

STATEMENT

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Council Decision on Nanaimo Recycling Exchange

City Council voted not to provide an annual operating grant to the Nanaimo Recycling Exchange (NRE) to cover the debt servicing of a mortgage for the construction of a new facility as well as interim funding for one year's operation. With advice from both legal counsel and Finance staff, Council made this decision at their July 9, 2018 in-camera meeting by a vote of 6-2. The decision not to fund operations of the NRE came after considerable deliberation and was not a decision taken lightly.

Council has been involved in trying to find solutions to ensure the ongoing operations of the NRE both at the Council table and as Board members of the Regional District of Nanaimo (RDN). Over the past five years, Council has reviewed the following options:

1.

Provide City of Nanaimo land to the NRE. Two potential sites were identified and both sites proved to be problematic.

2.

RDN purchase of the land currently owned by the NRE's company, Windover Enterprises. On that land, construct a new recycling facility and have the NRE operate it on behalf of the RDN.

3.

For up to 25 years, fund the annual debt servicing of a mortgage for a new NRE facility, with a commitment of more than \$400,000 per year. In addition, the City was being asked to provide up to \$600,000 in operating funds to the NRE over the next 12 months.

Council wishes to thank the NRE for over 25 years of dedication to the reuse, reduction and recycling of waste. At this time, other operators have committed to filling the void left in the Nanaimo Recycling Exchange's absence. These operators have pledged to invest in their current facilities to provide additional enhancements and services to support the Regional District's goal of 90% diversion from the landfill. The new initiatives will take time to implement. The industry has also embarked on a marketing and public relations campaign to inform the community of their new offerings.

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