



City Council

Waste ReSources Update: Briefing on the City's Residential Recycling Program

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Title

Waste ReSources Update: Briefing on the City's Residential Recycling Program

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing from Waste ReSources staff on the City's recycling program and potential changes to the list of accepted materials. Briefing only; No action requested.

Report

Issue:

Whether to receive a briefing from Waste ReSources staff on the City's recycling program and provide input.

Staff Contact:

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Presenter(s):

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Background and Analysis:

Briefing on Recycling

In October 2018, staff gave a briefing to City Council during a Council study session about the state of Olympia's recycling program. Staff presented the impacts related to China's recycling import restrictions, which, at that time, had been in place for 10 months. Recycle revenues were down sharply due to a lack of markets resulting in a large supply of material. Given the challenging market conditions, the City's recyclables were still moving to markets, and the City's recycle processor and industry were optimistic about the future outlook. The expectation was an 18 to 36 month downturn while domestic capacity increased.

During the briefing, staff did not recommend any changes to its system or the accepted material list. Staff committed to monitoring the situation and to evaluate options based on market conditions, and social, financial and environmental impacts.

Since the October study session, the value of material has continued to decline in the past year, and the City is experiencing its lowest value for recyclables ever. Previously, the majority of processing and hauling costs were offset by the revenue generated from sale of recyclable material. Two years ago, the average commodity value received by the city was over \$120 per ton. Today, market value is hovering in the \$8 to \$11 range. The decline in revenue has created a significant budgetary impact. Because of the declining revenue from sale of recyclables, the City's Waste ReSources Utility increased residential rates in 2019 by 5.5 percent. In addition, the City has received both verbal and written recommendations from its recycle processor, Pioneer Recycling Services, to remove glass and poly-coated paper packaging (e.g., milk cartons, juice boxes, frozen food boxes) from its commingled recycle stream. Both glass and poly-coated paper create challenges for recycling in a commingled system.

Staff will brief Council on the status of current recycling markets, the City's response to date, and whether to remove glass and poly-coated paper from the list of accepted materials. In particular, staff will discuss the ongoing challenges associated with glass when it's commingled with other recyclables, and the options for collecting it differently. The briefing will include steps taken to learn more about recycling behaviors and our efforts to reduce contamination.

Neighborhood/Community Interests (if known):

Olympia residential recycling customers will be interested in how the impacts to recycling may affect customer rates and the City's recycle acceptance list.

Since October 2018, staff have provided recycling information via direct mail and the Five-Things utility insert. Staff also met with neighborhood associations, the Council of Neighborhood Associations (CNA), presented at the Olympia Rotary, and heard from residents who are concerned and/or confused about recycling.

Staff briefed the Utility Advisory Committee (UAC) on market challenges and overall impacts to the utility back in April. Staff plans to have future conversations with the UAC on potential changes to the acceptable materials list pending input from City Council.

Options:

Briefing only, no action requested at this time.

Financial Impact:

Recycling Commodity Revenues impact the Waste ReSources budget, ultimately affecting customer utility rates for garbage and recycling. Declining recycle revenue continues to be the biggest driver for 2020 utility budgeting.

Attachments:

None