Sustainable Funding for Local Government Recycling Programs

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Just the Facts

- Recycling costs money
- Recycling sometimes makes money
- Recycling usually costs more than it makes

The question to ask may be ..... Does recycling cost more or less than the alternative?
Typical Capital Costs

- Vehicles
- Carts and containers
- Buildings
- Land
Funding Sources for Capital Costs

- Special Purpose Local Option Sales Tax
- Grants/Loans
  - State
  - Recycling Partnership
- Private Financing
- Accrual from Operating Fees
Typical Operating Costs

- Labor
- Fuel/Utilities
- Rent or Debt Service
- Equipment and Facility Maintenance
- Educational/Promotional Materials
- Contracts
  - Container rental
  - Hauling
  - Processing
- Insurance
- Indirect to other departments
  - Legal
  - Billing
Revenue from the Sale of Recyclables

• Directly tied to amount of recycling
• Unpredictable
• Best to consider as “gravy”
Facility Tip Fees

- **Landfill Tip Fees**
  - Must own/operate
  - Waste reduction and recycling success would lead to decline in funding source

- **Recycling Facility Tip Fees**
  - Ranging from $10 - $50 per ton for single-stream
  - May disincentivize participation
  - Must own/operate recycling facility to receive revenue

- **Host fees if privately owned and operated**
Collection Fees

• Solid waste service fees
  • Reliable revenue
  • Pay as you Throw option

• Service fees specific to recycling
  • Can serve as disincentive if program is voluntary
  • Fees can be tied to level of service provided
Annual Assessment

- Relatively reliable incoming source (predictable, enforceable)
- But have to ensure collected funds allocated to intended purpose
- Does not educate on cost of recycling
- Lack of incentives for waste reduction or recycling
- If increase in millage required, politically challenging
Orange County, North Carolina Solid Waste Program Fee

• Paid by every property
• $128 per year an annual property tax bill
• Covers:
  • Curbside, multifamily, and commercial recycling
  • Drop-off sites
  • Electronics, mattress, cardboard and scrap metal recycling
  • Hazardous waste collection
  • Education and outreach
  • Enforcement and environmental support
  • Yard waste and clean wood waste processing
  • Appliance and scrap tire management,
  • 35% of the costs of operating Solid Waste Convenience Centers
Athens-Clarke County’s Sources of Funding for Waste Reduction, Recycling, and Education Programs

- Revenues from sale of recyclables
  - Mulch
  - Scrap metal
  - From RMPF (applied to processing fees)
- Per ton host fees on “merchant” materials delivered to RMPF
- Landfill revenues
  - Tip fees
  - Landfill gas revenue
- Fees billed to County collection customers
- Waste minimization fee
Athens-Clarke County Waste Minimization Fee

- Covers approximately 10-15% of costs
- Primarily for education and outreach
- 60 cents for residents and $1.60 for businesses per month
- Paid on solid waste collection bill by customers of County or private haulers (who collect and remit to County monthly)
- Services and facilities supported by the fee are available to all residents and businesses (but not all pay)
Most Waste Reduction and Recycling Costs Currently Covered by Landfill Enterprise Fund

• Drop-Off Centers
• Keep Athens-Clarke County Beautiful
• Recovered Materials Processing Facility
• Center for Hard to Recycle Materials
• Portion of Waste Reduction and Education Staff

Even though, all of these facilities and services are available to all businesses and residents not just those that use County landfill
• To cover some or all waste reduction and recycling costs currently covered by Landfill Enterprise Fund and waste minimization fee
• Billed on monthly water bill so all residents and businesses contribute
• Three tiers with proposed fees based on water use
  • Residential
  • Small commercial
  • Large commercial/industrial
Conclusions

• Understand full costs
• Understand revenues, including possible variations in those revenues
• Don’t forget savings
• Understand who uses/benefits
• Decide who should pay for what ... this is a policy decision
• THEN decide who should pay and how
• Factor in future changes in costs, savings and revenues
  • Inflation
  • Changes in program that affects cost
Questions?

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