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DEPARTMENT OF
PUBLIC WORKS

OFFICE OF THE DIRECTOR

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CALIFORNIA

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May 21, 1991

Budget and Finance Committee/Transportation
and Community Development Committee
Sacramento, California

HONORABLE MEMBERS IN SESSION;

SUBJECT: INFORMATIONAL REPORT REGARDING THE ECONOMICS OF RESIDENTIAL RECYCLING

SUMMARY:

At the request of Councilmember Kim Mueller, the Office of Economic Development, within the Planning and Development Department, conducted a study of the economics of residential recycling in Sacramento. A detailed report presenting the information gathered and analyzed by the Economic Development staff titled "*The Economics of Recycling: Sacramento, A Case Study*" is presented for Committee information.

BACKGROUND:

Subsequent to the City Council's decision to implement a residential curbside recycling program, Councilmember Kim Mueller requested that staff examine the economic benefits of utilizing non-profit agencies to process and/or market recyclable materials. The Public Works Department forwarded the request to the Office of Economic Development, as their staff possessed the necessary qualifications to evaluate economic issues.

In researching the question of non-profit involvement in the recycling effort, Economic Development staff determined that it was not possible to separate that question from the overall economic picture. Therefore, they prepared an in-depth case study of the economic issues involved in establishing a recycling program, from processing methods to markets. The report concludes that revenues from collected materials will not cover the costs of operating the residential curbside program. However, the report also acknowledges that social benefits, such as avoiding future clean-up costs or increased disposal fees, outweigh the revenue gap.

Once the Economic Development staff had prepared a draft, the report was distributed to various City departments for review and comment. The following staff members reviewed the draft and contributed suggestions:

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David Affleck, Deputy City Treasurer
Roberta Larson, Administrative Services Officer
Betty Masuoka, Director of Finance
Lupe Marnach, Senior Employee Relations Representative
David Pelsler, Solid Waste Division Manager
Robbin Randolph, Assistant Director of General Services
Sabrina Thompson, Deputy City Attorney
Reginald Young, Deputy Director of Public Works

The report is now presented for Committee information.

FINANCIAL:

There is no financial impact as a result of this report.

MBE/WBE:

There are no goods or services being purchased.

POLICY CONSIDERATIONS:

This report is presented for information only. Should the Committee decide to pursue any of the alternatives outlined in the report, the policy considerations would be addressed at that time.


RECOMMENDATION:

This report is presented for Committee information.

Respectfully submitted,


Robert P. Thomas
Acting Director of Planning and Development

Respectfully submitted,


Melvin H. Johnson
Director of Public Works

Approved for Committee Information:



Jack R. Crist
Deputy City Manager

Contact Person:
Tim Johnson, Economic Development Coordinator
449-1223

All Districts

**THE ECONOMICS OF RECYCLING
SACRAMENTO: A CASE STUDY**

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