

**REQUEST FOR COUNCIL ACTION**

<b>SUBJECT:</b> Ordinance authorizing creation of the Recycling Revenue Fund		<b>Page 1 of 1</b>	<b>Agenda Item #</b>
<b>FROM (Department or other point of origin):</b> Department of Solid Waste Management		<b>Origination Date:</b> August 8, 2008	<b>Agenda Date:</b>
<b>DIRECTOR'S SIGNATURE:</b>  Harry J. Hayes, Director		<b>Council District affected:</b> All	
<b>For additional information contact:</b> Harry J. Hayes 713-837-9103		<b>Date and identification of prior authorizing Council action:</b>	
<b>RECOMMENDATION:</b> Adopt ordinance authorizing the creation of the Recycling Revenue Fund and allocation of dedicated funding for the expansion of the City's recycling program			
<b>Amount and source of funding:</b> \$1,000,000 – General Fund (1000)			<b>Finance Dept.</b>
<p><b>EXPLANATION:</b> The Solid Waste Management Department is currently reworking its recycling program to encourage more participation. Efforts include city-wide tree waste recycling that will begin in October 2008, a plan to require biodegradable bags for yard waste beginning in early 2009, adding two (2) additional neighborhood depository sites in FY2010, and offering curbside recycling collection to those neighborhoods that have higher 'set-out' performance. These efforts, when combined, will allow the city to greatly improve its current landfill diversion rate of 18.47%.</p> <p>Recycling education and outreach is critical to this effort, because the City of Houston provides solid waste collection without a fee. Other municipalities use the "pay-as-you-throw" system to incentivize waste reduction and recycling, but Houstonians are not penalized if they do not recycle. SWMD customers are, however, interested in and desire more recycling. SWMD currently provides curbside recycling collection services to 162,000 customers who have an average participation rate of 24%. To effectively justify efficient use of city resources, this participation rate needs to be increased. SWMD will initiate a pilot program to test the effectiveness of single-stream automated collection for curbside recyclables in 90-gallon. This collection process is designed to allow collection of a broader range of plastic materials, increase customer collection volume, and eliminate the need to sort. When coupled with increased community education and outreach, single-stream automated collection has the potential to increase overall participation to at least 40% to 50%.</p> <p>The allocation of \$1,000,000 to the proposed new Recycling Revenue Fund will provide dedicated funding to finance expanded recycling efforts. The sale of recycled commodities has averaged \$840,000 for the past three fiscal years, topping out at \$1,015,224 in FY08. By dedicating equivalent funding to these strategies, participation and "set-out rates" will increase, and thereby increasing revenues to reinvest in the program.</p> <p>Initially, the fund will be used to purchase automated carts to test single-stream collection, hire three community outreach coordinators who will play a key role in effectively implementing the biodegradable yard waste bag program beginning next year and fund the purchase of three hybrid vehicles for the outreach coordinators. Extensive community involvement and "buy in" will be needed to make the program a larger success. Experience has shown that a continued and focused recycling education campaign is vital for long-term program effectiveness. Additionally, a dedicated and consistent funding source for the purchase of needed resources is critical to effectively implement and maintain program activities. The potential for recycling programs to improve and expand increases as new technologies arise. The SWMD needs to keep pace with this ever-changing market to be able to offer customers attractive recycling options.</p>			
<b>REQUIRED AUTHORIZATION</b>			
<b>Other Authorization:</b>	<b>Other Authorization:</b>	<b>Other Authorization:</b>	

