



INTEROFFICE MEMORANDUM

FROM THE DEPARTMENT OF ENVIRONMENTAL AND ENGINEERING SERVICES

DATE: June 22, 2017

TO: Samuel A. May, Interim City Manager

THRU: Reddy Chitepu, P.E., Director

FROM: Malena Zarate, Solid Waste and Recycling Coordinator
Aaron Tauber, LEED Green Assoc., Sustainability Coordinator

RE: Recyclebank Recycling Rewards Program Review

In December 2012, concurrent to the launch of the rollout recycling carts, the City launched the Recyclebank recycling rewards program via a memorandum of understanding with Waste Management. This program's goal was to incentivize residents to recycle more by awarding them with points for recycling and for participating in educational programs related to recycling. These points can then be redeemed for coupons, gift cards, magazine subscriptions, and other deals. In November 2015, as an option when awarding the current exclusive franchise for solid waste and recycling collection, the Recyclebank program was opted to be continued and expanded to eligible multifamily properties. However, the City Commission expressed concerns regarding the program's subscription rate of a little more than 20% of eligible households and, after the changes had been implemented, desired to review the program to determine whether to continue or to invoke the 60 day exit clause to leave the program.

After the award of the exclusive franchise, Recyclebank required additional time to update their database and prepare for the rollout of the program to the additional approximately 3,400 multifamily households with an anticipated launch of August 2016. In advance of the launch, Recyclebank sent letters with subscription information to all single family households along with all newly eligible multifamily households. As a result, the program experienced an increase in the subscription rate to the highest level in the program's history in July 2016 (see Exhibit 1). However, once the multifamily units were added to the program in August 2016 the subscription rate dropped back down to around 21%. Despite the City's attempts to promote the program, the subscription rate has held relatively steady. Additionally, the cost of the program to residents has continued to outweigh the estimated benefit received from the program (see Exhibit 2).

In conclusion, while the number of households participating in the Recyclebank program has increased, the percentage of eligible households participating in the program has not substantially increased above the rate at the time of the contract award. At this time, based on the stagnant subscription rate and program costs continuing to exceed the program's monetary benefits, we recommend providing Waste Management with a 60-day notice and cancel participation in the Recyclebank program. Should the City Commission agree and opt to discontinue participation in the Recyclebank program; it would be prudent to continue

offering residents an incentive to recycle. As such, another rewards program could be implemented (either in-house or third-party) as an alternative and, if so directed, staff will develop and present such a program for the Commission's consideration. With your permission, we will add a Discussion and Possible Action item to the next Regular City Commission Meeting to address this item with the City Commission.

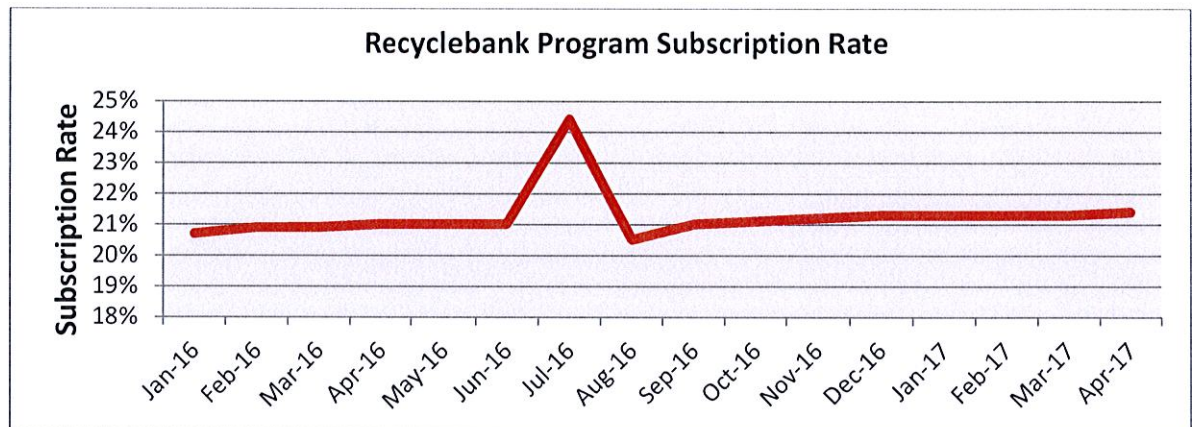


Exhibit 1: Program Subscription Rate (Subscribed Households Divided by Eligible Households)

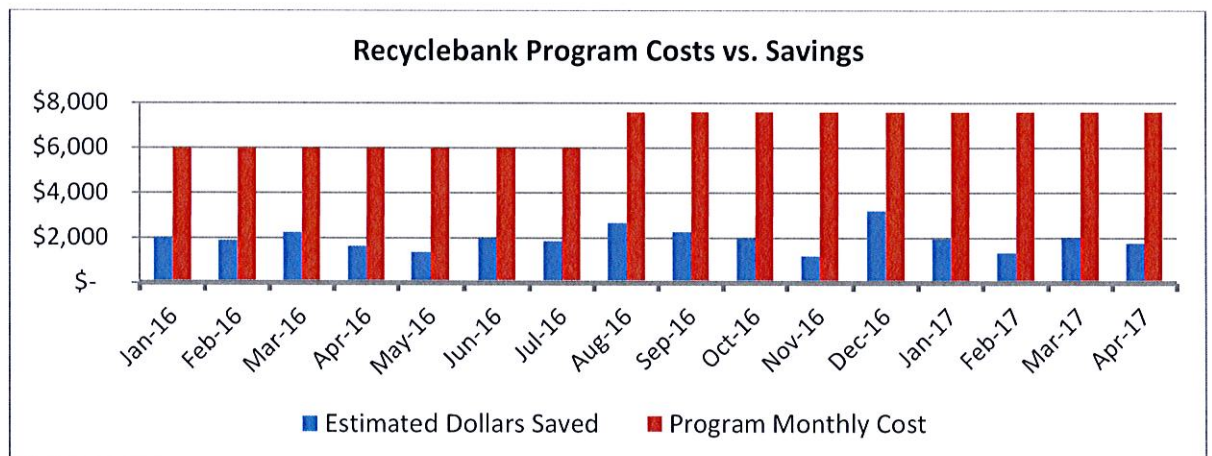


Exhibit 2: Total Monthly Cost of Recyclebank Program Compared to Estimated Savings