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SUBJECT: Solid Waste Management Commingled Recycling
DATE: April 10, 2019

PRESENTATION TYPE:

Informational Briefing

SUMMARY:

Solid Waste Management staff will be presenting a summary of the outreach strategy and the feedback gathered through this outreach on proposed changes to the City's commingled recycling program. The options range from maintaining the current system to landfilling recyclable materials, and all the options require additional revenue to cover the expenses resulting from the changes in the global recycling market.

BACKGROUND:

Information on the impacts of China's policy changes around import of recyclable materials was provided to the Infrastructure, Planning, and Sustainability (IPS) Committee on August 22, 2018, with an update provided on November 28, 2018. China's policies have resulted in a worldwide reduction in capacity for processing recyclable materials. The remaining markets for recyclable materials have become much more competitive, resulting in increased costs.

ISSUE:

The direct impact to Tacoma is a significant increase in the cost of processing, sorting, marketing, and shipping recyclables. Materials collected through the commingled curbside collection system are impacted the most because of the higher potential for contamination in commingled materials. There are signs that the market will adjust, with increased investment in domestic processing capacity and better sorting technologies, however, in the current state, residential solid waste rates do not cover the increased costs of the commingled recycling program. Interim options identified to address this issue include:

- Eliminating curbside recycling collection and providing satellite recycling drop-off stations
- Maintaining curbside commingled recycling and eliminating curbside glass recycling
- Maintaining current curbside recycling collection
- Maintaining current curbside recycling collection and increasing recycling education and outreach

Based on customer feedback from focus groups, Neighborhood Council meetings, community events, and survey participants, there is strong support to maintain residential curbside commingled recycling service, and also strong support and willingness to pay for additional education efforts to improve customer participation and quality of the City's residential recycling programs. Customer feedback indicates a willingness to pay a \$3 to \$4 per customer per month surcharge to support these services.

ALTERNATIVES:

If the City makes no modifications to the commingled recycling program with no adjustments to the current rate plan, budgeted revenues would be insufficient to cover projected expenses beginning in the 2019-2020 biennium.

FISCAL IMPACT:

The fiscal impact of the short-term action to absorb increased expenses throughout 2019 is projected to be approximately \$1.8 million, which would be covered with surplus revenues or using cash reserves. In the longer-term, a temporary recycling surcharge or a permanent residential solid waste rate increase will be required to cover the increased costs resulting from the changes in the recycling industry.



RECOMMENDATION:

Based on strong customer support, we recommend implementing a surcharge to maintain the residential curbside commingled recycling service and provide additional recycling education to customers. We also recommend discontinuing curbside glass recycling, and replacing this service with satellite glass drop-off stations, because the current curbside glass collection system is inefficient, presents added injury risk to employees, and the environmental benefits of glass recycling are offset by the environmental impacts of the collection system.