

MEMORANDUM

DATE: March 23, 2017

TO: City of Ann Arbor Environmental Commission

FROM: Resource Management Priority Team

RE: **2017/18 and 18/19 Solid Waste Operating Budget Recommendations**

The Resource Management Priority Team, a subcommittee of the Ann Arbor Climate Action Partnership, is once again honored to provide recommendations to the Environmental Commission relating to the upcoming City of Ann Arbor solid waste operating budget development process. These recommendations encompass the upcoming 2017/18 and 18/19 fiscal year operating budgets, funded out of the City's dedicated Solid Waste Fund.

While we recognize that staff's current budget projections for the upcoming two fiscal years presume deficits in the Fund of \$2.8 million and \$1.2 million respectively, we also know that such projections are built on anticipated (or feared) capital expenditures and increased operating expenses that may or may not be realized. Of particular interest will be the outcome of the city's current landfill disposal RFP and the capital outlays needed to bring the Ann Arbor MRF back into operation.

Assuming that some funding is available and desired for new/expanded waste recovery initiatives, we recommend supplemental solid waste operation funding totaling \$355,000 in 2017/18 and \$615,000 in 2018/19, focusing on four areas:

- Zero Waste Events
- Multi-Family Recycling
- Expanded Organics Recovery Opportunities
- Commercial Recycling

These totals amount to 2.2% and 3.8% respectively of the two projected annual solid waste budgets. These four program areas are specifically called out in the City's current five-year solid waste management plan and Council-approved Climate Action Plan.

Following is a brief summary of the supplemental dollars recommended for support in each area.

Zero Waste Events (\$75,000 recommended in 17/18 and 18/19)

In 2015, Recycle Ann Arbor and Washtenaw County Government received a two-year MDEQ grant to expand zero waste events in Ann Arbor and Washtenaw County. In addition to funding multiple zero waste events in Ann Arbor and out-county over the past two years, the scope of services in the grant also included funds for the development of a zero waste event ordinance for Ann Arbor, providing an opportunity for Ann Arbor to be the first community in Michigan to establish a systematic approach to zero waste (90%+ recovery) at all community events and festivals using public right of way. MDEQ is supporting our initiative, in the hopes that Ann Arbor's pioneering efforts will ultimately help other communities embrace this zero waste-based approach to public events.

Whether or not an ordinance is approved, the proposed \$75,000/year funding would subsidize the cost of zero waste services (volunteer coordination, zero waste collection stations, food vendor zero waste supplies and analysis/reporting) at community events, making it easier for event organizers and food vendors to embrace the zero waste approach in managing the waste generated at their events. The average cost of providing comprehensive zero waste services for a typical event serving 1,000 people is approximately \$800, meaning that \$75,000 could provide direct support to the equivalent of ninety-four 1,000 person events over the course of the year. For a point of comparison, there were 64 outdoor permitted events in the DDA in 2016, serving over 658,000 people (the vast majority of these attendees associated with the Ann Arbor Art Fairs, which would need to be addressed separately).

Multi-Family Recycling (\$90,000 recommended in 17/18 and 18/19)

Over half of the housing stock in Ann Arbor is multi-unit. A 2012 City of Ann Arbor waste sort showed that 26% of the trash from this sector was composed of recyclable items, whereas the single-family sector sort showed only 12%. In addition, almost 18% of Ann Arbor's population is foreign-born, with this multi-lingual population well-represented in the multi-family sector, with the additional challenge of a much higher annual resident turnover in this sector in comparison to single-family housing.

For this reason, additional, on-going support is needed in order to educate, enforce, better understand and ultimately serve this population in order to see recycling participation and tonnage levels grow in this sector. The following support is recommended:

- \$35,000/year for recycling code enforcement in this sector (primarily to insure owners/managers are providing the services and information required in the current City Code), including the hiring of a dedicated .75 FTE community standards officer (at current City compensation rates).
- \$25,000/year for production, printing and distribution of recycling information to approximately 25,000 units (\$1.00/unit).

- \$20,000 in fiscal 2017/18 for a comprehensive, city-wide telephone survey of multi-family residents in Ann Arbor to better understand their preferences, ideas, recycling literacy, storage, signage and other needs in expanding multi-unit recycling rates.
- \$20,000 in fiscal 2018/19 to begin implementation of expanded programs, services and outreach to approximately 5,000 multi-unit households based on the survey results (\$4/unit).
- \$10,000/year for improved recycling signage at approximately 40 multi-family locations/year (\$250/location).

Expanded Organics Recovery (\$140,000 in 2017/18 and \$400,000 in 2018/19)

The City's draft "Comprehensive Organics Management Plan" released in early 2017 outlines a number of proposed initiatives to increase Ann Arbor's recovery of organic material, most especially food waste. A number of initiatives were outlined in this report, and we recommend funding the following menu of approaches to assist this effort:

- \$100,000 carry-over of funds from the 2016/17 solid waste operating budget for the food waste pilot collection program that was designed to serve 20 locations overall, including ten businesses in the DDA, the Delonis Shelter, and nine public school sites (since this would be a carry-over of 2016/17 dollars, should not require new funding). This year-long pilot would be designed to assess opportunities, challenges, successes and threats to a city-wide organics program that is envisioned to serve commercial and institutional locations. Pilot success would be measured on pre- and post-pilot recovery rates, cost of service per ton, monitored contamination levels and customer satisfaction/ease of use.
- \$50,000 for the development and initial distribution of educational materials targeting the commercial, institutional and residential sectors to promote existing program opportunities, organics waste reduction strategies and best practices by sector. This expenditure has been recommended by the city's organics consultant.
- \$40,000 for a nine month, residential neighborhood food waste pilot (500-600 households) with "free" counter-top and compost cart delivery offered as an incentive for households to participate fully in the pilot, allowing the city to evaluate tonnage/participation impact, contamination levels, customer satisfaction and effective outreach/educational strategies. Ultimately, a pre-pilot, baseline compost tonnage recovery level from this neighborhood would be compared to the tons recovered during the pilot program during comparable months of service. This expenditure has been recommended by the City's organics consultant.

- \$50,000 in fiscal 2017/18 to perform an assessment of all multi-family properties to study available space for compost carts, truck access and related issues to potentially provide future organics collection services to this sector. Adequate space for separate containers was a challenge for the city as it expanded its recycling services into the multi-family sector. Similar issues will undoubtedly emerge in providing organics collection services, and the City needs to assess and dialogue with multi-family owners/managers to consider container placement opportunities, not only to store such containers for reasonable access by tenants and maintenance staff, but also readily accessible to various types of collection trucks that might service these containers (side-load, rear-load, front-load, etc.). This expenditure has been recommended by the City's organics consultant.
- \$200,000 in fiscal 2018/19 to implement year-round single-family residential organics collection services (including the mid-December to end of March period), assessing collection frequency and scope (inclusive of multi-family, etc.). Recycle Ann Arbor's recent proposal to the City for organics collection provided an optional year-round, weekly collection service, at an additional cost of \$200,000/year. Weekly collection during this period of the year may not be the only reasonable option, but it provides one data point/benchmark for this supplemental service. This expanded service has been recommended by the City's organics consultant.
- \$200,000 in fiscal 2018/19 to begin implementation of year-round food waste collection services in the commercial/institutional/multi-family sectors, based on pilot results and other gathered information. This expanded service has been recommended by the City's organics consultant.

Commercial Recycling (\$50,000 in 2017/18 and 2018/19)

Over half of the waste generated in the City of Ann Arbor originates in the commercial and institutional sector. Only about 30% of this waste is currently being recycled in the city. \$50,000 is envisioned to provide on-site (proactive, individual, in-person outreach) business support and educational materials to serve the approximate 5,000 businesses located in the City, helping them to access existing programs and resources. Each business has unique conditions and circumstances that drive its waste generation and recycling potential. Providing individualized, site-specific support is the key to long-term recycling success in this sector.

