

**SWANA RECYCLING  
TECHNICAL ASSISTANCE STUDY**

**FINAL REPORT**

**TOWN OF BLOOMSBURG, PENNSYLVANIA**

**COMMERCIAL RECYCLABLES COLLECTION**



**GANNETT FLEMING, INC.**



**HARRISBURG, PENNSYLVANIA**

**MAY 2010**

**SWANA RECYCLING  
TECHNICAL ASSISTANCE STUDY  
FINAL REPORT**

**TOWN OF BLOOMSBURG, PENNSYLVANIA  
COMMERCIAL RECYCLABLES COLLECTION**

**Table of Contents**

	<u>Page</u>
<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1.0 INTRODUCTION.....</b>	<b>4</b>
1.1 Scope of Work.....	4
<b>2.0 EXISTING RECYCLABLES PROGRAM .....</b>	<b>5</b>
2.1 Residential Curbside Recyclables Collection.....	5
2.1.1 Recycling Container Inventory .....	5
2.2 Bloomsburg’s Recycling Center .....	6
2.3 Community Event Recycling.....	6
2.4 Commercial Recycling Program .....	6
2.5 Payment for Materials Delivered.....	7
2.6 Equipment.....	7
2.7 Labor .....	7
<b>3.0 PROPOSED PROGRAM.....</b>	<b>8</b>
3.1 Commercial Sector Service Concept.....	8
<b>4.0 PRELIMINARY RECYCLING CENTER ANALYSIS &amp; FINDINGS.....</b>	<b>9</b>
4.1 Operational Findings.....	9
4.2 Cost-Related Findings & Trends.....	10
4.2.1 Bloomsburg Recycling Center Expenses .....	10
4.2.2 Revenue & Deficit .....	10
4.2.3 Expense and Revenue Summary .....	12
4.3 GIS Mapping and Analysis.....	12
4.4 Increasing Commodity Revenues To Address Operating Deficit .....	13
<b>5.0 CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>14</b>
5.1 Conclusions.....	14
5.2 Recommendations.....	16

**FIGURES**

Figure 1 - GIS Map – Potential Recyclables Generators

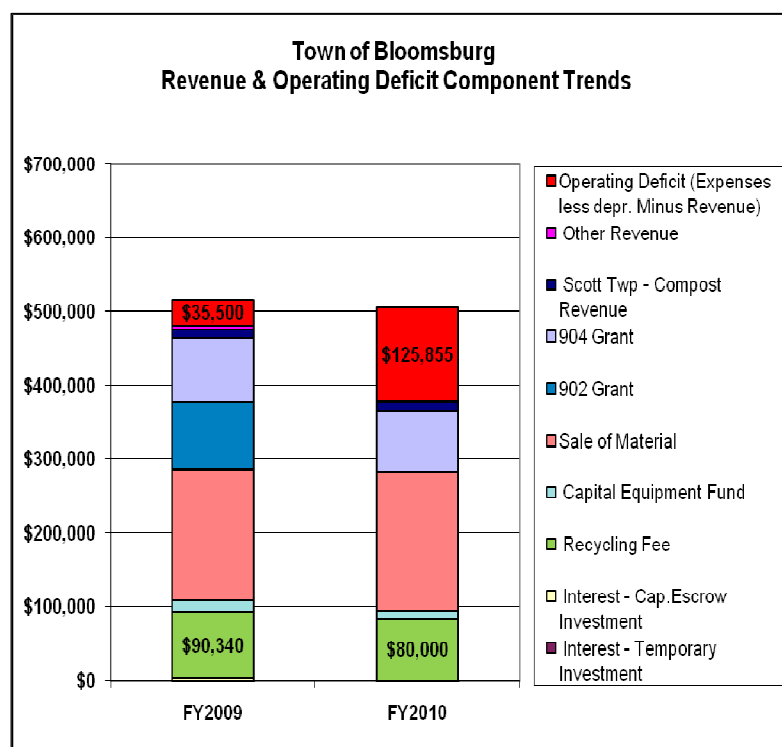
**SWANA RECYCLING TECHNICAL ASSISTANCE STUDY**  
**EXECUTIVE SUMMARY**  
**TOWN OF BLOOMSBURG, PENNSYLVANIA**  
**COMMERCIAL RECYCLABLES COLLECTION**

Employees at Bloomsburg's Recycling Center work hard and have an excellent handle on recyclables collection and processing. Operating a public recycling facility is an immense challenge and the 2008 collapse in recyclable commodity values changed the Recycling Center's financial picture. Although reserved recycling funds from profitable years combined with support from recycling grants has mitigated financial impacts, it is a time when Recycling Center staff and Bloomsburg Council must plan for and implement balanced strategies to assure economic, social and environmental benefits continue to be offered by this important public processing facility.

Conclusions: Based on GF's analysis of the existing operations and proposed commercial recycling program, a few key conclusions as summarized from the full Report include:

- **Commodity Revenue:** Sales revenue fell by **\$120,000** from 2008 to 2009.
- **Recyclables Recovery:** Total recyclables recovery declined in 2009. The Recycling Center averages **3,300 tons** annually.
- **Labor Costs:** Labor and benefits costs are rising faster than operating expenses.
- **Recycling Fee:** The **\$40 Recycling Fee** covers less than 17% of operating expenses. The Bloomsburg Recycling Fee returns a little over **\$24 per year** for over half its customers because of 25% early-pay discounts and third party billing that costs **\$5.75 per billing**.
- **2010 Projected Operating Deficit:** The projected operating deficit for 2010 is about \$125,000, but appears to be higher than the actual deficit primarily due to increasing per-ton commodity revenues.
- **Risk:** Financial risk for the Recycling Center is heightened as compared with the recent past for the following three key reasons:
  - Commodity market volatility.
  - Risk of decreased Act 101 Section 904 Grant funds.
  - Risk of decreased Act 101 Section 902 Grant funds for capital equipment.
- **Proposed Commercial Recycling Program:** Recovering additional cardboard appears feasible. Key points:
  - **Recyclables Generators:** Businesses are concentrated for efficient collection routes.
  - **Revenue versus cost:** Since commodity revenues alone will likely not fully offset costs, the service should:
    - Include a commercial fee and be integrated to the extent feasible into the existing services and routes to optimize labor utilization.

- **Surrounding Recycling Programs and Additional Recyclables:** Waste diversion program structures in many surrounding communities do not optimize recyclable recovery and deliveries to the Recycling Center.
- **Revenue & Operating Deficit Trends:** Current trends as shown in the chart below reveal: the operating deficit is projected to increase; the recycling fee is a small component of revenue; 902 and 904 Grants have material impact; commodity sales is the largest component of revenue (subject to fluctuation).



*Recommendations:* GF has focused our recommendations on getting Bloomsburg’s Recycling Center *on the path of reducing the operating deficit*. Our phased approach recommends a balanced strategy to cover actual out-of-pocket operating costs in the shorter term or eliminate at least **\$125,000** in deficit through a comprehensive financial strategy, summarized below:

#### **Additional Material**

- Increase recovery and sale of materials by serving new commercial customers.
- Increase sale of materials by adding new materials (i.e., cardboard) to residential collection. Consider other streams like residential mixed paper.
- Increase recycling revenues by increasing the number of commercial customers.
- “Rethink” the commodity streams that are accepted curbside and drop-off both in terms of the collection and processing costs, and in conjunction with the value (revenue per ton) for potential new commodity streams (e.g. news 6, mixed paper, office paper, etc.)

**Recycling Fees**

- Increase the residential Recycling Fee and improve the fee structure and administration.
  - Increase the Residential Recycling fee to \$50 per year.
  - Reduce the early bird discount (\$5 or \$10 off the new \$50 Recycling Fee).
  - Narrow the window for “early” payment to one month.
  - Evaluate at least three billing options/entities and use a new billing entity or system for residential service to lower the cost per transaction.
  - Adjust taxes moving forward to stabilize the remaining deficit holes.
- Implement an annual Commercial Recycling Fee of \$100 to \$200 per year.

**Commercial Sector Service**

- Initiate the proposed commercial sector recycling program in stages:
  - Target a limited number of businesses initially (e.g. 100-200 of those interested). Target larger generators (e.g. retail and offices). Utilize GIS mapping and database information to identify target businesses and design efficient collection routes.
  - Communicate clearly that the Recycling Center wishes to do a pilot test of the program and will extend the service to other businesses as feasible.
  - Initiate commercial collection on Wednesdays. Process Thursday and Fridays.
  - Collect only cardboard initially. Provide 96-gallon totes and allow flattened loose cardboard to be stacked in accessible locations for larger generators.
  - Recognize commercial businesses that implement excellent recycling programs.

**Townhouse Associations, Condos, & Developments**

- Complete an assessment of the need and feasibility of implementing residential curbside recycling services consistent with those provided in Bloomsburg to selected townhouse, condos and similar developments to expand residential services and tonnages.

**Increasing Material Recovery**

- Increase the flow of commodities to the facility, including those materials brought to the facility by outside entities and residents as follows:
  - Work with the County to develop strategies to assure recyclables are directed to Bloomsburg’s Recycling Center.
  - Survey haulers and municipalities that do not direct materials to the facility. Engage municipalities to discuss new arrangements to secure recyclables deliveries to the Recycling Center.
  - Work with the County to support the procurement and use of 65 or 96-gallon blue recycling totes for area curbside recycling programs.
  - Work with the County to encourage collection of curbside recyclables twice-per-month in communities with less effective once-per-month collection service.

**SWANA RECYCLING  
TECHNICAL ASSISTANCE STUDY  
DRAFT REPORT  
TOWNS OF BLOOMSBURG, PENNSYLVANIA  
COMMERCIAL RECYCLABLES COLLECTION**

## **1.0 INTRODUCTION**

Under the Pennsylvania Recycling Technical Assistance Program, the Town of Bloomsburg, PA (Bloomsburg) requested assistance from Gannett Fleming (GF) to analyze the cost of establishing a curbside commercial recycling program. The Town has been collecting residential curbside recycling for over thirty years and also operates a recyclables processing center that accepts drop-off recyclables from residential and commercial sectors in addition to curbside deliveries by the Borough. The Town would like assistance regarding implementation of the proposed commercial sector recyclables collection program, including development of an appropriate fee structure.

### **1.1 Scope of Work**

The Scope of Work includes the following tasks:

- Task #1** GF will gather and review background information provided by Bloomsburg related to existing commercial recycling activities, including costs and revenues, equipment, locations of commercial establishments and level and types of services anticipated.
- Task #2** GF will analyze background data and develop recommendations related to the implementation of a curbside, commercial-sector recyclable collection program, including preliminary collection schedule and fee structure.
- Task #3** GF will prepare and provide Bloomsburg with a summary report of findings and recommendations. This task included a review of the Report by the PADEP and response to PADEP comments. An electronic file of the final report will be submitted to PADEP. Both an electronic and hardcopy version of the final report will be provided to Bloomsburg.

## 2.0 EXISTING RECYCLABLES PROGRAM

The Town of Bloomsburg provides residential curbside recyclables collection services in conjunction with a variety of other community recycling efforts.

### 2.1 Residential Curbside Recyclables Collection

A total of **3,250 residential units** are provided curbside recycling service by Bloomsburg collection crews. Residents use either 21 or 32 gallon recycling containers that are provided by the Borough to residents at no cost. The following source-separated recyclables are collected twice per month:

- clear, brown & green glass
- steel cans
- aluminum cans
- newspaper
- plastic bottles

Curbside collections are completed using 2-person collection crews. The **residential collection fee is \$40 per year** with a \$10 discount if the fee is paid within 60 days. This fee has remained \$40 for the last seven years. In 2009, residential recycling fees/income totaled **\$90,340**. The Bloomsburg-operated residential collection area includes five (5) collection zones, collected twice per month according to the table shown below.

<i>Town of Bloomsburg Residential Collection Schedule</i>				
<u>Area</u>	<u># of Homes Served</u>	<u>Schedule</u>		
1	616	1 <sup>st</sup> & 3 <sup>rd</sup>	Mon	
2	744	1 <sup>st</sup> & 3 <sup>rd</sup>	Tue	
3	367	1 <sup>st</sup> & 3 <sup>rd</sup>	Wed	
4	895	2 <sup>nd</sup> & 4 <sup>th</sup>	Mon	
5	618	2 <sup>nd</sup> & 4 <sup>th</sup>	Tue	

Five (5) fulltime staff are allocated to the curbside recycling program and to Bloomsburg's Recycling Center. All staff work Monday through Friday, 7am to 3:30pm.

#### 2.1.1 Recycling Container Inventory

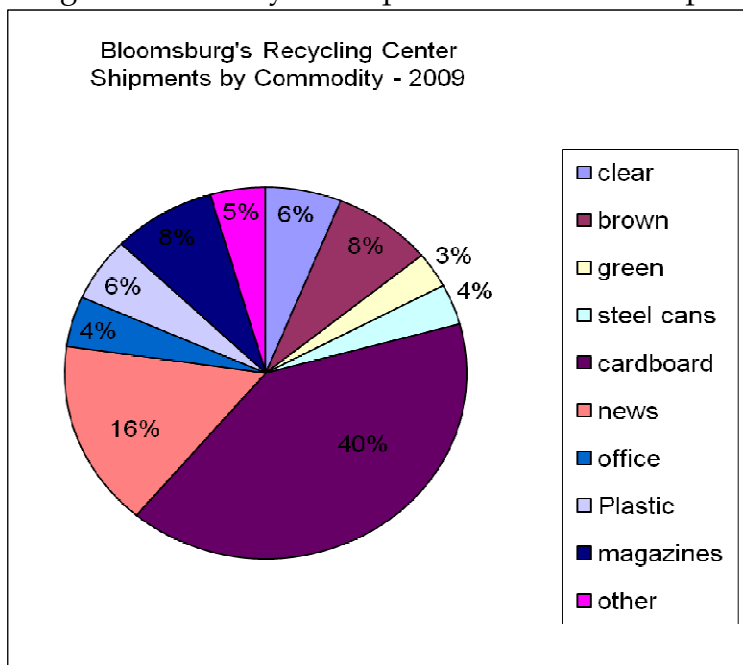
The Borough currently has the following quantities of recycling containers available in storage for either residential or commercial customers:

<i>Container Size</i>	<i>Quantity</i>
21 gallon (rectangular)	3,000
500 gallon (round)	500



## 2.2 Bloomsburg's Recycling Center

Bloomsburg employees operate “Bloomsburg’s Recycling Center”. The facility is open 7 am to 3:30 pm., Monday through Friday. The facility is a recyclables processing center where materials are consolidated and baled. Residents and businesses drop-off recyclables, adding to the curbside collection totals. The facility accepts materials from outside of the Town limits, including deliveries by area private haulers. Drop-off collections include all of the items accepted under the residential recycling program plus cardboard, office paper, magazines, hard cover and paperback books and electronics. In 2009, the Recycling Center received, baled, and shipped **3,063.79 tons** of recyclables. The distribution of recyclables is presented in the Chart *Shipments by Commodity – 2009*. Cardboard and newspaper lead by quantity and combine to make up over half of all commodities that are processed and shipped by the Recycling Center.



## 2.3 Community Event Recycling



Bloomsburg supports recycling at community events by providing portable drop-off containers like those shown to the left. Offering recycling at these events aligns with the goals of the Town to offer comprehensive recycling opportunities.

## 2.4 Commercial Recycling Program

Currently, the bulk of the commercial sector recycling is managed by several private waste haulers. Every year, businesses are required to file a recycling report which states how the business handles recycling. Businesses can either self-haul recyclables to a processor or contract with a hauler. The commercial recycling ordinance requires collection of the following:



- office paper
- newspaper (usually bagged)
- cardboard
- steel
- aluminum cans
- glass bottles

Note: Plastics are not required under the commercial ordinance, but are commonly collected. Clear trash bags are used by some businesses and private haulers for office papers and some plastic containers (to keep separate from other materials located on flatbeds). The Recycling Center bales and recycles plastic bags.

## 2.5 Payment for Materials Delivered

For the majority of materials handled at the facility, the Recycling Center does not remit payment. The Recycling Center also does not charge a tipping fee for materials delivered. The recycling center does pay haulers for cardboard deliveries exceeding 1,000 pounds a month if market prices exceed processing costs. No payments were made in 2009. In 2010, payment was made at the rate of \$20 per ton in February and \$35 per ton in March. The current threshold level for payment is set at \$100 per ton.

## 2.6 Equipment

Currently, the Town of Bloomsburg utilizes the following recycling equipment:

- 2008 Kann Curbside
- 2000 Kann Curbside (currently not used)
- (2) 1985 box trucks with lift gates
- 1999 Dodge Pickup
- 2000 Ford Van
- Pro-Tainer pull behind 6 bin trailer with 6 – 2cu. yd. bins
- To be added - 20 yd. compactor
- To be added – 20 ft. stake body truck with lift gate



## 2.7 Labor

Bloomsburg's staff utilized for the recycling program includes five (5) employees paid \$16.53 base rate and \$23.84 with benefits. Staff personnel work 7 a.m. to 3:30 p.m., which coincides with the operating hours of the recycling facility.

### 3.0 PROPOSED PROGRAM

As the provider of curbside recycling service, and by operating Bloomsburg's Recycling Center, Bloomsburg staff understand the existing recycling program. Based on current operating conditions, there appears to be an opportunity to increase the level of service offered to the community. Bloomsburg has a community goal to offer recycling opportunities "*where people work, live and play*". Bloomsburg conducted a **commercial survey in 2009** to assess the waste management and recycling needs of local commercial establishments. Based on survey results, Bloomsburg determined there was sufficient interest expressed by the commercial sector for the Town to supplement current waste management services with recycling service for at least a portion of local businesses.

#### 3.1 Commercial Sector Service Concept

Based on the survey and existing knowledge of operations, staff at the Recycling Center developed a preliminary concept of how commercial recycling service might be offered to area businesses by Bloomsburg. Commercial sector service considerations include:

- Acknowledgement that a majority of larger commercial sector waste and recyclables generators are already serviced by local private haulers. It is not the intent to compete directly with these private haulers for waste or for larger quantities of recyclables. As an example, proposed services would not include cardboard dumpster service.
- A portion of businesses, mostly small to medium businesses, either do not have service or self-haul some or all recyclables, which is inconvenient for some businesses.
- Recycling Center staff have hours available each week on Wednesday, Thursday and Friday that could be allocated to collection of the commercial sector.
- Utilization of a 20-cubic yard packer to collected cardboard from small to medium commercial business that do not currently have the service.
- Utilization of a flatbed truck to collect source-separated recyclables and/or collection of loads of materials of one type.
- Consider incorporating commercial routes with residential routes.

## 4.0 PRELIMINARY RECYCLING CENTER ANALYSIS & FINDINGS

Gannett Fleming conducted a preliminary analysis of the following areas:

- **Existing program operations;** including facility and equipment capacity to expand services.
- **Existing program costs;** clarifying the existing financial picture for the recycling facility option
- **GIS mapping analysis;** based on a survey conducted to identify businesses interested in commercial recycling service. GIS mapping and related background investigations provide indicators related to the feasibility and the approach for the proposed commercial recycling program.

### 4.1 Operational Findings

Some primary conclusions related to facility operations are:

- Material tonnages entering Bloomsburg's Recycling Center decreased in 2009.
- By weight, cardboard ranks number one in materials received and processed by the Recycling Center, and in 2009 represented 40% of the total material processed and shipped by the Recycling Center. Cardboard generates the most total revenue of any commodity processed at the Recycling Center
- Office paper, typically yielding a high market value per ton, only represented 4% of the total processed material in 2009.
- The Recycling Center has adequate staff to handle additional quantities of cardboard, particularly in light of decreased cardboard recovery in the past few years. 20-40 fewer tons of cardboard have been received annually than in average to good years in the past.
- In year 2006, the peak year to date, the Recycling Facility processed 3,489 tons of recyclable material.
- Staff will not be added, and are not anticipated to be needed, to meet the initial demands of the proposed commercial recycling program.
- GF believes that there is a potential to increase the recovery of recyclable deliveries from municipalities outside of Bloomsburg. Some of the area municipal recycling programs appear to be underperforming due to infrequent curbside collections (e.g. once per month) in conjunction with undersized curbside recycling bins. Transitioning to twice per month collections in some or all of these municipalities will increase recyclable deliveries to the Recycling Center.

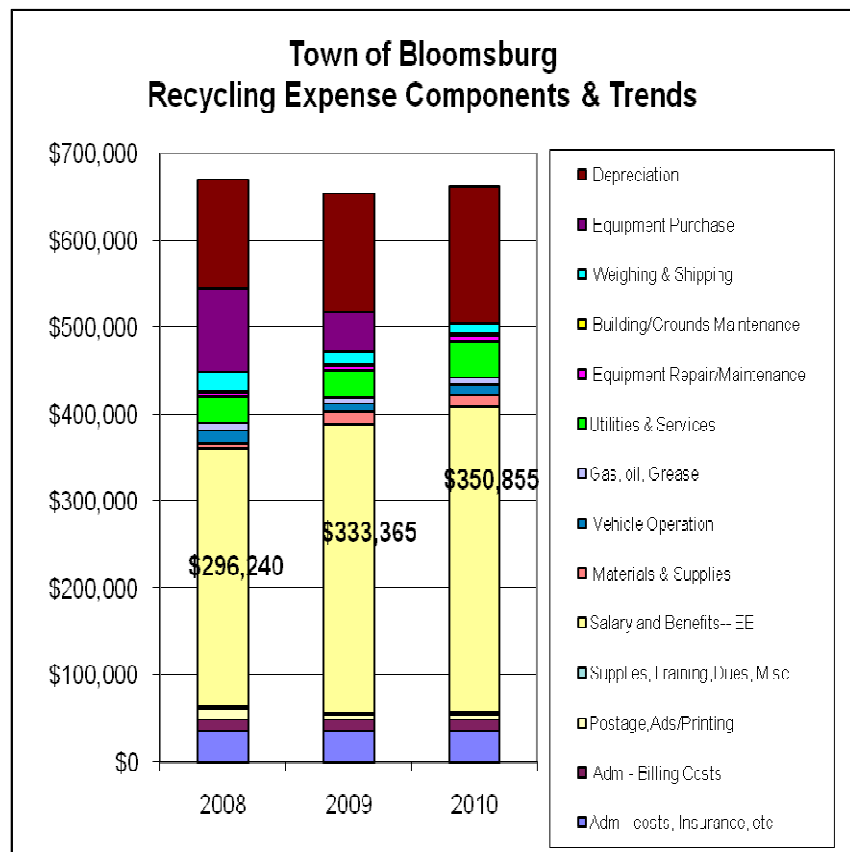
## 4.2 Cost-Related Findings & Trends

Sections 4.2.1 through 4.2.3 review operating expenses, operating revenues and deficits for Bloomsburg's Recycling Center. The data has been compiled from budget figures provided by Bloomsburg. 2010 figures are based on conservative budget projections provided by Bloomsburg. With commodity pricing on the rise, actual 2010 revenue figures in the first quarter of 2010 are higher than projected.

This analysis reviews current financial conditions as a means to help determine Bloomsburg's position related to implementing a proposed commercial collection program that may add operating costs.

### 4.2.1 Bloomsburg Recycling Center Expenses

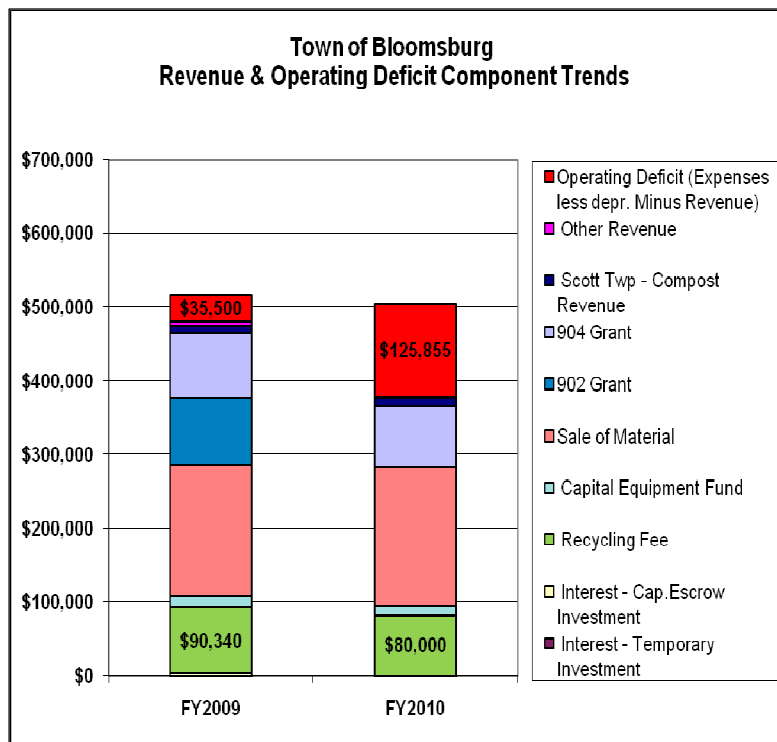
The Recycling Expense Components & Trends Chart clarifies the distribution of expenses by showing the total expense for each cost component for 2008 through 2010. Year 2010 data is estimated and includes projected per-ton revenues for commodities as calculated by Bloomsburg. Recycling Center annual expenses for each category are consistent from year to year for most expense items and total about **\$660,000 per year**. Notably, the cost for salaries and benefits makes up approximately half of total operating expenses and is trending upward, becoming a larger percentage of the total annual expenses.



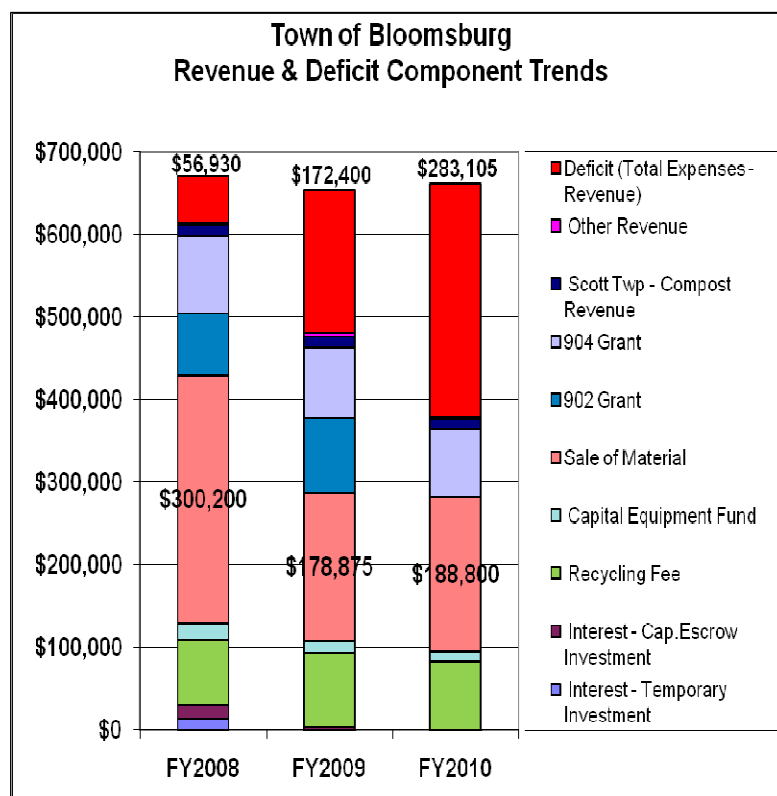
### 4.2.2 Revenue & Deficit

The Chart below, *Revenue & Deficit Component Trends*, shows each revenue category as a portion of the revenue total. The deficit, or revenue minus expenses, is shown in red at the top and increased from \$56,000 to \$172,400 from 2008 to 2009. The deficit is

projected to increase in 2010. Although the per-ton commodity pricing is rising in 2010 for most recyclables, the revenue decline experienced by the Recycling Center is not limited to the decreased cost per ton for brokered recyclables. The Recycling Center revenue pitfalls also include reduced cash flows from interest-bearing accounts, decreased total tons equating to reduced Act 101, 904 Performance Grant and commodity sales revenue, and includes decreased capital equipment funds and other miscellaneous revenues.

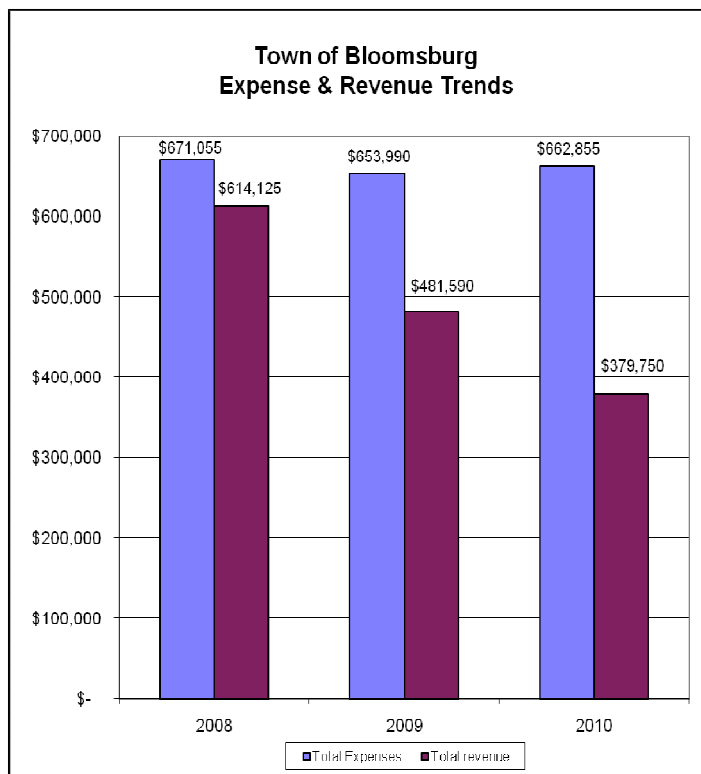


A slight variation of the data is presented in the Chart, *Revenue & Operating Deficit Component Trends*. The key difference in this Chart is that the "Operating Deficit" takes into account depreciation (year 2009 and year 2010 as projected). The deficit shown is the total expenses less depreciation, minus the total revenue. Including depreciation reveals smaller total deficit figures, but still shows the Recycling Center in the red by **\$35,000** in 2009. The projected deficit for 2010 exceeds **\$100,000**. In 2009, even with depreciation calculated, the \$40 per household annual Recycling Fee only recovered **\$90,340** or about 17% of the total annual expenses (less depreciation).



### 4.2.3 Expense and Revenue Summary

The Expense & Revenue Trends Chart to the right summarizes expense and revenue trends. The Chart compares expenses and revenues for the Recycling Center from 2008-2010. There is an increasing gap between operating costs and incoming revenue streams. With annual expenses holding steady at about \$660,000, annual revenue decreased sharply by over \$130,000 from 2008 – 2009 and is projected to continue the sharp decline in 2010. Actual commodity pricing as of April 2010 is higher than the projected revenues. For example, cardboard is yielding the Recycling Center \$100 per ton and 2010 budget figures assumed \$70 per ton for this commodity.



### 4.3 GIS Mapping and Analysis

Gannett Fleming developed a GIS Map, **Figure 1 - Potential Recyclables Generators** (attached at the end of this Report). The map summarizes commercial survey information gathered by Bloomsburg to assess the level of interest by local businesses to participate in a commercial recycling program. GF was able to map the locations of 368 businesses that were identified as potential recyclables generators that might be served by the proposed commercial sector recycling program. As seen in **Figure 1**, the map differentiates businesses by type using various colors. The breakdown of businesses by type is as follows:

- Church - 14
- Hair Care - 25
- Industry - 18
- Office - 73
- Restaurant - 34
- Retail - 80
- Service - 59
- Unknown - 65

In order to complete the mapping, GF geocoded the businesses based on the address field assigned to the roads. There were 21 addresses that could not be geocoded based on client data that only listed a PO Box. Of these 21 records, 10 business locations were placed manually using associated data, leaving 11 listings that could not be placed on

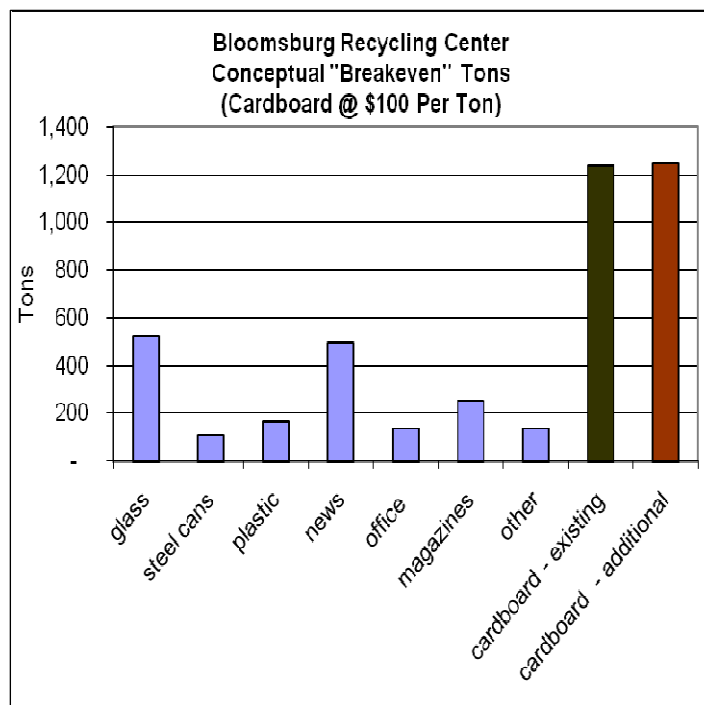
the map. Thirty-three (33) addresses could not be geocoded due to various reasons: roads could not be found in the roads layer, spelling differences, etc. Of the 33 records, 23 of them were mapped manually. The remaining 10 records could not be placed.

The GIS map was developed as a tool for Bloomsburg to use to help plan the proposed commercial sector recycling service. Based on the mapped data, GF notes the following:

- Overall, the concentration of businesses in the downtown sector along Main Street facilitates the ability to streamline collection routes.
- The highest concentration of small to medium businesses that are “potential generators” lies along E. Main Street, on both sides of the street.
- There is a concentration of “offices” and “retail” business and “restaurants” along E. Main Street, which typically are higher generators of targeted materials including cardboard and/or office paper. Restaurants may have some waxy cardboard that could be problematic.

#### 4.4 Increasing Commodity Revenues To Address Operating Deficit

As a preliminary analysis for reference only, GF estimated the tonnage of additional cardboard that would be needed to conceptually address the projected 2010 deficit of **\$125,000**. Although it is not recommended to solely target increasing deliveries of one material, or to use a single strategy to address the cost deficit, the analysis is valuable for qualifying the impact of recovering additional tonnage. Based on April 2010 cardboard pricing of **\$100** per ton, and using 2009 commodity totals as the baseline, the Recycling Center would need to recover an additional 1,250 tons of recyclables to generate **\$125,000**. As seen in the Chart to the right, neutralizing the operating debt requires doubling current deliveries of cardboard. Recovering an additional 1,250 tons of cardboard would increase the total annual recyclables (3,300 tons per year on average) by 38 percent. It does not appear practical that the Recycling Center could increase recyclables deliveries by 38 percent in the next couple years, particularly by increasing only cardboard. Consequently, improving the financial picture will include additional recovery of material in conjunction with a number of financially sound strategies.





## 5.0 CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusions

There is no question that the employees at Bloomsburg's Recycling Center work hard and have an excellent handle on how to operate the Recycling Center. However, operating a public recycling facility is an immense challenge. The dramatic fall in recyclable commodity prices that occurred in 2008 had a global impact and also impacted the Recycling Center. Fortunately, reserved recycling funds from the good years and some help from recycling grant subsidies have mitigated the financial impact. Although commodity pricing is on the rise, the recent commodity crisis reveals both financial strengths and weaknesses of Bloomsburg's Recycling Center – it is time to reinforce what is working, adjust operations, and update financial strategies to improve the Recycling Center's ability to absorb the inevitable risk of a highly unstable local and global recycling market.

The risk of fluctuating commodities is magnified by diminished Pennsylvania Recycling Grants. In 2010, it is expected that only \$5 million or 25 percent of the usual \$20 million will be released for Act 101, Section 902 Recycling Grants. Since only about half of applicants receive funding when \$20 million is awarded – this is a big deal. This will tighten the noose even further around the Recycling Center and many other public recycling facilities that may be forced to buy costly equipment at full cost in coming years. Competition is unprecedented: for recyclables to be marketed; for grant funding to subsidize programs; and even for cheap waste disposal that competes for recyclable material as a means to lower operating costs and/or drive up waste tonnages for tip fee revenue.

A close look at the year 2008 and 2009 operating budget and the project operating budget for 2010 for Bloomsburg's Recycling facility reveals a concerning financial picture. It is an important time for the Recycling Center to fine-tune a well-run public recycling facility so that the operation can continue to serve the community in an environmentally, socially and economically responsible manner in the years ahead. Based on GF's analysis of the current financial picture and understanding of the proposed commercial recycling program, a few key conclusions include:

- **Commodity Revenue:** Commodity sales revenue fell by **\$120,000** from 2008 to 2009. Revenue decline has not been limited to recyclables sales, and has degraded at least minimally in nearly all revenue categories.
- **Recyclables Recovery:** Total recyclables recovery declined in 2009. The Recycling Center averages **3,300 tons** annually.
- **Labor Costs:** The cost of labor and benefits is rising in proportion to total operating expenses.

- **Recycling Fee:** The **\$40 Recycling Fee** covers less than 17% of operating expenses (when depreciation is included) and has not been raised in seven years. Over half of the residents pay early, receiving a 25% discount. Since the collection agency keeps **\$5.75 per billing**, the Bloomsburg Recycling Fee returns a little over **\$24 per year** for over half its customers.
- **2010 Projected Operating Deficit:** The projected operating deficit for 2010 is about \$125,000, but it appears to be higher than the actual deficit that will be realized; primarily due to increasing per-ton commodity revenues.
- **Risk:** Financial risk for the Recycling Center is heightened as compared with the recent past for the following three key reasons:
  - Commodity market volatility
  - Risk of decreased Act 101 Section 904 Grant funds.
  - Risk of decreased Act 101 Section 902 Grant funds for capital equipment.
- **Proposed Commercial Recycling Program:** Projected operating costs for the proposed commercial recycling program could not be estimated in this scope of work, but it is assumed that new staff will not be added. Based on information provided by the Recycling Center staff, recovering additional cardboard appears a feasible material to target to increase material deliveries to the Recycling Center. Cardboard yields \$100 per ton as of April, 2010.
  - **Recyclables Generators:** Based on the concentration or density of “potential recyclables generators” it appears feasible to implement a streamlined collection route for servicing commercial customers.
  - **Revenue versus cost:** Costs for truck operations, processing and labor costs calculated against commodity revenues will likely not show the proposed cardboard collection as profit source that will have a marked financial impact on the Recycling Program. When recycling markets decline, the commercial service will likely increase total operating cost, likely yielding very little revenue to offset these new program expenses. Consequently, this highlights the need for the proposed program to:
    - Include a commercial fee.
    - Be integrated to the extent feasible into the existing program to optimize utilization of existing labor resources.
- **Surrounding Recycling Programs and Additional Recyclables:** The waste diversion program structures in many surrounding communities, including once-per-month collection frequency and inadequate recycling container size, do not optimize recyclable recovery and deliveries to the Recycling Center. This creates an opportunity to increase diversion of materials to the Recycling Center.

## 5.2 Recommendations

GF has focused our recommendations on getting Bloomsburg's Recycling Center *on the path of reducing the operating deficit*, with a goal of eliminating the deficit down the line. The deficit based on the 2010 projected budget is **\$283,000**. The budget has \$157,250 of depreciation expense in 2010. Our phased approach recommends a balanced strategy to cover actual out-of-pocket operating costs in the shorter term. That is, eliminate at least **\$125,000** (or \$283,000 - 157,250) in deficit through a comprehensive financial strategy. It is recommended Bloomsburg staff target sources of additional income as follows:

### Additional Material

1. Increase recovery and sale of materials by serving new commercial customers.
  - a. Target increased cardboard recovery.
  - b. Survey businesses as the program moves forward to identify office paper and mixed paper generators.
2. Increase sale of materials by adding new materials (i.e., cardboard) to residential collection.
3. Consider expanding drop-off opportunities at the Recycling Center as well (e.g. mixed paper and other streams as feasible).
4. Increase recycling revenues by increasing the number of commercial customers.
5. "Rethink" the commodity streams that are accepted both in terms of the collection and processing costs, and in conjunction with the value (revenue per ton) for potential new commodity stream. In other words, it may be cost effective to change how materials are accepted. For example, newspaper tonnages are decreasing so a "news 6" or "mixed paper" commodity stream may have more value to the Recycling Center bottom line than newspaper; particularly because incoming tonnages are declining.

### Recycling Fees

1. Increase the residential Recycling Fee and improve the fee structure and administration.
  - a. Increase the Residential Recycling fee to \$50 per year.
  - b. Reduce the early bird discount (to be \$5 or \$10 off the new \$50 Recycling Fee).
  - c. Narrow the window for "early" payment to one month to capture more customers at the full payment rate.

- d. Evaluate at least three billing options/entities and implement a new billing entity that will lower the cost per transaction. For example, determine if the Town of Bloomsburg has the infrastructure and willingness to support the billing process.
  - e. Adjust taxes moving forward to stabilize the remaining deficit holes.
2. Implement an annual Commercial Recycling Fee of \$100 to \$200 per year. Validate this estimated price range by assessing what area business are paying for trash and recycling services. Develop a handout to businesses that offers guidance on how to negotiate their waste services. In other words, if new recycling service will reduce waste, they should work with their trash hauler to see if any reduction in the trash fee is warranted.

### **Commercial Sector Service**

1. Initiate the proposed commercial sector recycling program in stages:
  - a. Target a limited number of businesses initially (e.g. 100-200 of those interested). Select larger generators of recyclables to the extent feasible. Utilize the GIS map and corresponding database developed during this study as a method of identifying customers and developing commercial customer routes.
  - b. Communicate clearly that the Recycling Center wishes to pilot test the program and will extend the service to other businesses as feasible. Issue a letter to the local haulers with the addresses of commercial customers so they are aware of the program and so they do not discard any recyclables.
  - c. Provide the commercial collection service on Wednesdays, which has been identified as a day when residential routes are light. This will optimize truck and staff use and leave Thursday and Friday for processing.
  - d. Collect only cardboard initially.
    - i. Allow businesses to designate a staging area for loose cardboard, particularly if they generate more cardboard than will fit in a 96-gallon tote between collections. Likely, this area may be near existing trash pickup areas and must be distinguished as Bloomsburg Recyclables so materials are not inadvertently disposed.
    - ii. Allow smaller businesses to put cardboard containers in a 96-gallon tote. Consider providing labels to commercial establishments ("Cardboard Only").
  - e. Own and supply 96-gallon recycling totes for the commercial program. Since Bloomsburg will introduce this program, and it is recommended

that a Commercial Recycling Fee is charged, it is recommended that Bloomsburg manage the totes to facilitate implementation. In the future, if materials are collected in totes and loaded on a flatbed, it will be necessary for Bloomsburg to own enough totes to swap out empty totes for the collection service.

- f. On an ongoing basis, evaluate addition of an office paper collection route (a dense, high value commodity) and/or mixed paper collection or other variations in commodity streams. Office paper can easily be loaded in 96-gallon totes and placed on a flatbed (existing equipment) using a lift gate. One 96-gallon toter of paper weighs over 250 lbs. and can be a risk to workers. Mixed paper like post-its, junk mail, etc. is sometimes collected from commercial establishments along with cardboard but kept separate in a clear plastic bag.
- g. Recognition – develop a program to recognize the commercial businesses that implement excellent recycling programs. Simple plaques and mention in the news or newsletters.

### **Townhouse Associations, Condos, & Developments**

1. It is recommended that concentrated developments like townhouse associations, condos and other residential developments in the surround region be considered as a service opportunity in the future. Cost-effective collection typically occurs where the following general conditions are met:
  - a. the amount of material generated per stop is high.
  - b. the distance between service stops is close.
  - c. The distance to processor is close; 25 miles is commonly used as a limiting distance for recyclables processors.

Serving these developments will meet the basic parameters for efficient collection. Commonly, these developments operate like mini-boroughs and have a need and desire to implement contracted services for waste and recycling. The Recycling Center staff should assess the recycling needs of these locations, starting with those that are closest to the Recycling Center. If assessments are favorable, staff should phase in one development at a time by securing arrangements to deliver recycling services to surrounding developments consistent with those offered in Bloomsburg.

### **Increasing Material Recovery**

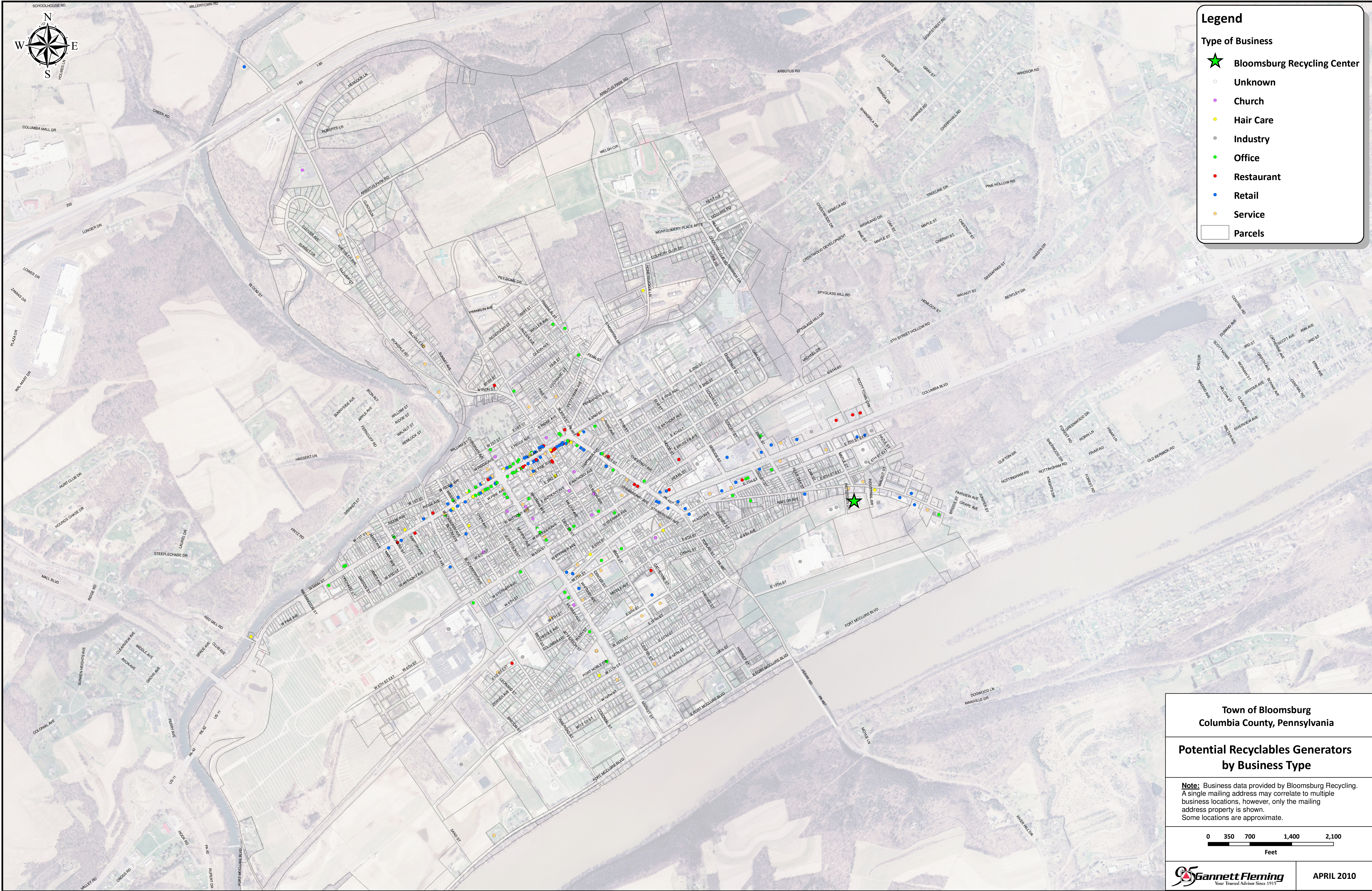
1. Increase the flow of commodities to the facility, including those materials brought to the facility by outside entities and residents. Incoming material deliveries that do not require Recycling Center employee collection is cost

effective. Collection accounts for roughly 50 percent of operating costs and diminishes revenue returns, often exceeding the revenue for the material collected. Approaches to increasing recovery of recyclables that do not require Bloomsburg to engage in collection include:

- a. Working with the County to develop strategies to assure materials are directed to Bloomsburg's Recycling Center.
- b. Surveying the haulers and municipalities that do not direct materials to the facility. Determine why other processors are used and implement arrangements to secure recyclables and/or make the use of the Recycling Center more attractive.
- c. Develop a strategy in conjunction with the County to encourage and support the procurement and use of 65 or 96-gallon blue recycling totes for curbside recycling programs in the area. Prior to getting the large containers, it may be beneficial to provide municipalities with stickers that can be placed on their trash cans and other containers that will identify the contents as "recyclables" when placed out for collection.
- d. Work in conjunction with the County to encourage collection of curbside recyclables twice-per-month in communities that have once-per-month collection in order to improve the recovery rates from these communities.











**Figure 1 - *Potential Recyclables Generators***





## Legend

### Type of Business

-  Bloomsburg Recycling Center
-  Unknown
-  Church
-  Hair Care
-  Industry
-  Office
-  Restaurant
-  Retail
-  Service
-  Parcels

## Town of Bloomsburg Columbia County, Pennsylvania

### Potential Recyclables Generators by Business Type

**Note:** Business data provided by Bloomsburg Recycling. A single mailing address may correlate to multiple business locations, however, only the mailing address property is shown. Some locations are approximate.

0 350 700 1,400 2,100  
Feet