

**Work Session Agenda
Staunton City Council
Caucus Room
February 21, 2019
6:30 p.m.**

Invocation/Moment of Silence—Harrington

6:30 p.m. 1. Recycling Program Update

7:30 p.m. Adjournment

CITY COUNCIL



AGENDA BRIEFING

Staunton, VA

Meeting Date:	February 21, 2019	Staff Members: Tom Sliwoski Cindy Fitzgerald
Item #	1	
Ordinance #		
Department:	Public Works Finance	
Council Vision:	Responsive, Efficient Government	
Subject:	Recycling Program Update	

Background: Last July, staff provided an update to City Council concerning the City's recycling program, in the context of significant changes in the worldwide recycling market. The related agenda briefing prepared for Council's July 12, 2018 regular meeting is attached for further background. In that briefing, staff noted:

The recycling program in the City is not intended to be a revenue generator. While there is an additional burden now placed on the program, management believes the costs can be absorbed through the spring of 2019. Staff will continue to monitor the recycling program, reviewing alternatives that are more efficient and effective with the goal of maintaining a strong program and reducing the costs to the City. Management intends to readdress the program with Council during the fiscal year 2020 budget process to determine whether any rate structure or program adjustments are necessary.

Staff is now prepared to provide a further update to Council. Following staff's presentation, Council will have an opportunity to discuss issues and provide guidance that will inform development of the City Manager's proposed budget for FY2020.

City Manager's Recommendation: Receive the update and provide guidance and direction to staff.

Suggested Motion: Not applicable.

City Manager: Stephen F. Owen

CITY COUNCIL



AGENDA BRIEFING

Staunton, VA

Meeting Date:	July 12, 2018	Staff Members: Tom Sliwoski Cameron McCormick
Item #	2	
Ordinance #		
Department:	Public Works Finance	
Council Vision:	Responsive, Efficient Government	
Subject:	Recycling Program Update	

Background: Global trade policies, leveling growth rates in foreign countries, and economics have all contributed to a dynamic change in the recycling market. Much of the domestic reclaimed waste is shipped overseas; however, new limits imposed by China have led to a steady decline in demand. Low oil prices have made it cheaper to produce new plastic bottles so manufacturers have no incentive to use reclaimed plastic. Packaging producers have been able to make cans and bottles thinner, resulting in significantly lower need for raw materials. Circulation of print newspaper has plummeted so the recycling industry has lost their primary customer for reclaimed paper fiber and their primary source of incoming recyclable material. The glass market has also suffered, and there is very little demand for recycled glass. All of these factors have resulted in a struggling recycling market.

The City has offered curbside recycling for residents since the early 1990s. When the curbside program first commenced, only newspaper, plastic #1 (water and soda bottles) and plastic #2 (milk and laundry detergent containers), glass (separated by color), and aluminum and tin cans were collected. A community recycling site opened shortly thereafter at Gypsy Hill Park, where residents of the City and Augusta County and City businesses could deposit newspaper and glass.

Based on repeated citizen inquiries and requests, the City began curbside collection of mixed paper (newspapers, magazines, books, white paper, cardboard, books, paperboard, etc.) and mixed plastics (#1 through #7) in 2012. The City also expanded the recycling center at the

park, adding mixed paper, mixed plastic, bi-metal/aluminum cans, and cardboard to the list of accepted materials.

All materials collected in the City are taken to Sonoco Recycling in Fishersville. This location is an initial collection site where materials are processed and readied for shipment to various states.

Current Conditions: Due to the struggling recycling market, Sonoco has implemented a new rate structure. Currently the City is not charged a rental fee or “pull” fee for any of the five collection points at the park. Beginning August 1, the five containers at the recycling center in the park will be subject to a monthly rental fee of \$75 per container per month. Additionally, the City will also be assessed a pull fee of \$100, each time a container is transported from the park to Sonoco’s facility in Fishersville. On average, the City requires 13 pulls per month. Based on current usage, the new rate structure for containers will result in additional, annual costs to the City of \$20,000.

On August 1, the City will also be subject to a revised rate structure imposed by Sonoco for materials (as distinguished from charges for the use and transport of the containers). At the present time, it is anticipated that the City will receive payment only for collected cardboard and aluminum, and not for other collected materials. For other collected materials, the City will incur charges to Sonoco (i) for mixed paper, in the amount of \$50.00 per ton, (ii) for commingled plastic, in the amount of \$60.00 per ton, and (iii) for glass, in the amount of \$32.50 per ton. During fiscal year 2017 (the most recent year for which figures are available), the City collected approximately 184 tons of materials at the park and approximately 828 tons curbside for a total tonnage of 1,012. Assuming the same tonnage in fiscal year 2019, and applying the new rate structure for materials to this tonnage, it is anticipated that the City will incur charges to Sonoco of \$8,000 per year for materials collected from the containers at the park and \$24,000 for materials collected curbside, for total charges of \$32,000.

Considering the changes in the rate structures for both use and transport of the containers and the materials, it is expected the City will incur charges to Sonoco for fiscal year 2019, in the amount of \$52,000 (inclusive of charges for both the park facility and curbside collection). The park facility will account for \$28,000 of that total (\$20,000 for use and transport of the containers and \$8,000 for materials). All figures assume no further changes in the recycling market or increases in tonnage collected. For fiscal year 2017 (again, the most recent year for which figures are available), charges incurred to Sonoco totaled \$3,100.

Conclusion: The recycling program in the City is not intended to be a revenue generator. While there is an additional burden now placed on the program, management believes the costs can be absorbed through the spring of 2019. Staff will continue to monitor the recycling program, reviewing alternatives that are more efficient and effective with the goal of maintaining a strong program and reducing the costs to the City. Management intends to readdress the program with Council during the fiscal year 2020 budget process to determine whether any rate structure or program adjustments are necessary.

City Manager’s Recommendation: Not applicable.

Suggested Motion: Not applicable.

City Manager: Stephen F. Owen