

FROM	NAME & TITLE	Rudolph S. Chow, P.E. Director	CITY of BALTIMORE <i>MEMO</i>	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	City Council Bill 19-0393		

June 11, 2019

TO:

Budget and Appropriations Committee

INTRODUCTION

I am herein reporting on City Council Bill 19-0393 introduced by Council President Scott on behalf of the Administration (Department of Finance).

PURPOSE

The purpose of the Bill is to provide a Supplementary General Fund Operating Appropriation in the amount of \$1,500,000 to the Department of Public Works (Service 663 – Waste Removal and Recycling) to provide funding for additional operating expenses; and to provide for a special effective date.

BRIEF HISTORY

The Department of Public Works' Bureau of Solid Waste has offered curbside collection of single stream recyclables since 2008 and, since the implementation of One PLUS ONE, collects recyclables every week. Residents may set out unlimited quantities of recyclables for collection. DPW also provides recycling collection to small businesses, up to three times per week, to encourage their participation. Recyclables may be dropped off at any of the citizen convenience centers. The purpose of offering recycling services is to reduce the amount of discarded waste going to BRESCO or Quarantine Road Landfill, and to create opportunities for the recycled materials to be converted into other products or used for other purposes, which minimizes the need to use virgin materials in product production.

FISCAL IMPACT

DPW Solid Waste collects and delivers recyclables to a recycling vendor. The vendor sorts and removes contaminated materials, then bundles the recyclable materials prior to resale in the marketplace. The market for recyclables has always fluctuated, providing attractive pricing for one type of recyclable over another, depending on market demand. In the past, recycling market pricing has enabled the City to receive revenue from these sales, after deducting the costs incurred by DPW to collect and deliver the materials to the vendor.

China has played a large role in recycling markets, taking on recyclable materials from around the world to foster development of industries in their country. However, the growth of Chinese industries created a new paradigm for China by generating their own recyclables and markets, eliminating the need to import these materials. As a result, China instituted strict contamination standards which would allow them to reject materials sent to their ports. Very quickly, the materials were diverted to Vietnam, Malaysia, Thailand, Indonesia, and other countries, which in turn responded with their own restrictions. These actions, combined with a drop in U.S. markets for these materials, has resulted in some local governments eliminating their recycling programs. For Baltimore, it has meant that Solid Waste must now expend \$100,000 to \$160,000 each month for processing of recyclables.

Budget and Appropriations Committee.
June 11, 2019
Page 2

City Council Bill 19-0393, if approved, would provide a Supplementary General Fund Operating Appropriation in the amount of \$1,500,000 to DPW Service 663, Waste Removal and Recycling, for the additional operating expenses incurred in FY 2019 for the management of recyclables under current market conditions.

AGENCY/DEPARTMENT POSITION

The Department of Public Works supports passage of City Council Bill 19-0393. Should the Committee have any questions, please do not hesitate to contact Ms. Marcia Collins at 420-396-1960.



Rudolph S. Chow, P.E.
Director

RSC:MMC