



## Memo

To: Roanoke County Board of Supervisors

From: Daniel R. O'Donnell, County Administrator *DO*

Date: March 21, 2019

Subject: FY 2020 Budget Memo #6: County of Roanoke Recycling Program

In response to a request from Chairman North, the following budget memo provides information regarding the County of Roanoke's recycling program.

### ***Program Overview***

The County's recycling program consists of placement, operation, and maintenance of five drop-off recycling centers throughout the County. The locations of the trailers and frequency that the trailers at each site are emptied are detailed below.

<b>Location</b>	<b>Frequency</b>
Brambleton Center	Two trailers emptied each weekday
Cox Communications	Two trailers emptied each weekday
Hollins University	Two trailers emptied three to five days during the work week
William Byrd Middle School	One trailer emptied as needed (usually once a week)
Glenvar High School	One trailer emptied as needed (usually once a week)
<i>Roanoke Valley Resource Authority/ 1020 Hollins Road</i>	<i>Maintained by the Roanoke Valley Resource Authority</i>

All five County sites are maintained by County solid waste staff. One full-time employee is dedicated to collecting the trailers and maintaining the sites. Remaining site servicing needs, site clean-up, additional coverage, etc. are provided by County staff pulled from their regular solid waste routes to assist.

### ***Current Vendor***

The County delivers the recyclable material to Recycling and Disposal Solutions (RDS). They are the only processor in the region that accepts the volumes generated by the respective

localities in our area. RDS operates recycling processing facilities in Roanoke and the Hampton Roads area.

Materials that are delivered to the RDS facility are sorted both with machinery and by hand into applicable commodity types at their Roanoke processing center. Each commodity type is inventoried until a full truckload is accumulated. The recyclable material is then sold, primarily in Virginia, with some shipping to North Carolina and Georgia. The president of RDS has offered to provide a tour to the Board of Supervisors should they wish to learn more about the recycling process.

### ***County Costs of Recycling***

The County's recycling program costs have increased significantly over the past two years. Prior to late 2017, China was the consumer for the vast majority of recyclables from the United States (including the types of materials the County collects for recycling). In late 2017, China stopped accepting these materials and both the national and local cost to process has dramatically increased due to lack of demand. The cost per ton to the County for the processing component has risen from \$5.50 per ton prior in late 2017 to \$53.00 per ton currently. These processing costs are higher than the current \$51.50 per ton tipping fee for normal trash.

In fiscal year 2017, the County collected and processed 816 tons of recyclable material. Beginning in fiscal year 2018, County efforts to expand capacity with existing staff and resources proved successful but also have contributed to the additional processing costs. In fiscal year 2018, 1,324 tons of recyclables were processed. When projecting fiscal year 2019 costs, based on a flat volume projection as compared to fiscal year 2018, processing costs are projected to be approximately \$70,000. In fiscal years 2016 and 2017, those annual costs averaged \$4,660 (and the cost of processing was \$5.50 per ton).

Furthermore, County staff costs and operation and maintenance of each of the five County drop-off sites are estimated at \$60,000 annually. Additionally, there are recurring capital costs for the replacement of the trailers and vehicles used to haul the trailers. Should continuation of the recycling program deemed to be no longer viable, the cost savings to the County is estimated at \$95,000 (plus the savings from eliminating capital replacement costs which varies on an annual basis). The savings is estimated by taking the current program cost (\$130,000) and adding in a factor for the volume collected that would instead go to the increased landfill tipping fees (\$35,000). It is assumed that 50% of the current volume would go the landfill, and 50% would still be recycled by residents using other means.

### ***Future Outlook for Recycling***

Several months ago, the County issued a request for proposals for additional processing options or even firms interested in managing both the sites and processing. The only response was from our current vendor, RDS.

Current market conditions are severely impacting recycling programs of localities across the United States. Trade and business articles project a continued depressed market for recyclable material and indicate that many localities, including those in Virginia, are struggling to

maintain their programs due to the rising costs and the lack of viable processing options. As the market will likely continue to be depressed for the foreseeable future, the County can expect the processing costs to continue to increase.

If you have any additional questions, please contact Chris Bever, Director of Management and Budget at 540-772-2021 or [cbever@roanokecountyva.gov](mailto:cbever@roanokecountyva.gov).

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