

**Meeting Minutes Commercial Recycling Implementation Committee**  
Thursday, June 15, 2006

**Present**

Jane Chronis	MAVDevelopment
Jim Frey	RRS
Margie Teall	Environmental Commission/ City Council
Steve Bean	Environmental Commission
Wendi Felgner	Ann Arbor Learning Community
Nicole Chardoul	RRS
Patricia Harroun	Cardea Construction Co.
Linda Lombardini	Trillium Real Estate
David Stead	Environmental Commission
Carol Collins	People's Food Co-op
Tim Stark	1-800-GOT-JUNK
Maggie Ladd	South University Area Association
Scott Rosencrans	Bob Behnke Co.
Melissa Vandam	Dwell Development
Jeff Jackson	Seva
Doug McClure	Conlin, McKenney & Philbrick
Nancy Rucker	Zingerman's Deli
Ida Hendrix	Briarwood Mall

Staff – Bryan Weinert, Tom McMurtrie, Nancy Stone, Kevin Ernst, Shawn Severance

**INTRODUCTION**

Today's goal is to provide you with concise background information.

The physical product of this committee will be a report to City Council delivered by January 2007. This date is necessary to fit into city budgeting process in case implementation requires city funding. The report will be organized with the following chapters -

1. Executive summary
2. Goals
3. Context
4. Recommended approach
5. Action plan
6. Implementation steps

**Process overview**

In committee meetings we will do a PowerPoint to lay the groundwork for the discussion that follows. Subcommittees may be formed and they will have clear assignments and goals and the process will be facilitated.

### **Ground rules**

The goal is to use time effectively, so we will start on time, ask you to do your homework, and we will use parking lot concept if needed. Subcommittee assignments will come out of our discussion. Group dynamics will build respect, trust and common understanding.

### **Go Around**

Members of the committee introduced themselves to one another.

### **Questions**

Q -When we get to questions are we going to queue people?

A - Yes – Chairperson David Stead will endeavor to recognize committee members and staff sequentially as hands are raised.

Q- Is there a charter from the Environmental Commission?

A -We have a charge, yes. Process will first go back to the Environmental Commission and then back to council.

Q - Are we limited to exploring options in city plan?

A - No we are not limited – that is just the starting point. Feel free to bring up any option you want considered.

## **COMMERCIAL STUDY BACKGROUND AND OPTIONS**

**Current City Facilities** - There is significant infrastructure in place giving us a lot of existing tools to work with.

- **The Materials Recovery Facility (MRF)** is a recycling facility. The MRF is owned by City and funded by environmental bond. The City has a 20-year operating contract (until 2015) with FCR. FCR is a national firm that manages the facility because of their ability to market the materials. 40,000+ tons of recyclables are handled at the MRF every year. 35% of this amount is from the City. The remainder is “merchant recyclables” that come from the rest of Washtenaw, Windsor, Toledo, Livingston Co., Oakland Co., & Wayne Co.
- **The City Landfill** was shut down in early 1990s. The borrow pit west of the MRF was intended to be next cell but due to environmental, cost liability and risk issues city chose to build a transfer station instead. There is a new Transfer Station being built and it will be located approximately 100 yards south of the current MRF. City pays \$11.00 per ton to landfill at Woodlands Meadow. The City exports all of our waste out of county. Most of the waste goes through the transfer station, but private contractors will also direct haul to other landfills, Woodland Meadows or one operated by Onyx.
- **The Compost Facility** is owned and operated by the City to process all wood waste, leaf waste, yard waste. Ash borer site is hosted here. Some use of

compost site by outside contractors. UM pre-consumer vegetative food waste is composted here. Pilot for downtown commercial collection also came here.

- **Drop Off Station (DOS)** is owned by city and operated by Recycle Ann Arbor. It is the former site where all recyclables were processed. RAA proposed it be converted into a Drop-Off site when the MRF was built. Being evaluated for relocation and expansion to take more materials. Currently it takes a significant amount of materials from commercial sources. It is funded intergovernmentally.

**Current Commercial Recycling Collection** - In addition to facilities, the City has significant collection capabilities. It has its own public works operations including staff and trucks. The City also works with private sector to facilitate collection.

- **City Directed Recycling**
  - **City** - Commercial Cardboard Dumpsters – the city collects from 70 businesses city wide. Downtown Development Authority – the city collects cardboard, paper, and containers from 150 businesses in the DDA
  - **Recycle Ann Arbor (RAA)** is a non-profit that for 20 years has had a city contract to do curbside recycling. Started recycling and talked the city into developing its program. They are a long term partner of the city. Recycle Ann Arbor collects from smaller businesses and schools outside of the DDA that can be easily serviced with bins or carts. This was a logical extension of their residential collection. The logic was that you have that collection system out there, so make sure it is also used in the commercial sector. They have an individual out promoting this service to businesses. RAA was also doing commercial recycling pickup outside of the city boundaries but this program is now being modified.
  - **Drop Off Station (DOS)** – 70-80 thousand visits a year. Final DOS design next year, ground breaking 2007, construction finished 2008.
- **Other Commercial Recycling** – This category involves some big unknowns. Private waste haulers are very hard to get data from.
  - Document shredding– estimates developed from document shredding. People pay for confidentiality aspect, but most of material ends up being recycled.
  - Back hauler arrangements – Kroger and Meijers will have a baler in the back, and the material gets back hauled in one of their empty delivery trucks.
  - U of M works closely as partners in MRF and in planning.

### **Recycling Trends -**

- **DDA** has shown a positive attitude about working with the city collection program. Recycling levels have pretty steadily increased, from 600 tons range (in 2001 to 995 ton in 2005). They recycle 35-45% of the waste generated in the DDA. This demonstrates there is great potential for success when some effort is invested. Due to growth, the DDA is generating more trash as well as recycling more. Keep in mind there will be growth in waste generation as the city grows.

- **Non-DDA sector** only generates as much recycling volume as the DDA, and has not grown. Waste volumes have dropped due to a shift to private haulers that resulted from changes in city provided services. It doesn't really reflect waste reduction.

### **Planning for Commercial Recycling -**

A significant amount of work has been done to plan for how to handle expanded commercial recycling from a processing standpoint. We are well on our way to getting the necessary processing capacity.

- The transfer station is being relocated to make more room for recycling.
- The MRF is being expanded - Commercial recycling equipment is being added that will enhance how recycling can happen, and will make some types of commercial recycling much easier.
- The Drop Off station is being relocated and upgraded assessing adding a construction waste sorting station to the DOS.

### **Strengths and Weaknesses of current programs -**

- Programs currently have a great deal of flexibility.
- Recycling is provided at no additional cost – it is made available through a city millage assessed on all properties including commercial ones. The millage is permanent, created under a law established in state of Michigan to charge up to 3 mils for solid waste services. Most cities use a millage approach to funding these services. City Solid waste operations are set up as an enterprise fund.
- There are few incentives for businesses to reduce waste. Many do not pay for trash collection, or pay a private hauler.
- Commercial collection routes are operating under capacity and can be added to. There were lots of corrugated dumpsters that would sit there full and not get serviced for 4 more days. Would surmise their service was once a week and things would go into a trash dumpster when full.
- Identity – trash and recycling is mixed don't have distinct identities on bins
- Cherry picking - private commercial collectors target customers where paper is worth the most and service cost is lowest. This does not provide breadth and depth across the city, so it becomes more expensive to collect the remainder because most lucrative sources are gone.
- Education is limited.

**Our Challenge** – In residential collection Ann Arbor is a top program. Now our task is to figure out how to expand commercial recycling and organics collection capacity. Commercial collection is at the 20-22% range. A huge majority is being landfilled. These figures are estimates but the commercial performance is nowhere near the 50% we achieve on the residential side. There is a reasonable opportunity for city directed recycling to go up to 19% and other recycling up to 29%. Even if organics stay the same, it is possible to achieve over 50% in the commercial sector at a reasonable cost. We need to continue to work on more careful data collection and benchmarking. Still don't know what is happening with other commercial haulers.

Businesses are willing to look to the city to add services. The City's current user fee is not well defined and the city can't adapt its rate structure as easily as Waste Management or other private haulers. Changing the base load of services is also difficult.

**The Future** – pieces of the puzzle we will ask you to put together.

- Ordinances? Curbside residential recycling is currently mandatory with soft enforcement. We don't have garbage inspectors. In multifamily recycling it is the "opportunity to recycle" that is mandatory.
- How to motivate participation?
- How should outreach and education change?
- How to have the right package of services given by the correct service providers and make the service responsive to changing needs.
- Should we target our efforts in some way, by sector, business size, or geographic area?
- Ownership – who provides the service, not just the resources in the city but private partners as part of the solution.

## **DISCUSSION**

### **What are the real and perceived barriers we are trying to address?**

How do you recover recyclables out of a mixed Municipal Solid Waste (MSW) stream? There are two ways to look at this. Residents separate their own recyclables, this is known as source separation. But how viable is this on the commercial side? Is a mixed waste stream most convenient for businesses and if so, how do we handle that downstream at the MRF?

All the MRF does is clean up presorted materials – it is a packaging facility. For a while the right side of the facility was set up to sort trash. They tried for about 10 years to do this but it was viewed as not the most effective way to get large amounts of recovery. Modify to allow separated recyclables to have more mixed materials in it so it can move through MRF more efficiently. In other words you won't have to take so much garbage out of it.

Paper, cardboard and food seem to be the focus at the outset but there are a lot of other recyclables to consider.

### **Questions about what we are doing right now.**

**Q.** What are the economics of running garbage through the MRF? The City makes money from it. From a private standpoint do we want to aim at capturing the waste we don't currently process or collecting more high grade paper? How do we set a goal to pay for this program?

**A.** We will bring a summary of the current economic system to the next meeting that will describe the structure of contracts and incentives taken out to 2015.

**Q.** Does the City get paid for recyclable materials?

**A.** It does for some of them. It depends on their market value. The key variable is market value - the average commodity revenue (ACR) goes up and down. Overall the values are increasing due to Asian markets and the increasing price of oil.

**Q.** In addition to doing the right thing, is the city really trying to make a profit off of this?

**A.** Not necessarily. The key question is how to provide incentives for businesses and make the MRF work. The city's goal is to maximize recovery. The programs are paid for out of an enterprise fund that is funded by a millage and the City's revenue from the MRF. That's how we pay for programs as well as capital improvements. If we come up with programs the city can't pay for, we need to come up with other fee structures. The city's goal isn't to generate revenue – the revenue goes right back into the enterprise fund not the general fund. The money stays in the program. It's not to raise money for other programs.

**Comment:** Space for C&D recycling dumpsters is a potential barrier. With one trash dumpster on site, there often isn't room for another dumpster. And you'll get on a lot of jobs where there isn't even room for one so you call another waste hauler to bring it to a facility. To put a container in the street at a lot of locations you would have to get a lane closure and pay for it. On-site recycling often increases the cost of demolition and removal. Could you bring the waste and have it sorted here at the MRF so waste is not sorted on site? A split roll off is also an option. At least getting some separation that is easy to do. Would that be city provided? What is the relationship with generators, how much source separation do we have to do in various sectors? Timely removal of recycling dumpsters is another issue– does the city have that infrastructure? Sometimes the dumpster will fill up in one day. There is discussion with the new DOS design & Calvert's how to facilitate recovery of C&D waste. Construction sort floor now on the drawing boards weather or not it will occur here or at Calvert's isn't certain. There are barriers to using Calvert's facility. The goal is to have no barriers other than choice at the MRF facility. What do these services need to look like to be attractive to you?

**Comment:** Sorting Municipal Solid Waste - Look at overall capacity for change. Electronics isn't going to change diversion rate much b/c the volume isn't there. Look for tonnage where tonnage is. Other waste materials include wide variety of things - mix of rubble, dirt, concrete, block rubber, piping latex, gloves, plastic, film diapers, food, pet litter. From a restaurant standpoint would have little garbage if composting food.

**Comment:** New DOS will target mixed rigid plastics like vinyl siding, old coolers, lawn furniture, and 5 gallon buckets. Now there are markets that want to buy that in baled form.

**Comment:** Composting - Have a lot of paper being recycled and containers recycling has increased over time – but food waste is still a large category. Bathroom waste – have they found ways to recycle hand towels? Organics can include tissue products. Food and organic category – is there information available on pilot program so we aren't reinventing the wheel. Information on what University is doing. 2.5 years long.

Collection frequency was an issue here. What are the examples out there? There are communities with programs in place for all of these sectors. Let's look at successful programs and then decide what we want and tweak it. From a school aspect – collect lunch food waste? We need to be educated about how to set up our own compost programs.

**PARKING LOT ISSUE FOR FUTURE DISCUSSION/FOLLOW-UP: Mixed waste (“Other”) recovery potential/constituent materials**