



August 13, 2020

TO: Council President  
City Councilmembers

CC: Council Appointees

THROUGH: Rob Hillard, City Manager

FROM: Jeff Baumann, Public Works Director

SUBJECT: Recycling Re-Start Recommendations

### **Purpose and Recommendation**

This report is intended to describe challenges facing the Solid Waste Enterprise Fund (Refuse & Recycling) and to propose solutions that will allow us to re-start the recycling program on better economic footing. Certain recommendations require City Council action to implement; others can be accomplished administratively. Together these represent significant changes to the way that we have operated refuse and recycling collection services, particularly for our residential customers. We look forward to discussing these recommendation at City Council's work session at 6 p.m. on August 17<sup>th</sup>. Proposed changes to Chapter 925 – Refuse and Recycling Collection will be considered on first reading at the regularly scheduled City Council meeting following the work session.

### **Background and Discussion**

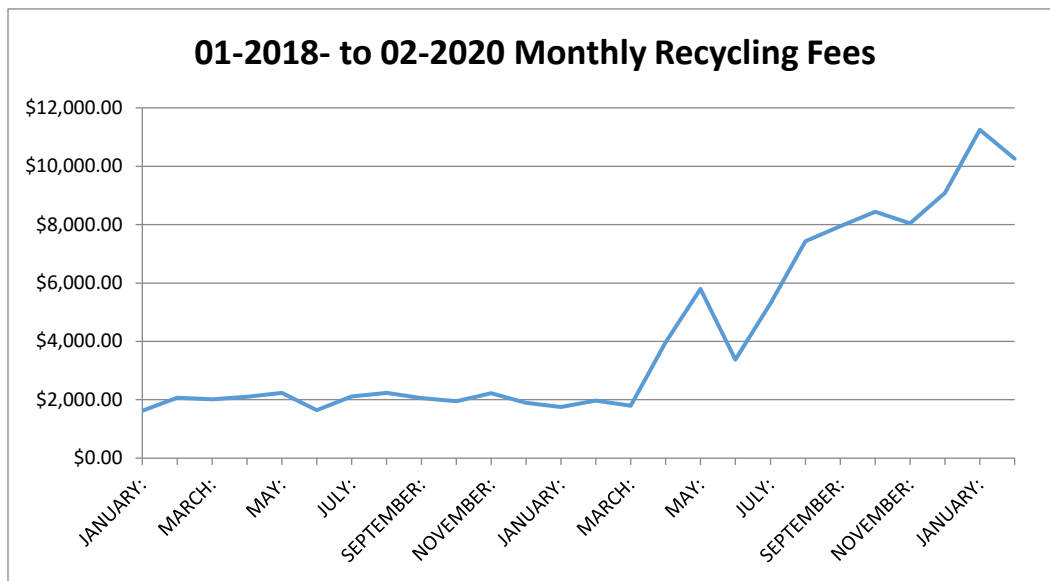
Following the preparation and 2014 adoption of the City's Zero Waste Plan and hastened by the February, 2014 fire in the Refuse/Recycling building at the GMD Service Complex, the City converted its source-separated curbside recycling program to a fully automated, co-mingled recycling collection program. To implement the new program, staff recommended and City Council adopted numerous changes to the City's Codified Ordinances, Chapter 925 – Refuse and Recycling Collection. The amendments included new language that made both residential and commercial recycling participation mandatory. Our goal has been to increase participation in the recycling program by making it easier (co-mingling) in order to increase recyclable materials recovered while decreasing the City's reliance on landfill disposal.

On January 1, 2018, China's 'National Sword' policy took effect significantly impacting the global recycling recovery marketplace. Mixed paper and post-consumer plastics were banned entirely and stringent quality standards were put in place for other recyclable materials. With the ensuing domestic glut, commodity prices dropped sharply. While the impacts were felt most immediately on the coasts, the effects have trickled down to us over the last 16 months. On April 1, 2019, Republic Services more than doubled our recycling processing charge from \$27.50/ton to \$57.50/ton. On July 1, 2019, the price was again increased to \$70/ton. On July 15, 2019, Republic implemented a contamination charge of \$75/ton for every load delivered that contains more than 15% non-recyclable items. On January 1, 2020, the recycling processing fee was increased again to \$100/ton.

Recycling Coordinator Lori Sprosty has emphasized these new challenges in virtually all of her communications including the 2018 and 2019 Recycling Updates sent to all of our customers, her ‘State of Recycling’ presentation on April 1, 2019 to City Council, in numerous social media posts and regular updates to the City’s web-site.

**Recycling Processing Costs**

Prior to these rate increases, the City’s monthly average cost to process recyclable materials was about \$2,000 with an annual average total of about \$25,000. Based on the most recent rates and the last 3 full months (December, January, February) of available data, the City’s monthly cost is now about \$10,000 with a predictive annual cost of at least \$120,000/year if we resume recycling services without making any programmatic changes. Just under 60% of these charges are attributable to the actual cost of recycling processing; nearly 41% is the surcharge for contamination – which we have been paying on about 65% of our deliveries. The graph below demonstrates the sharp increase in monthly cost:



Please note that our base rate for refuse disposal is \$18.50/ton. This is escalated by fuel recovery, environmental, OEPA and Solid Waste Management District fees. Based on review of bi-weekly invoices throughout 2016, I previously calculated the actual total cost/ton to be \$40.45. Based on our most recent recycling charges, it is now approximately 4x more expensive to recycle than it is to landfill. These increased costs will significantly impact the Solid Waste Enterprise Fund (SWEF) if we do not act.

**Solid Waste Enterprise Fund – Revenues and Expenses**

The SWEF is comprised of three funds:

- Operating Fund 301 – Recycling
- Operating Fund 703 – Solid Waste
- Equipment Reserve Fund 807

The inter-relation of these three funds is most readily understood in the context of the ‘Refuse Multi-Year Budget’ maintained by Finance Director Sal Talarico, updated at least semi-annually and included in each year’s City of Oberlin Budget. To maintain fund solvency, it is (always) imperative to manage both revenues and expenses.

On the revenue side, commercial rates were increased 20%, 20% and 15% respectively in 2015, 2016 and 2017. Our commercial rate projections since 2018 have called for 5% increases beginning in 2021 and continuing each year thereafter. Residential rates increased from \$6/month to \$7.50/month in 2015; to \$10/month this year and are projected to increase to \$12.50/month in 2022. Past and projected rate

increases have been and will be necessary to ensure a continuing positive fund balance. Rates are supplemented by a 3-mil property tax levy which has been in place since the late 1970's. Revenue from the levy has been consistent at about \$370,000 year. The next planned renewal opportunity for this levy is in May, 2021.

On the expense side, analysis of cost centers from 2008 to the 2020 budget year indicates that wages & benefits have grown modestly at the equivalent rate of 2.25% since 2008. There has been little to no growth in operating expenses, landfill disposal costs or vehicle maintenance expenses during this same period. General Fund transfers (5% of the preceding year's revenue) have grown at the average rate of 3.75% commensurate with rate increases. Since 2008, we have been paying down the Solid Waste Enterprise Fund's share of the debt service on the GMD Service Complex. The current annual payment is on the order of \$70,000. Debt on the Service Complex is scheduled to be retired in 2027.

After the 2014 fire, Reserve Fund 807 assets totaling \$829,989.71, insurance proceeds for our trucks totaling \$367,061 and \$230,000 in grants from the OEPA and the Green Edge Fund still left us over \$600,000 shy of the actual cost to buy new trucks and to purchase carts to implement current collection services. Rather than issue debt with its associated costs, Finance Director Sal Talarico proposed and (with the concurrence of our auditors), the General Fund is now internally financing the shortfall. This is accomplished via an annual advance from the General Fund to Reserve Fund 807 to cover any annual deficit to ensure that the Fund has a continuing balance of at least \$0.00. This annual advance has steadily decreased, as planned. When the annual advance reaches \$0.00, the "debt" will be paid off, currently projected for 2022. Unfortunately, this has not allowed us to build a Reserve Fund balance which will be necessary to replace the current fleet of refuse/recycling trucks as they reach the end of their useful life.

The annual transfer of funds necessary to operate Fund 301 – Recycling is a significant expense within Fund 703 – Solid Waste. This transfer provides the largest source of revenue to the recycling program. From 2008-2020, this transfer has increased at the equivalent rate of 16% per year. In 2008, it was just over \$50,000; in 2020 it is \$300,000. There are, of course, various reasons for these changes. We have seen declining revenue including a reduction in grant support from the Lorain County Solid Waste Management District, from approximately \$60,000/year to about \$25,000/year. We also experienced an annual reduction in revenues of about \$30,000/year related to the transition from source-separated to co-mingled recycling.

On the expense side, the single biggest change occurred in 2009 when expenses associated with brush and leaf collection services were moved from the General Fund into Fund 301 - Recycling to help mitigate the impact of the recession on the organization. We believe this was an appropriate decision. However, this transfer of expenses nearly doubled wages & benefits costs from 2008 to 2009 alone. In 2012, we hired PT Recycling Coordinator Lori Sprosty. The combined effect of these changes plus inflation has resulted in a near tripling of wages & benefits expenses from about \$71,000 in 2008 to nearly \$200,000 in 2019. The recent steep increase in recycling processing fees will add at least \$100,000/year to this budget if we resume 'business as usual'. This is not economically sustainable.

These factors present a significant challenge to our recycling program. We have projected future rate increases necessary to keep the fund solvent. We also need to aggressively manage expenses.

### **Current Situation.**

As a result of the coronavirus pandemic, recycling services have been suspended since mid-March. This extraordinary move has been necessary to protect our employees by providing necessary physical distancing in the workplace. In normal operations, a 4-person crew works a weekly rotation with assignments to commercial refuse, commercial recycling, residential refuse and residential recycling. This crew is backed up by 2 additional persons with the necessary experience to operate this equipment safely. In March, these 6 staff members were divided into two 3-person crews, working alternating weeks and no longer rotating assignments. Two staff persons are required to safely run the commercial route

with one driver and the other operator following in a separate vehicle. The third person is assigned to the residential route now collecting only garbage. These changes have been implemented to help ensure that we can continue to pick up the garbage should a crew member be exposed to COVID-19.

In some ways, these extraordinary circumstances are analogous to those first days after the garage fire in February, 2014. That is, we have both a responsibility and a unique opportunity to re-set our program. The following changes are recommended in order to increase revenues and to manage expenses in order to minimize the need for further rate increases. Certain changes require City Council action to amend Chapter 925. Many changes can be implemented administratively. Proposed changes are described below in summary form. Detailed explanations follow.

### **Summary Recommendations**

These changes require City Council action to amend existing Chapter 925.

1. Delete the ‘mandatory’ recycling provisions in Sections 925.03 (Residential Collection Services) and 925.04 (Commercial Collection Services). Recycling will become a subscription-based opt-in program.
2. Amend Sections 925.03 and 925.04 to provide for progressive administrative processes to address customers who do not follow refuse and recycling program guidelines.
3. Amend 925.07(b) to adjust fees and to implement a new surcharge for Saturday collection service to cover our overtime expenses.
4. Minor modifications to 925.05 to adjust the yard waste collection schedule
5. Various amendments to 925.09 to provide for 10-yard temporary dumpsters for construction debris and to update the temporary dumpster fee schedule.

The following changes can be made administratively under existing Section 925.02(a) which reads: “The City Manager is authorized to promulgate and publish such rules as are necessary for the efficient and economical collection of refuse, recycling and compost materials.”

6. Conduct (3) Recycling Catch Up Days in August and September
7. Re-allocate the Friday residential refuse and recycling collection routes to Tuesday, Wednesday and Thursday
8. Implement bi-weekly residential recycling services
9. Eliminate glass and/or plastics from the City’s curbside recycling program.

Such changes are, of course, significant for our customers and will require thoughtful planning, stakeholder buy-in and an extensive public relations campaign for successful implementation.

These proposals are informed by Community-Based Social Marketing techniques. Social marketing is “*The use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify or abandon a behavior for the benefit of individuals, groups or society as a whole*” (Social Marketing – Improving the Quality of Life, Kotler, Roberto, Lee). The behavior that we seek to change is contamination of the recycling stream. This spring, OC Psychology Professor Cindy Frantz sponsored a class project in Community-Based Social Marketing in which students surveyed residents in Oberlin on recycling behaviors to understand the barriers and benefits of proper recycling. Their work also informs these recommendations.

## **Councilmatic Recommendations - Detail**

### **1. Mandatory Recycling becomes a Subscription-based Opt-in Service.**

This change would be implemented by replacing C.O. 925.03(f) which reads: “Beginning July 1, 2015, residential customers are required to participate in the City’s curbside recycling collection program” with the following new text: “*Residential customers may subscribe to participate in the City’s curbside recycling collection program. All participants shall abide by the recycling collection rules published by the City.*” C.O. 925.04(c) is identically amended for our commercial customers.

While mandatory recycling has led to increased participation, recycling recovery rates remain around 30%. More importantly, based on the waste audits conducted at Republic in the spring of 2019, contamination (i.e. trash) accounts for approximately 32% (!) of the material that the City of Oberlin is delivering to Republic to be recycled. We believe this high level of contamination is due to multiple factors including:

- Aspirational recyclers. Those who recycle anything that they feel ‘should’ be recyclable, for example an aluminum foil pan, even though these items are not recoverable through our program.
- Uncertain recyclers. Those who want to recycle but haven’t taken the time to learn (and practice) proper recycling techniques. According to the survey respondents from Professor Frantz’ class’ study report, the most common barrier to proper recycling is reported to be uncertainty about what and how to recycle properly. I note, however, that this information is readily available in multiple formats. While collection parameters have evolved, I suggest that some measure of apathy (which respondents may be reluctant to report) is also a factor.
- Opportunists. Those who willfully use the recycling cart as a secondary refuse container.

A subscription-based opt-in recycling program would help us rein in the \$75/ton contamination surcharge. Such a program would employ an important first principle of Community-Based Social Marketing (CBSM) – *target audiences most ready for action*. We would further build on the CBSM approach by having subscribers sign a ‘*Recycle Right*’ pledge. This provides a one-time opportunity to seek and reinforce our customers’ commitment to help our program succeed. Willing recyclers would provide their contact information to receive regular updates on our recycling programs. An opt-in program will almost certainly attract all of the aspirational recyclers and many of the uncertain recyclers but appears likely to screen out the opportunists.

### **2. Establish Administrative Processes for Non-Compliance**

New sections C.O. 925.03(f) and (h) provide a multi-step process to address non-compliance for residential refuse and recycling customers. Step 1 is our initial notification that the materials set out for collection are not in compliance with program guidelines. This contact can be in person, on the phone, via e-mail, etc. Step 2 is written notification including documentation of our prior contact and the ‘violation’ at hand. For continued violations of refuse guidelines, a \$10 administrative charge will be added to the refuse bill. For Step 3 recycling violations, we may elect not to collect the materials placed at curbside. Step 4 provides for the revocation of recycling privileges. New section C.O. 925.04(d) provides for a similar process for commercial recycling customers. For the 3<sup>rd</sup> and subsequent violations, the City may bill for servicing the contaminated commercial recycling container at the applicable rate for commercial refuse collection.

Public Works staff, from our refuse & recycling crew to Lori, Sheri and me, can attest that getting our customers to participate properly is an ongoing challenge. We use problem tags for both refuse and recycling to help our customers understand why their containers haven’t been serviced. On one side the tags provide program guidelines including our contact information. On the other side are check

boxes to identify the problem(s). Unfortunately, it's not uncommon for repeat offenders to have multiple tags on their carts. Apart from repeated phone calls, our current recourse is through C.O. 925.99 – Penalty which provides for up to a \$100 fine if cited and processed through the Municipal Court. During my tenure, we have never gone to court to address a problem. These proposed changes provide due process for our customers and put teeth in compliance and enforcement.

### **3. Modify Fees for certain Commercial Refuse Collection services**

The following modifications to commercial fees are proposed, see C.O. 925.07(b)(2-4).

- (b)(2) would increase the demurrage fee (the monthly charge) for on-call dumpster service from \$25/monthly to \$35/month. We have about ten dumpsters that we service as needed when the customer calls in. The demurrage fee was established and is necessary to pay for the cost of dumpsters that don't pay for themselves through frequency of servicing.
- (b)(3) would institute a \$17.50 per service surcharge for all dumpsters emptied on Saturday. For many years we have been running a 2-person, 5 hour route every Saturday to provide service for certain locations that require Saturday collection. The annual overtime expense to provide service on Saturdays is between \$20,000 and \$25,000. The surcharge is proposed to offset this expense to the Enterprise Fund.
- (b)(4) would adjust the charge for a commercial 96 gallon cart proportional to the current price of \$10/month for a residential 64 gallon cart, i.e. 50% more volume at 50% higher cost.

Please note that the City Administration is cognizant of the need to address perceived inequities in the methodology laid out in C.O. 925.08 – Dumpster Service in Central Business District for shared dumpster services downtown. While this does need to be addressed, there has not been adequate time to put together and vet a comprehensive proposal to re-distribute these charges in concert with these recommendations.

### **4. Modify the Yard Waste Collection Schedule**

C.O. 925.05(c) is proposed to be amended as follows: “The City will collect bagged yard waste weekly on a fee-for-service basis. Collection must be scheduled in advance and will be available *from approximately March to November through December* excluding holidays. Yard waste shall be placed in compostable bags not exceeding thirty gallons capacity and shall be placed at the curb no earlier than 12:00 noon of the day preceding the collection.”

The proposed change provides the Department with more flexibility as to start/stop dates for this service. There are likely minor cost savings associated with implementing this change.

### **5. Update C.O. 925.09 – Temporary Dumpsters**

The City has for many years provided 6 yard dumpsters to our customers for temporary use. The proposed changes increase the fee for this service from \$75 to \$100. This is still very cost competitive with other local service providers since Republic sets a 3-ton/\$132.75 minimum for dumping containers. Since we empty the 6 yard temporary dumpsters into our rear load packer trucks we do not pay the minimum fee. However, many people use this service to dispose of building materials, large furniture and appliances which wreck havoc on our equipment. GMD personnel came up with the idea of providing this service using the 10-yard containers that we load and unload as a separate work body with our hook-lift compatible trucks. The proposed changes to C.O. 925.09 will save wear and tear on our equipment and generate modest additional revenues.

## Administrative Recommendations - Detail

### 6. Conduct (3) Recycling Catch Up Days in August and September

Many Oberlinians have been saving their recycling since service was suspended in March. Recycling catch-up days are scheduled for the following Mondays: August 17<sup>th</sup>, August 31<sup>st</sup> and September 14<sup>th</sup>. Residents are asked to place properly prepared recycling in their recycling cart at curbside by 7 a.m. We intend to use both (or all 3) trucks to cover the entire town in one day.

This service is strategically scheduled for Mondays on two week intervals. The City has not provided residential collection services on Mondays for a very long time. We believe that those residents who opt to participate are our *'target audiences most ready for action'*; those who are most ready, willing and likely to Recycle Right. It seems unlikely that residents unaccustomed to putting their cart(s) out on Sunday night will try to take advantage of this opportunity to dispose of additional refuse. Moreover, we plan hope to audit this service in the field, at Republic or both.

Outreach efforts have already begun with this postcard direct mailed to our residential customers. Outreach through social media, the Oberlin News-Tribune, Cable Co-op, etc. is continuing.

**Monday**  
**Recycling Catch-Up Days: 8/17, 8/31, 9/14** 

*Thank You for RECYCLING only these:*

				
Plastic Kitchen, Laundry, Bath: Bottles & Containers	Food & Beverage Cartons	Glass Bottles & Jars	Aluminum & Steel cans	Cereal Boxes, Newspaper, Magazine, Mail, Cardboard & Paper Tubes

Dear Oberlin Residents and Recycling Customers,  
The City of Oberlin suspended recycling in March to protect our essential employees and to help ensure our ability to pick-up the garbage. The City will be offering *Recycling Catch-Up Days* for those who have been saving recyclables. The dates are: **Monday, August 17<sup>th</sup>, August 31<sup>st</sup> and September 14<sup>th</sup>**. Recycling must be placed curbside by 7am in your Recycling Cart with the blue lid. Sign-up for a reminder through the Collection Calendar on-line tool found on our Refuse/Recycling webpage. Recycling may be audited for compliance with program guidelines. Improper materials will not be collected. See <http://www.cityofoberlin.com/recycling> to *Know What to Throw* and *When In Doubt, Leave it Out!* We hope to return to curbside collection in October. *Thank you and Stay Tuned!*

 Funding provided by Lorain County Board of Commissioners  
Questions: [Recycle@cityofoberlin.com](mailto:Recycle@cityofoberlin.com)

### 7. Re-allocate the Friday residential collection route to Tuesday, Wednesday & Thursday

In Oberlin, we provide residential service to about 2,200 homes, 4 days/week, Tuesday-Friday. Each route consists of approximately 550 homes. Our Zero Waste Plan notes that the conversion to fully automated residential refuse and recycling collection services should result in improved efficiency including fewer hours or days dedicated to collection. Most communities and private haulers providing this type of service exceed our daily productivity rate.

While recycling services have been suspended, our residents have been permitted to use their recycling cart for excess refuse. We have one person running the residential route picking up one or two containers from each home. Normally this would be about 550 containers. The number of containers out on a daily basis has increased to the 700-800 per day range. This is substantially equivalent to dividing up a single route amongst the other three days. Our operating crew believes this is a workable proposal.

The biggest challenge is that we have several hundred customers who have been putting out their trash and recycling on Thursday night or first thing Friday morning for years. It will be critical to communicate to them why this change is important.

Wages & benefits expenses to the Solid Waste Enterprise Fund are approximately \$300,000 annually. Staffing our residential routes makes up about 50% of that cost or \$150,000. Merging

the Friday route into the other residential routes should save between \$20,000 and \$30,000 each and every year. There are other benefits to the Enterprise Fund, to the Division and to the community. Staff can be assigned to seasonal brush and leaf collection, off-setting the cost to the Enterprise Fund of paying street crew personnel to do this work. Staff would also be available to provide other related work within the Enterprise Fund including servicing temporary dumpsters, improved equipment maintenance, staffing a drop-off facility, etc. This change would also provide improved cross-training opportunities within the Division enhancing our ability to provide service to the community and increasing Departmental resiliency.

#### **8. Implement bi-weekly residential recycling services**

Since the inception of curb-side recycling services in 1994, the City has picked up residential recycling, 4 days/week, every week on the same day as refuse collection. Switching to bi-weekly collection service would also be a significant money saver, essentially cutting the cost of residential recycling collection services in half. This change stands to save us on the order of \$25,000 to \$35,000 per year.

The biggest challenge that we foresee is making sure our residents know which week has recycling collection and which does not. We have recently deployed a Collection Calendar app now available through our web-site, at Google Play and in the Apple Store (search 'Oberlin Recycling'). Residents will be encouraged to sign up for this free service when they take the recycling subscription pledge. With their contact information, we would also plan to send regular reminders until the community becomes accustomed to the new schedule.

#### **9. Eliminate Glass and/or Plastics from the City's Recycling Collection Program**

Since 1994, when the City implemented source-separated curb-side recycling, the materials accepted for recycling have not changed dramatically. In addition to cardboard and newspaper, the program has been expanded to collect most paper products. Following Republic's expansion about 10 years ago, they began accepting plastics #3 - #7. Our guidance to residents followed suit to include all plastics (excepting bags), labeled #1 - #7. In over 25 years of operation, we have never removed or restricted materials that Republic (and its predecessors) were prepared to recover. Changes in the global marketplace have impacted Republic's ability to cost-effectively recover certain materials and these costs are passed on to their customers. Republic has acknowledged that if we remove glass and/or plastics from our collection program – and this is borne out by waste audits - they will be willing to re-evaluate the current \$100/ton processing fee.

The Lorain County Solid Waste Management District has confirmed that if we elect not to collect glass or plastics, we will remain in compliance with the District's approved Solid Waste Management Plan.

**Glass.** For the last few years, we have been delivering nearly 1,000 tons of mixed recycling to Republic for processing. Based on audits, we estimate that glass represents between 20% and 25% of the total or between 200 and 250 tons. At the \$100/ton processing fee, this means we are paying Republic between \$20,000 and \$25,000/year to recover our glass. If we add in \$13,000 to \$16,250 for the contamination charge (which we have been paying on 65% of our deliveries), glass processing costs between \$33,000 and \$41,250 annually.

At Republic, most glass is beneficially re-used – rather than recycled. This is to say that they are crushing glass and mixing it with stone to build roads in the landfill. They have no shortage of glass for this use. Paying tens of thousands of dollars extra to Republic to re-use glass which



ends up in the landfill anyway is sustainability-suspect and not economically beneficial to the City of Oberlin.

City Council members may be aware that the Public Works Department undertook a similar project in the mid-1990's with a Market Development Grant from the Ohio Department of Natural Resources. We had received a glass crusher transferred from the City of Cleveland Heights and we processed glass from our source-separated curbside recycling program. Glass cullet was mixed 3:7 with ODOT 304 limestone according to structural engineering specifications. We used a few hundred tons of this material when we re-built Smith St. from South Pleasant to South Main. In the longer term, the City could look at re-establishing our own beneficial re-use program for glass. Options to consider include a drop-off at the GMD Service Complex and/or a public/private partnership with a bulk materials sales facility and Republic.

**Plastics.** In reviewing the results of Professor Frantz' students' survey on barriers to proper recycling, the single most important barrier identified is lack of knowledge about what and how to recycle properly. Guidelines about aluminum cans, steel cans, and glass containers have not changed in years. There is relatively little contamination (aluminum foil, paint cans or mirrors, for example) in these recycling streams. With the exception of shredded paper and personal care products made of paper (napkins, tissues), most kinds of paper are recoverable. This suggests that a significant source of uncertainty revolves around which plastics are recyclable.

In our original source-separated collection program, only plastics labeled #1 (PET) and #2 (HDPE) were accepted. After Republic modernized the Lorain County Recycling Center and based on then-current market conditions, Republic began to accept additional plastics, #3 through #7. There are, of course, many other kinds of plastics, not labeled #1 - #7 that find their way to the recycling center. Plastic bags, plastic toys, styrofoam and over-size plastic containers were found to be a significant source of contamination during the spring, 2019 audits.

Plastics represent about 10% of the total material delivered for recycling, approximately 100 tons. At the \$100/ton processing fee, this means we are paying Republic about \$10,000 and if we add in another \$7,500 for the contamination charge plastics processing costs about \$17,500 annually.

An alternative for consideration would be to restrict plastics recycling to #1 and #2 only. This captures the most common plastics used and recycled – about 55% according to audits while excluding the less easily recovered plastics. Republic is supportive of this alternative. Their Recycling Coordinator Lisa Beursken reports that there are currently local markets to recycle #1 and #2 plastics into new products. There is not a current market for plastics #3 - #7.

### **Fiscal Impact**

This report describes the current economic impact of the City's recycling program on the Solid Waste Enterprise Fund. Relatively minor changes to fees associated with commercial services and temporary dumpsters will have a modest beneficial effect on revenues. Recommended solutions to control expenditures are also detailed above. Collectively, managing recycling contamination by creating an opt-in program, modifying residential and recycling collection schedules and restricting recyclable materials could result in cost savings of \$100,000 to \$150,000 per year. Implementing these recommendations will place the Enterprise Fund on much more stable financial footing.

## **Consultation**

This report is based on extensive and ongoing conversations within the Public Works Department especially with Dawn Ferro, Sheri Runals and Lori Sprosty. Preliminary recommendations were shared with the Refuse/Recycling crew with whom Dawn has further vetted these ideas. City Manager Rob Hillard has been apprised in increasing detail as recommendations have evolved over the last several weeks.

These concepts were discussed with City Council's Resource Conservation & Recovery Commission at their June meeting. Summary recommendations were provided in writing to the Commission and further discussed at their July 28<sup>th</sup> meeting. The RCRC passed a motion to endorse these recommendations and recommends them to City Council. Public Works staff has also had numerous conversations along these lines with interested members of the community who have called in to inquire about the resumption of recycling services.

I have discussed these concept plans at length with Republic's Municipal Sales Manager Dave Kidder and with Recycling Coordinator Lisa Beursken. Both were helpful in providing necessary background information and supportive of our efforts to re-create our recycling program on a more effective platform.

I have also discussed these programmatic changes with OC Chief Facilities Officer Kevin Brown and OC Director of Sustainability Meghan Riesterer. A summary version of these recommendations has been shared by them with OC Senior Staff. The College is aware that the City is not in a position to resume commercial recycling services when students return to campus at the end of August. They acknowledge and recognize the relative priority of re-establishing residential services. We will continue to work together to re-establish commercial recycling services on campus and more broadly over the course of the coming months.

I have had several conversations with Finance Director Sal Talarico. Sal has been particularly helpful in reviewing my economic analysis and fact-checking the Public Works Department's ideas for ease of implementation. Law Director Jon Clark has been similarly helpful in discussing and reviewing these concepts as well as reviewing and approving the proposed changes to Chapter 925 and the authorizing legislation.

## **Conclusion**

City Manager Rob Hillard has shared an early summary draft of this recommendation with City Council. I look forward to discussing this at the City Council work session at 6 p.m. on August 17<sup>th</sup> and in the regular City Council meeting to follow. A tentative timetable for implementing these recommendations follows:

### **Timetable**

- Monday, August 17<sup>th</sup> and 31<sup>st</sup> and September 14<sup>th</sup>. Recycling 'Catch Up Days'.
- Monday, August 17<sup>th</sup> City Council work session at 6 p.m. followed by the regular City Council meeting – 1<sup>st</sup> reading on amendments to Chapter 925
- Tuesday, August 25<sup>th</sup> – continued conversations with RCRC on proposed changes – including further direction from City Council
- Tuesday, September 8<sup>th</sup> City Council meeting – 2<sup>nd</sup> and E passage of amendments to Chapter 925. Staff recognizes the need for deliberation on these matters and City Council should take as much time as it deems necessary. Please note, however, that we need final passage and for the

ordinance to take effect in order to implement subscription (rather than mandatory) recycling services.

- With final passage, we'll be able to publicize and begin to implement these proposed changes. Among the key issues that will take an estimated 4 to 6 weeks to plan and to implement:
  - Re-allocation of the Friday residential route. Route planning/mapping and extensive PR will be required.
  - Participants in subscription-based recycling will be asked to opt-in by signing a 'Recycling Pledge'. Staff has begun work on Pledge text and to discuss sign up methodologies. A web-based system is probably the most efficient tool but is unlikely to work for all users.
  - Extensive PR especially on the most significant changes. Venues will include the News-Tribune, Cable Coop, social media, the environmental dashboard, the one liner on the utility bill and/or utility bill insert(s), our web-site, e-mail lists, the WasteWizard app, direct mail, etc. We'll continue to work closely with Administrative Coordinator for Communications Diane Ramos to develop and widely disseminate informational materials.
- October TBD, curbside residential recycling resumes. Commercial recycling collection services to follow.