

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Assistant City Manager

DATE: July 24, 2019

RE: **City of Ketchikan Solid Waste Division Recycling Program**

At its meeting of June 20, 2019, the City Council received public comment on the status of the Solid Waste Division's recycling program. In connection with an agenda item to discuss possible efforts to reduce plastic bag use, the City Council made several inquiries as to the Solid Waste Division's recycling capabilities. Attached for City Council review is a transmittal memorandum from Public Works Director Mark Hilson and Solid Waste Division Supervisor Lenny Neeley regarding the Solid Waste Division's recycling efforts. Also attached as provided by Mr. Hilson and Mr. Neely are two recently published articles addressing the rapidly growing concerns surrounding the continuation of recycling on a global scale.

The Public Works Division continues to explore how a reduction to plastic bag use might be accomplished and what efforts are currently underway with grocery stores and businesses. This information will be transmitted for City Council consideration at a later date.

The Public Works Director will be attending the meeting of August 1, 2019 in order to respond to any questions and/or concerns that councilmembers may have.

MEMORANDUM

TO: Karl Amylon, City Manager
CC: Lacey Simpson, Assistant City Manager
FROM: Mark Hilson, P.E., Public Works Director
Lenny Neeley, Solid Waste Division Supervisor
DATE: July 23, 2019
SUBJECT: **City of Ketchikan Solid Waste Division Recycling Program Update**

At its meeting of June 20, 2019, City Council heard public comment regarding, and subsequently discussed, recycling and asked staff for an update on the status of our recycling efforts.

As Council may recall, at its meeting of June 21, 2018, staff reported that a change in Chinese policy regarding their acceptance of recyclables led to deteriorated market demand worldwide. Since that time, market demand for recyclables has continued to soften. Numerous publications have been reporting that recycling materials across the country are being stockpiled, or worse, landfilled, because of extremely low demand for the material (see two articles attached). The City's recycling contractor, Republic Services, provided notification in March of 2018 that they were no longer accepting mixed paper from various customers including the City of Ketchikan. We had not been sending them plastics but if we had, those would not have been accepted either according to Republic Services.

The Solid Waste Division remains committed to recycling cardboard, aluminum, used oil, glass, compact and full size fluorescent bulbs, batteries and white goods (appliances). This recycling effort costs approximately \$130,000 annually. As of halfway through 2019 we have had 359 commercial vehicles and 709 residential vehicles cross the scales at the Solid Waste and Recycling Facility, resulting in 299,180 pounds of recyclables eliminated from our waste stream. Ketchikan's Solid Waste and Recycling Facility has done an impressive job recycling over 23 percent of the total landfill volume. Consequently, we have shipped 322 tons of recyclable materials this year.

We do not offer curbside recycling pickup. However, our current collection routes cost \$10.69 per home. Because of the expense involved in providing curbside recycling pickup and other operational issues unique to Ketchikan, it is not endorsed by staff.

We would like to be able to recycle mixed paper, plastics, and other household goods but given the circumstances, we would be incurring additional costs to collect these materials only to have them landfilled after shipping them south (at greater shipping expense than regular solid

waste). We anticipate that given time, the market will reset and demand for recyclable material will begin to rebound. It is our intent to monitor the market conditions with an eye toward expanding our recycling capabilities when recyclable material is not being landfilled, and fiscally prudent opportunities are available. We will keep City Council apprised as the situation continues to evolve.

The New York Times

As Costs Skyrocket, More U.S. Cities Stop Recycling

With China no longer accepting used plastic and paper, communities are facing steep collection bills, forcing them to end their programs or burn or bury more waste.



By Michael Corkery

March 16, 2019

Recycling, for decades an almost reflexive effort by American households and businesses to reduce waste and help the environment, is collapsing in many parts of the country.

Philadelphia is now burning about half of its 1.5 million residents' recycling material in an incinerator that converts waste to energy. In Memphis, the international airport still has recycling bins around the terminals, but every collected can, bottle and newspaper is sent to a landfill. And last month, officials in the central Florida city of Deltona faced the reality that, despite their best efforts to recycle, their curbside program was not working and suspended it.

Those are just three of the hundreds of towns and cities across the country that have canceled recycling programs, limited the types of material they accepted or agreed to huge price increases.

"We are in a crisis moment in the recycling movement right now," said Fiona Ma, the treasurer of California, where recycling costs have increased in some cities.

Prompting this nationwide reckoning is China, which until January 2018 had been a big buyer of recyclable material collected in the United States. That stopped when Chinese officials determined that too much trash was mixed in with recyclable materials like cardboard and certain plastics. After that, Thailand and India started to accept more imported scrap, but even they are imposing new restrictions.

The turmoil in the global scrap markets began affecting American communities last year, and the problems have only deepened.

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[These are six items that are commonly put into recycling bins by mistake.]

With fewer buyers, recycling companies are recouping their lost profits by charging cities more, in some cases four times what they charged last year.

Amid the soaring costs, cities and towns are making hard choices about whether to raise taxes, cut other municipal services or abandon an effort that took hold during the environmental movement of the 1970s.



Eric Griffin on a recycling collection route in Sunrise, where the mayor questioned the severity of contamination from regular garbage. Scott McIntyre for The New York Times

Into the truck in Sunrise. "Recycling has been dysfunctional for a long time," said Mitch Hedlund, executive director of Recycle Across America. Scott McIntyre for The New York Times

"Recycling has been dysfunctional for a long time," said Mitch Hedlund, executive director of Recycle Across America, a nonprofit organization that pushes for more standardized labels on recycling bins to help people better sort material. "But not many people really noticed when China was our dumping ground."

Perhaps counterintuitively, the big winners appear to be the nation's largest recyclers, like Waste Management and Republic Services, which are also large trash collectors and landfill owners.

Recycling had been one of the least lucrative parts of their business, trailing hauling and landfills. Analysts say many waste companies had historically viewed recycling as a "loss leader," offering the service largely to win over a municipality's garbage business.

That equation is starting to change. While there remains a viable market in

the United States for scrap like soda bottles and cardboard, it is not large enough to soak up all of the plastics and paper that Americans try to recycle. The recycling companies say they cannot depend on selling used plastic and paper at prices that cover their processing costs, so they are asking municipalities to pay significantly more for their recycling services. Some companies are also charging customers additional “contamination” fees for recycled material that is mixed in with trash.

The higher recycling fees, analysts say, will help bolster the largest companies’ already booming businesses. Waste Management reported strong operating profits in 2018, while Republic reported increased revenue driven by its waste business.

Most of the industry’s landfill increases were driven by economic growth: The more Americans consume, the more garbage they generate. But at least some of the higher volume were recyclables that could not be sold and repurposed, analysts say.

Some municipal leaders say they are growing wary of companies that control virtually every aspect of the waste and recycling system.

“Are these contamination rates truly high, or is it about benefiting their corporate interest?” asked Mike Ryan, the mayor of Sunrise, Fla. “We can’t afford to have inspectors constantly looking over their shoulders.”

Sunrise's mayor, Mike Ryan, said of the shift to energy-generating incineration: "It's not what most people think of as recycling, but it is better than the alternative."
Scott McIntyre for The New York Times

Unable to afford the higher costs, Sunrise decided to burn its recycling in a facility that turns waste into energy rather than send it to a landfill.

“It’s not what most people think of as recycling, but it is better than the alternative,” Mr. Ryan said.

For cities like Philadelphia, recycling had long been a point of pride. Over the last decade, Philadelphia went from having one of the lowest recycling rates among big cities to one of the best.

When China was buying cardboard and plastics, recycling made money for the city some years. But last year, Philadelphia was hit with an “outrageously high” price increase, a city spokeswoman said in a statement.

The city came up with what it says will be a temporary solution. It identified the neighborhoods with the most contamination in its recycling bins and started sending their material to an incinerator in nearby Chester, Pa. The rest still send their material to a recycling facility.

The incinerator converts the waste to energy, which can be sold back to the electrical grid, said Carlton Williams, Philadelphia’s streets commissioner. But that has done little to alleviate many residents’ environmental angst and concerns about increased air pollution in Chester.

“Residents say, ‘You are taking all our recycling efforts, and you are burning it?’” Mr. Williams said. “They hear the word ‘burn’ and they think it is an environmental disaster.”

City officials are working to negotiate a more affordable contract that would restore recycling to all of Philadelphia this year.

In Deltona, higher costs were not the only factor behind the decision last month to stop recycling. Even if the city agreed to pay the additional \$25,000 a month that its recycling company was charging, there was no assurance that all the plastic containers and junk mail would be turned into

something new, Mayor Heidi Herzberg said.

“We all did recycling because it was easy, but the reality is that not much was actually being recycled,” Ms. Herzberg said.

The troubles with recycling have amplified calls for limiting waste at its source. Measures like banning plastic bags and straws, long pushed by environmental groups, are gaining traction more widely.

The waste-to-energy facility in Davie, Fla. Like Sunrise, Philadelphia is using an incinerator, but for the recycling from only about half its residents. Scott McIntyre for The New York Times

This month, a lobbying group for Connecticut municipalities, citing the chaos in local recycling programs, urged the governor to focus on restricting plastic bags, straws and packaging.

“The sooner we accept the economic impracticality of recycling, the sooner we can make serious progress on addressing the plastic pollution problem,” said Jan Dell, an engineer who leads Last Beach Cleanup. It’s an advocacy group that works with investors and nonprofits to reduce plastic pollution.

Some large waste producers are still going through the motions of recycling, no matter how futile.

Across Memphis, large commercial enterprises have had to stop recycling for now because of contamination problems. But the airport is keeping its recycling bins in place to preserve “the culture” of recycling among passengers and employees, a spokesman said.

“We want to ensure that we are able to have a seamless transition if and when single-stream recycling returns to the Memphis area,” the spokesman, Glen Thomas, said in an email.

Michael Corkery is a business reporter who covers the retail industry and its impact on consumers, workers and the economy. He joined The Times in 2014 and was previously a reporter at the Wall Street Journal and the Providence Journal. @mcorkery5

A version of this article appears in print on March 16, 2019, Section A, Page 1 of the New York edition with the headline: As Costs Surge, Cities’ Recycling Becomes Refuse



Hundreds of US cities are killing or scaling back their recycling programs

China stopped importing trash from other countries. Now, many cities in the US are facing a recycling crisis.

By Chavie Lieber | @ChavieLieber | Chavie.Lieber@Vox.com | Mar 18, 2019, 4:30pm EDT



Bales of materials of plastic ready to be recycled in Pontedera near Pisa, Italy, on May 24, 2018. | Laura Lezza/Getty Images



For plenty of Americans, recycling is practically second nature. It's mandated by law in cities such as New York, San Diego, Pittsburgh, and Seattle, where apartment buildings, office spaces, and restaurants must recycle plastics, cans, cardboard, and glass, unless their owners want to face a

fine. But even in cities where it's not required by law, recycling is mainstream. It has

turned into a virtue boasted by restaurants like Sweetgreen and fashion brands like Gap, H&M, and Madewell, which recycle clothes in stores and produce clothing lines made of recycled materials.

The problem, though, is that while recycling has become trendy, it's also becoming harder to do.

You might not know where all your recycled goods go, but they're a part of a vast ecosystem that **spans the globe** and contributes to a **\$200 billion industry**. One country that used to be the biggest importer of recycled materials, especially for the US, is China. But last year, it stopped accepting **most foreign recyclables** as part of an effort to crack down on the **country's pollution**. As a result of this ban, the global recycling system has been crumbling, and plenty of cities in the US are now struggling to figure out what to do with their recycled goods.

According to a recent report from the **New York Times**, hundreds of local recycling programs in American cities and towns are collapsing. In states like Tennessee, Florida, and Pennsylvania, cities are reportedly sending newspapers, cans, and bottles to landfills, while others are burning their waste instead. As the treasurer of California put it, "We are in a crisis moment in the recycling movement right now."

The **University of Georgia** has estimated that China's ban on imported recyclables will leave 111 million metric tons of trash from around the world with nowhere to go by 2030. But we don't even need to look ahead to the next decade for consequences because they're already happening. Tons of recycled paper and plastics are piling up across the country, and this problem has only just begun.





A worker sorts used plastic bottles at a plastics recycling mill in Wuhan of Hubei Province, China, in 2008. | Getty Images

Recycling plays a crucial role in minimizing waste and preserving natural resources. Reusing materials like wood, minerals, and water reduces the need for resource cultivation, the United States **Environmental Protection Agency** notes.

Recycling materials also ensures that waste doesn't go into landfills or incinerators, the EPA adds. Burning trash can be bad for the environment, according to **some experts**, because toxic emissions are released into the air in the process. Burning plastic, specifically, is **known to release highly toxic** compounds, called dioxins. Landfills are also problematic; they can leak unsafe liquids into the ground and **possibly contaminate nearby water systems**. The decomposition of trash in a landfill also creates the **greenhouse gas methane**, which **contributes to climate change**.

But recycling is also **expensive and time-consuming**. It requires a tremendous amount of water and energy, in addition to money and effort to build the proper infrastructure. Due to the falling costs of oil prices, **virgin plastic is actually cheaper** to make than using recycled materials.

According to the **Environmental Protection Agency**, about 66 million tons of materials are recycled in the US, and almost one-third of these materials typically get exported. For the past three decades, almost half of the entire world's used plastic has been sent to China.

In the early '90s, China saw a monetary opportunity to use its cheap labor. The

country began buying recycled plastic, then had small factories in China use the scraps to create inexpensive, **plastic exports** like shoes, bottles, hoses, and gadgets. The US used to send **4,000 shipping containers** of recycled goods to China a day. As of 2016, China was importing 40 million metric tons of recycled goods annually, according to the **United Nations**.

The country's mass purchasing aided it in becoming a manufacturing hot spot, according to **Bloomberg**. But the Chinese government has recently has been steering the country away from low-value sectors like waste and is focusing more on higher-earning industries **like tech**. In the process of becoming the center of everyone else's trash, the country has also been exposed to mercury, lead, and other **dangerous substances** contributing to pollution. In 2017, it announced it would no longer be the "world's garbage dump," as the **Times** put it.

Since January 2018, China has banned the import of most plastic and papers. It also tightened its restrictions on accepting other materials, like **scrap metal**. This ban has forced some of the world's biggest companies to rethink plastic. Corporations including Procter & Gamble, Unilever, Nestlé, and PepsiCo have started **using reusable packaging**. The **European Union** plans on placing a tax for plastic bags and packaging as a response to the Chinese ban, and grocery chains like **Trader Joe's** are trying to minimize plastic usage.





A recycling center in Pilton, near Glastonbury, England, on June 26, 2017. | Matt Cardy/Getty Images

While the ban is pushing American businesses and countries to rethink their environmental footprint, it's also caused chaos. One waste management executive warned the **New York Times** last year that many cities will suffer because trash in the US "doesn't have a place to go," and cities are now beginning to feel the effects.

WasteDive, an industry website that covers waste management, has kept a timeline of how the Chinese recycling ban is affecting the US. It's reported that **every single state** in the US has been affected. Some cities are **killing curbside recycling pickup; urban recycling** centers all across the country are closing as well.

The US is not the only country struggling to figure out what it's going to do with its recyclables. Australia, for example, has resorted to **burying its trash**, while Canada now sends some trash to landfills or **burns it**. Ireland is **still trying to figure out** what it's going to do, as is **Germany**.

Malaysia, Indonesia, India, and Vietnam still buy recycled plastic in bulk, but no country has yet to take China's place as a mass recyclables buyer. Some of these countries **don't have the proper infrastructure** to handle the volume of recyclables China once processed. And India is trying to **follow in China's footsteps** and ban foreign trash, as is **Malaysia**.

Countries are getting sick of buying the West's recycled trash. Burying and burning garbage are Band-Aids on the larger problem, but the global recycling system must be fixed.

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Mayor Sivertsen said there were projects moving forward to test for wind, and in the past there was geothermal energy work being researched. He said AP&T were still running river projects, and the City is continuing to look at hydropower. He noted in other countries and states things were being done with the tidal energy, but unfortunately that can't be done here. He thanked her for her concerns and interest.

Joey Fama said he was a 36 year Ketchikan resident. He indicated he was here tonight to talk about recycling options for Ketchikan. He noted he was a member of a group called "Island Recycles" who were formed as a task force under the Ketchikan Wellness Coalition. He noted the landfill does an awesome job, and there are many positive things going on up at the Solid Waste Facility. He felt the community was lacking in the recycling of household items. He said the community needs more information posted around town to educate people regarding recycling. He indicated he would like to see this community become the gold standard in recycling, and possibly the City hiring an outreach coordinator as they have in Juneau. He thanked the Council for their time.

CONSENT AGENDA

Mayor Sivertsen suggested moving a couple items to the Consent Agenda, including: Appointments to Boards and Commissions and Resolution No. 19-2739 honoring Information and Technology Manager Curtis Thomas for his years of service. No objections were heard.

Approval of Minutes

Moved by Williams, seconded by Kiffer the City Council approve the minutes from the regular City Council meeting of June 6, 2019.

Motion Passed with Kiffer, Coose, Gage, Zenge, Williams, Flora and Bergeron voting yea.

Exempting Procurement of Professional Design and Engineering Services for the Women in Safe Homes (W.I.S.H.) Domestic Violence Center from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Welsh Whiteley Architects, LLC

Moved by Williams, seconded by Kiffer pursuant to Sections 3.12.50(5) and 3.12.051(c)(2)(A) of the Ketchikan Municipal Code, the City Council exempt the procurement of professional design and engineering services for the Women in Safe Homes (WISH) Domestic Violence Center from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the city manager to enter into Contract No. 19-29, Women in Safe Homes (WISH) Domestic Violence Shelter Design and Engineering, with Welsh Whiteley Architects, LLC in the amount of \$92,782; establish a three percent contingency in the amount of \$3,098 bringing the total project cost to \$95,880; and approve funding from the Public Health Department's Women in Safe Homes (WISH) Domestic Violence Center Capital Account.

Motion Passed with Kiffer, Coose, Gage, Zenge, Williams, Flora and Bergeron voting yea.

**Discussion of Plastic Bag Reduction Ordinance –
Councilmember Gage**

Councilmember Gage said she didn't realize a coalition had been started regarding recycling. She noted Hawaii did it in pieces and informed half the grocery stores sell recyclable bags. She said some of the stores give discounts if you use those bags. She felt it's time to be forward thinking and not be the last community in line.

Councilmember Bergeron said he appreciates this issue being brought forward. He said plastic is everywhere and just about everything is wrapped or packaged in plastic. He felt we need to do a better job all the way around and move forward with recycling.

Mayor Sivertsen informed the Council the services in Juneau are contract services and are not public services. He said everything we do has a cost associated with it, if the community wants to recycle it will come at a cost.

Councilmember Gage felt eliminating the plastic bags would be a good starting point.

Councilmember Coose said he wasn't in competition with Juneau as we have our town to take care of. He didn't feel the plastic bags at the land fill amount to much, but they do get into places they don't belong and cause problems.

Councilmember Kiffer said we all agree there is too much plastic and by reducing the use of plastic is a good thing. He said plastic bags in his home are used multiple times for virtually everything. He stated our visitors are not going to bring recyclable bags with them, and when it's raining a paper bag doesn't work.

Councilmember Gage indicated you can sell the person some sort of a reusable bag for \$.10 or carry out without a bag.

Councilmember Zenge questioned if we did recycle where would the material be stored before the City can ship it out of town, and logistically how would it work. She informed where she works they had the recycling bids, and more time than not people were throwing everything in them but recyclables.

Councilmember Flora said he would support the environmental aspect, but our constituents are not going to be happy when their solid waste bill goes up. He indicated the town will have to get behind this as it is cost versus benefit. He said if the community's utility bills go up, the Council is going to hear about it.

Councilmember Coose suggested the solid waste manager come and speak to this issue. He knows the markets and the reasons why we can and cannot recycle at this time.

Councilmember Williams felt the Council should contact and have a conversation with the grocery stores first.

Mayor Sivertsen said this discussion needs further consideration and suggested it be turned over to staff to research, and bring back to Council at a later date.

Councilmember Zenge suggested a few Councilmembers reach out to Joey Fama to find out what he is doing and possibly support his efforts. Mayor Sivertsen indicated he would commit to help with this.

Manager Amylon said he had direction and would work with staff.

Providing Direction Regarding the Potential Purchase of Real Property Located at 2813 Tongass Avenue (Former Bar Harbor Restaurant)

Moved by Williams, seconded by Coose the City Council direct the city manager to take such action regarding the purchase of 2813 Tongass Avenue (former Bar Harbor Restaurant) for expansion of the adjacent parking lot as determined appropriate by the City Council.

Councilmember Williams liked the idea of purchasing this property. He said the City could budget funds over the next few years, and divide the demolition and construction into stages instead of trying pay for everything in one lump sum.

Councilmember Coose said he supported this motion. He said it may take a year or two to get the property where we want it, but that area needs additional parking.

The City Council took a short recess at 8:03 p.m. and reconvened at 8:10 p.m.

Councilmember Kiffer said logically it makes sense to purchase this property to expand the parking lot, and he understands we can do in phases. He indicated this is a lot of money and last time he checked we have other harbor projects that need to be done. He said he would rather see the money improve the harbor rather than for access to the harbor.

Councilmember Bergeron questioned the cost of \$125,000 for demolition and felt Council has a lot of other items that need to be taken care of first. He felt the money would be better served to fund other City projects including our crumbling infrastructure, and he would not support this motion.

Public Works Director Hilson answered questions from the Council. He said the estimate did not include removal of hazardous material, but it did include the removal of the pilings.

Councilmember Gage said she agreed with Councilmembers Kiffer and Bergeron comments. She indicated her concerns are to fund current projects that need to be done, and she would not support this motion.

Councilmember Flora felt the next step should be a site inspection because if there is hazardous material in the building the costs will go up. He said he didn't feel there was enough information at this time to move forward.

Councilmember Coose agreed there needs to be an assessment done on the building, and possibly see if the sales price is negotiable. He said we all know the harbors need parking especially at this site. He indicated we have an opportunity here, and informed the funding for this is coming from the harbors fund and public works.

June 21, 2018

description grading process. Manager Amylon shared the same concern relative to attracting qualified individuals.

June 26, 2018 Special Meeting of the City Council - Review of Thirty-five Percent Design Submittal, Contract No. 17-35, Design of Berths I and II Expansion, Moffatt & Nichol

Manager Amylon informed the Council there will be a special meeting on June 26, 2018 to review the thirty-five percent design submittal for Contract No. 17-35, Design of Berths I and II Expansion with Moffatt & Nichol. He also noted there will be consideration of an amendment to Contract No. 17-16, Planning and Permitting for Removal of Berth II Rock Pinnacle.

Proposed Changes to City Recycling Program

Manager Amylon transmitted a memorandum from Solid Waste Division Superintendent Neeley explaining the reasons why the division needs to change its recycling program. In response to Councilmember Sivertsen, Mr. Neeley spoke to the Council, saying last year China informed they were not going to take mixed recyclables, mixed paper or mixed plastic. He explained when you look at recyclables, it is the United States No. 6 export to China, and as a result the City's landfill contractor informed in January they would not be taking recyclables. He said it has gotten worse since then, and they were directed on March 5, 2018 not to ship any more newspaper. He explained the process that will be incorporated for recyclables, saying they remain committed for materials they will continue to take. In response to Councilmember Coose, he said people should treat mixed paper as trash for the time being.

KPU MANAGER'S REPORT

Project Status Reports of the KPU Operating Divisions - May 2018

Manager Amylon copied for Council review the project status reports of the KPU operating divisions for May 2018.

Resignation of Telecommunications Division Network Engineering & Operations Manager

Manager Amylon referred to a memorandum from Telecommunications Division Manager Cushing informing that Network Engineering & Operations Manager Esposito has resigned effective July 15, 2018. He indicated his agreement with Mr. Cushing that the City's ability to attract qualified candidates to fill the position is concerning, based on other employers offering significantly higher compensation than the City can provide.

Electric Division Staffing

Manager Amylon transmitted the memorandum from Electric Division Operations Manager Adams that noted two of the division's electric linemen have recently completed job interviews with a different Alaskan utility. He said it is currently unknown if the linemen will resign but the reasons identified include a total benefit package of approximately 20% greater than KPU's and differences within the respective bargaining agreements. Mr. Adams noted the division may face similar situations in the future with other utility-related trades. Manager Amylon said although