




OFFICE OF THE MAYOR

**MEMORANDUM**

TO: City Council  
FROM: Eric W. Olson, City Administrator   
DATE: May 2, 2018  
SUBJ: City of Pensacola Recycling Program

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In advance of your discussion about recycling that is scheduled to be held at the May 10 council meeting (Agenda File #18-00189), you may find the following information to be of use.

The traditional solid waste business is in exceptional health, and Sanitation Services continues to impress with its outstanding customer service. Nevertheless, there are significant challenges presented by external market factors in the recycling line of business. Last year, the Chinese government decided to act in order to reduce the importation of increasingly contaminated recyclables, so it changed its policy to only accept recyclables with a 0.5 percent contamination content. That contributed to a decrease of over 35 percent in average recycling commodity prices as well as an uptick in operations costs and transportation costs as recycling processors had to find new buyers and send materials to them. Those impacts were felt by recycling processors throughout the country, including by Tarpon Paper, the City's processor.

The disruptions to the recycling industry caused Tarpon Paper to stop taking recyclables from the City. While recycling is a service that the City is committed to, given the clouded outlook for Tarpon Paper, I determined it was not in the City's best interest to seek a renewal of our contract with Tarpon Paper when it expired in March. Instead I asked Jerry Moore to negotiate with ECUA to process our recyclables at its facility. These negotiations are currently being completed and the ECUA Board is expected to vote on the proposed agreement this month. If the ECUA Board approves the agreement it will be placed on the June 14 city council agenda for your action.

In the interim, please remind your constituents that the success of the recycling program is directly linked to the items that they place in their recycling carts. We need to work together so that customers remain diligent in their recycling habits during this temporary interruption in recycling service.