

THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: April 17, 2008 REPORT NO: 08-062  
ATTENTION: Public Safety and Neighborhood Services Committee  
Agenda of April 24, 2008  
SUBJECT: Changes to the Park and Recreation Recycling Program  
REFERENCE:

REQUESTED ACTION:

This report provides an update on the Park and Recreation (P&R) recycling program to reflect changes required in the program based on a legal review by the City Attorney and staff recommendations that resulted from the Environmental Services Department (ESD) Business Process Re-engineering (BPR). No action is required.

STAFF RECOMMENDATION:

No staff recommendation. This is for information only.

SUMMARY:

In 2002 ESD and P&R entered into an MOU for the provision of recycling containers at specified P&R sites to provide alternative recycling services to residents who do not receive City curbside recycling services. ESD provides the recycling containers and signage, collects the recyclables, and administers the processing and marketing contract for sales of the recyclables. Revenues from the sale of the recyclables collected at the P&R sites are distributed in full to P&R councils as directed by P&R. The last time revenues were disbursed was for CY 2005. Revenues received since that time for CY 2006 and CY 2007 total \$198,709.

The City Attorney's 7/6/07 legal review of this program pointed out that San Diego Municipal Code section 66.0135, which establishes the Recycling Fund, also requires that all revenues from recyclables be deposited in the Recycling Fund and that this fund can only be used to cover the costs associated with preparing, adopting and implementing the City's Integrated Waste Management Plan. In the review the City Attorney did provide several examples of products and services that could be procured with Recycling Fund revenues.

Recommendations from ESD's BPR included evaluating the costs versus revenues for the collection of the recyclables.

In the short term, ESD and P&R staff will work together with the P&R councils to ensure that the funds for CY 2006 and 2007 are distributed in accordance with stipulations in the Municipal

Code and, in the longer term, devise a program that is an efficient and cost effective method of collecting recyclables and that will expand recycling opportunities in City parks. This longer term solution will end the current revenue sharing component of this program in accordance with as a result of recommendations from ESD's BPR and potentially move to P&R staff collecting their own recyclables in locations where it is feasible to do so.

### **Background**

The MOU that ESD and P&R entered into in 2002 memorialized a previously existing program initiated in 1992 with grant funding whereby P&R provides space at parks for the recycling containers, advertises the recycling services, conducts recycling drives, and maintains the recycling sites. ESD provides the recycling containers and signage, conducts recycling workshops, collects the recyclables, and administers the processing and marketing contract for sales of the recyclables. Revenues from the sale of the recyclables collected at the P&R sites are distributed in full to P&R councils as directed by P&R. Pursuant to the MOU, P&R may use those revenues for such purposes as park improvements, recreation programs, and enhancing the recycling program. Revenues may not be used for P&R administrative expenses. The last time revenues were disbursed was for CY 2005 and revenues received since that time for CY 2006 and CY 2007 total \$198,709.

The City Attorney's 7/6/07 legal review of this program pointed out that San Diego Municipal Code section 66.0135, which establishes the Recycling Fund, also requires that all revenues from recyclables be deposited in the Recycling Fund and that this fund can only be used to cover the costs associated with preparing, adopting and implementing the City's Integrated Waste Management Plan. In the review, the City Attorney did provide several examples of products and services that could be procured with Recycling Fund revenues.

The Park and Recreation recycling program was a pioneering program that met the needs of the city at the time it was implemented by providing community recycling sites for single family, multifamily and small businesses that did not have access to recycling. With the implementation of citywide curbside recycling in 2000-2001, ESD saw the tonnage in the program drop by 30% to 50% and with the passage of the City Recycling Ordinance in 2007 there will be further decreases in tonnage. Recommendations from ESD's BPR in 2006 included evaluating other options for service delivery including an option in the new Citywide private trash collection contract to add recycling to City sites on an as-needed basis. Analysis at the time indicated that this would save the Recycling Fund approximately \$174,000 per year.

### **Discussion**

The issues can be divided into short term, medium term and long-term timeframes. In the short term, the primary issues are how to distribute the accumulated funds and to develop a formula for ongoing disbursement in a manner that addresses the City Attorney's concerns and meets the needs of the Park and Recreation Department and the community. The medium term issue involves designing and implementing the most efficient method of collection as analyzed during ESD's BPR in 2006. The long-term issue is to resolve the question of how to provide new and cost effective recycling opportunities in the parks.

#### *Short Term Issues: Disbursement of Revenues and Outreach to Stakeholders*

- ESD will transfer the \$198,709 to the P&R Department with documentation that explains

how the funds could be divided by Park and Recreation Center location based on their historical participation levels

- ESD would provide a list of potential products and services that could be procured with these funds. Park and Recreation Centers would then coordinate with their respective Recreation Councils to select potential items up to the total of their allocated revenues.
- As each list is created, proposed expenditures would be approved by ESD consistent with the guidance provided by the City Attorney so that funds could be released by P&R to the individual centers.
- While this program model is in place, disbursement will occur every two years, so that the administrative burden is minimized.
- The list of potential products and services is attached (Appendix 1).

*Medium Term Issues: Collection of Recyclables*

- The City's Purchasing and Contracting Department is in the process of releasing a bid for trash and recycling collection services at City facilities with an option to add and remove recycling services on an as-needed basis.
- When the bid is received, it will be evaluated against ESD's current costs and if there are significant savings, and an alternative feasible solution is not proposed by other stakeholders, ESD will initiate the process to potentially outsource the collection.
- It is further anticipated that the disbursement of revenues would end when/if the collection is turned over to a private company because ESD would no longer be managing a separate recyclables processing contract and the revenues would be factored into a reduced cost for recycling services.

*Long Term Issues: Ongoing Recycling Opportunities in Parks*

- As agreed to by P&R and ESD, staff will pilot two systems.
  - The first involves in-ground paired trash/recycling four-cubic yard containers. Mission Trails Park will be the first location to demonstrate this program.
    - Buried five feet deep, this eight-foot container has a natural compacting component and can store an estimated 200 lbs of recyclables.
    - It has 14 times more capacity than standard litter container
    - Lancaster, San Clemente and Los Angeles among others, have been utilizing these containers for trash in their main parks, with an on average monthly to bi-monthly collection cycle.
    - Under current market conditions, recyclables can be sold for over \$100 per bag
    - These containers could be serviced by P&R staff with a 1 ton pickup truck mounted crane or with a backhoe
    - ESD would provide funding for the crane and containers
  - The second system would be used in locations where there is a heavy informal recycling presence. ESD/P&R have agreed to pilot this program along the coast in the vicinity of Ocean Beach and Sunset Cliffs.

Neither system will be incompatible with any voluntary efforts by park users using their own receptacles to collect their own recyclables.

FISCAL CONSIDERATIONS:

CY 06 and 07 recycling revenues of \$198,709 will be transfer to P&R. CY08 revenues cannot be determined at this point, but will also be transferred to P&R. Disbursement of further revenues will end if/when the collection service is turned over to a private company. Parks utilizing the in-ground container system will be able to sell their recyclables on their own; however revenues will depend on number of containers, frequency of services, types and quantities of materials, and current commodities prices and cannot be projected at this time.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

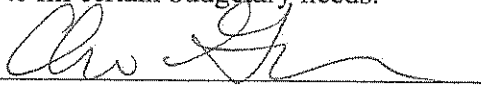
None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

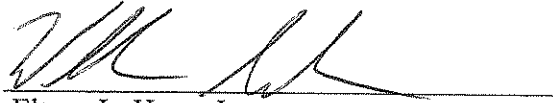
Although there has been some discussion with some community members up to this point about pending changes in the way that Park and Recreation funds are disbursed, the outreach has been limited so that a final program could be designed and communicated with Council prior to implementation. ESD staff and Park and Recreation staff will be communicating these changes at upcoming Recreation Council meetings.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders in this process are ESD's employees, P&R staff and Recreation Councils and recreation center patrons of the current P&R recycling program participant sites. The medium to long term outlook for this program may result in a loss of funds for some Recreation Councils and, although these funds do not represent large dollar amounts, the Councils have depended on them to fill certain budgetary needs.



Chris Gonaver  
Environmental Services Director



Elmer L. Heap, Jr.  
Deputy Chief Operating Officer of  
Community Services

Attachment 1: Allowable potential products and services.

*APPENDIX 1: Potential products and services in the Park and Recreation Department that could be funded from the Recycling Fund*

- Recycled content products, including sports equipment, benches, and playground surfaces, that may, for example, be manufactured from steel, recycled plastic and/or recycled rubber;
- Energy efficient fixtures;
- Less polluting maintenance equipment;
- Biodegradable trash bags;
- Copy machines which run two-sided copies;
- Recycling containers;
- Recycling container maintenance;
- Recycling site maintenance;
- Recycling education and outreach, including promotional materials and staff/contractor time devoted to this task;
- Appropriate and reasonable cash or in-kind prizes to encourage and reward waste reduction and recycling.