPORT PREPARED BY

Jason Sherband, Manager – Solid Waste and Recycling Services

REPORT SIGNED AND VERIFIED BY

Kayla Dixon, Commissioner – Infrastructure & Operations

February 20, 2026