

Memorandum



DATE: April 10, 2009

TO: Honorable Mayor and Members of the City Council

SUBJECT: **Too Good to Throw Away Update**

On Wednesday, April 15, you will be briefed on the subject topic. Attached are the briefing materials for your review.

Please let me know if you have any questions.



Ramón F. Miguez, P.E.
Assistant City Manager

Attachment

C: Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest E. Turner, Interim Assistant City Manager
David K. Cook, Chief Financial Officer
Mary Nix, Director, Sanitation Services
Helena Stevens-Thompson, Assistant to the City Manager

Too Good To Throw Away: Update

Council Briefing

April 15, 2009

Department of Sanitation Services



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Purpose

- Status of Recycling Program
 - Meeting the goals
 - A new challenge – declining recycling markets
 - Other recycling efforts

- ***OneDAY Dallas*** Service
 - Phases 1 and 2 – a status report
 - Phase 3 – FY10 projection
 - Next steps



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Status: *Too Good To Throw Away*

- **Briefed Council on August 20, 2008**
 - Showed effect of Once-Weekly transitions to the SAN rate in FY09
 - Council supported Phase 2 alone for FY09
- **Transitioned more households in 2009**
 - Phase 2 - 38,000 households, Feb 2009
 - Kiestwood starter project in CD-3: 500 homes, Mar 2009
- **Preparing for Phase 3 – Feb 2010**



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Status Report:

Too Good To Throw Away

Program Goal	FY06 Actuals	FY07 Actuals	FY08 Actuals	<i>FY09 Goals</i>
Campaign for public awareness	\$246,000	\$769,737	\$833,000	<i>\$797,986</i>
Tonnage increase from 10,000 to 43,800 tons/year	9,681	20,150	29,664	<i>35,000</i>
Double participation from 25% to 50%	25%	42%	46%	<i>48%</i>
Revenues from sale of recyclables	\$0	\$934,763	\$2,169,699	<i>\$2,687,800</i>



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Too Good To Throw Away



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A new challenge ...

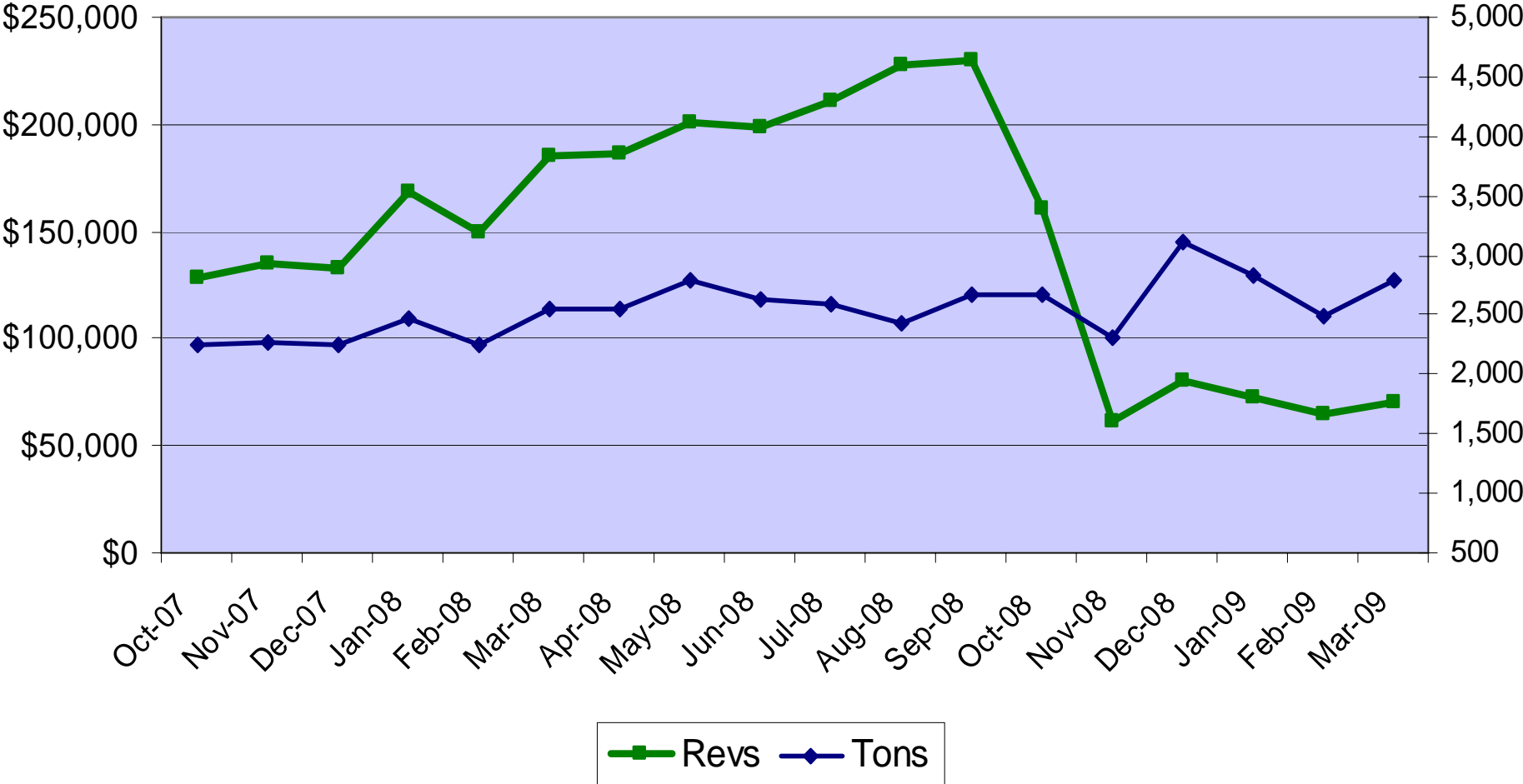
- Market prices for the sale of recyclables were at historic (and unsustainable) highs in 2008
- Market corrected by November of 2008
- The correction was predicted – but the severity was exacerbated by global recession
 - As the economy has slowed, the manufacture and sale of new products has also slowed. This lowers the demand for paper products and other recyclable commodities



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Recycling Trends in Tons and Revenues, by month



How this affects us

- ❑ Markets for recycling commodities have historically declined and recovered (see next charts as examples)
- ❑ **Too Good** program uses sale of recyclables to offset program cost
- ❑ “Less offset” means the ratepayers bear more of the direct cost of the program

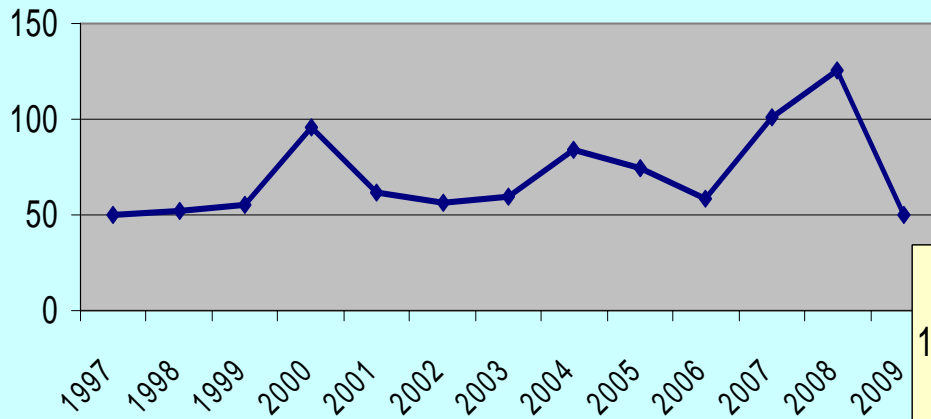
Recycling Budget Item	FY 08-09 Budget	FY 08-09 Projected	Variance
Collection Operations	\$7,505,550	\$7,505,550	
Education	\$620,986	\$620,986	
Roll Carts (purchase and repair)	\$1,377,075	1,377,075	
Revenue Share (from sale of recyclables)	(2,687,800)	(948,500)	
TOTAL:	\$6,815,811	\$8,555,111	(1,739,300)
Rate Impact	\$2.73	\$3.42	(\$0.70)



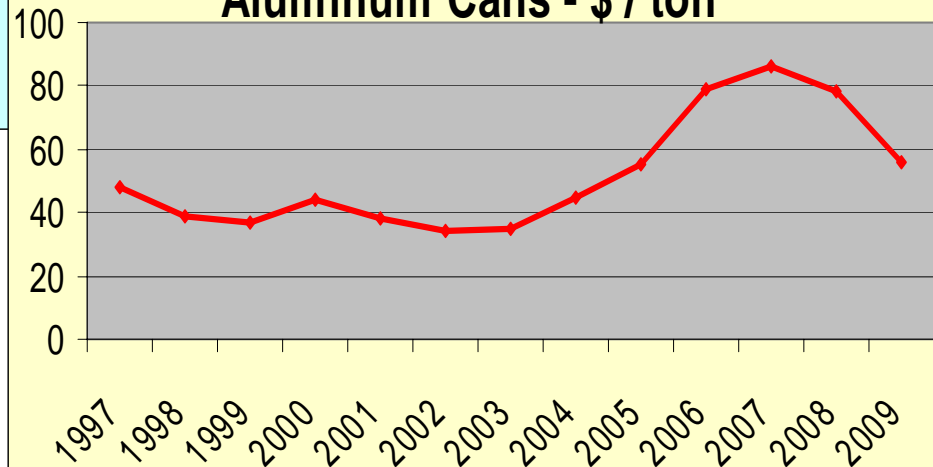
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Example of Market Variances

Old Newsprint - \$ / ton



Aluminum Cans - \$ / ton



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Until Markets Improve ...

- **Stay the course**
 - **Too Good** has succeeded in developing recycling habits
 - Recycling tonnage has tripled; participation rate has doubled
 - Positive environmental impacts are occurring – with both diverted landfill disposal and commodity sales for reuse, rather than “new” use of virgin resources.
- **Realize that revenues will be less – and adjust**
 - Manage operations for recession markets
 - Continue increasing tonnage – and sell at best market prices
 - Store some under-priced commodities for future sales
 - Promote transition to **OneDAY Dallas** Service
 - Decreases overall cost of service



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OneDAY Dallas Phase-in Approach

- **Phase 1 – far north Dallas**
 - Increased participation to 60%
 - Increased recycling from 28 to **51** pounds / household / month
 - Implemented in March 2008

- **Phase 2 – northwest Dallas**
 - Started February 2009
 - Early results reflect those of Phase 1

- **CD-3 Starter Project**
 - 500 Households - started in March 2009
 - This project can serve to inspire other Oak Cliff neighborhoods



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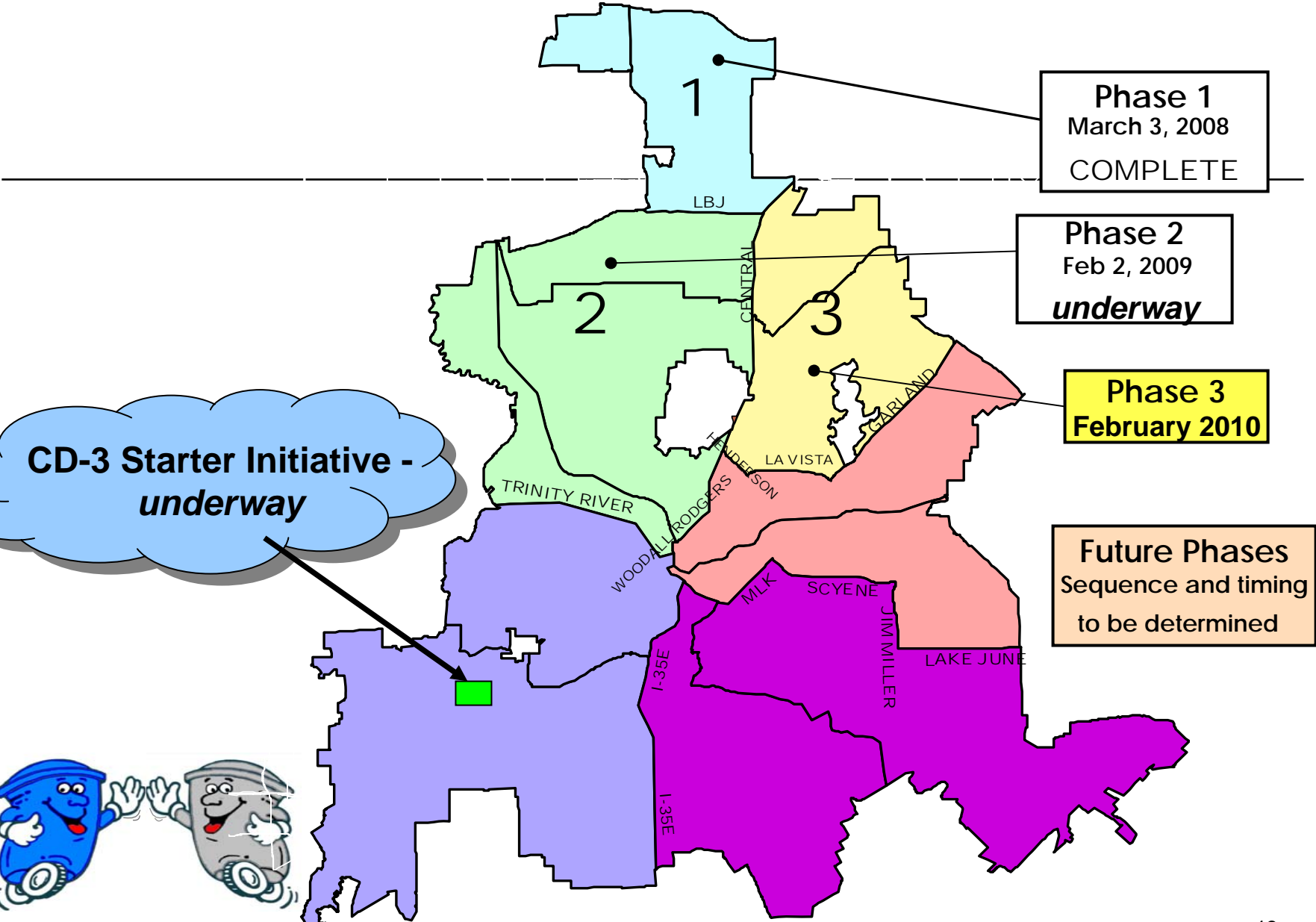
What's next for *OneDAY Dallas* ...?

- Phase 3 – starts Feb 2010
- Other areas of city to phase-in over time
 - Focus education efforts on areas with low participation
 - Extend *OneDAY* service when recycling tons show readiness of community
 - Realize full cost savings with city-wide expansion

Benefits	Challenges
Cost savings to operations	Readying the resident with public outreach
Increase in recycling figure	Day-of-Service changes
Reduced air emissions from collection vehicles	Adjusting for individual needs
Save landfill space	



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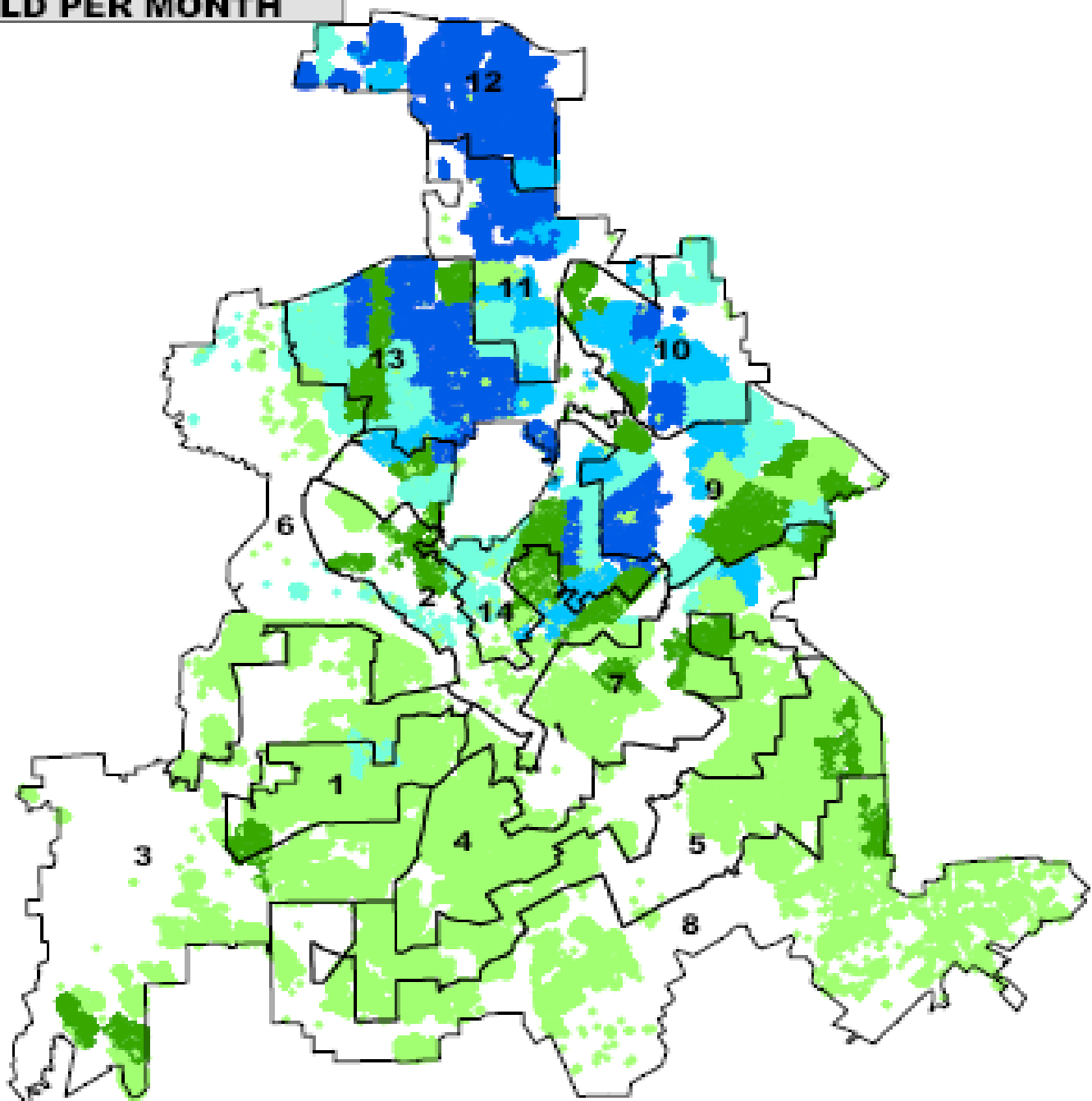
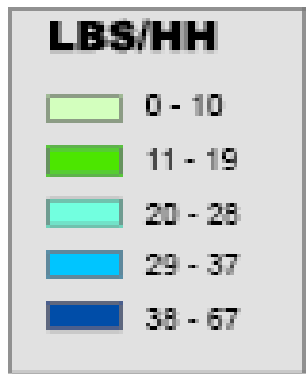


**CD-3 Starter Initiative -
*underway***



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2008 AVERAGE RECYCLING LBS PER HOUSEHOLD PER MONTH



Other Recycling Efforts

□ **MultiFamily recycling**

- FY09 budget included \$292k for pilot work
- Postponed pilots due to budget constraints
- Plan to re-start in FY10

□ **Hotel /Motel recycling**

- Trial program funded in part by state grant (\$86k)
- 3 hotels – starting in April
- Results to be reported by October



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Recommendations

- Stay the course on *Too Good To Throw Away*
- Continue *OneDAY Dallas* with Phase 3 implementation in FY10
- Update Council on progress



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