

2010 Recycling Income and Expenses ¹

	Current Program		With Carts and Recyclebank		
Income and Savings					
Avoided Landfill Costs	12,000 tons ² x \$28/ton	\$ 336,000	32,000 tons ⁴ x \$28/ton	\$ 896,000	
Avoided Collection/Hauling (Trash)					
Labor/Fuel/Maintenance	12,000 tons x \$25/ton	\$ 300,000	32,000 tons x \$25/ton	\$ 800,000	
Equipment		\$ -		\$ 525,000	
RRI Payments	12,000 tons x \$30/ton	\$ 360,000	32,000 tons x \$18/ton	\$ 576,000	
EECBG Grant Funding ⁵		\$ -		\$ 350,000	
Sale of Materials - Weak Market ⁶	12,000 tons x \$1/ton	\$ 12,000	32,000 tons x \$4/ton	\$ 128,000	
Total Income/Savings		\$ 1,008,000		\$ 3,275,000	
Expenses					
Collection & Hauling (Recycling)	98,000 houses x \$22.32 each ⁷	\$ 2,187,360	98,000 houses x \$31.20 each ⁸	\$ 3,057,600	
Cart Leasing		\$ -		\$ 462,028	
Cart Maintenance		\$ -		\$ 242,064	
Recyclebank		\$ -		\$ 303,827	
Hauler Incentive		\$ -		\$ 190,000	
Total Expenses		\$ 2,187,360		\$ 4,255,519	
Net Cost - Weak Market⁶		\$ 1,179,360		\$ 980,519	Net savings of \$198,841
Added Revenue - Average Market	12,000 tons x \$7.50/ton	\$ 90,000	32,000 tons x \$12.50/ton	\$ 400,000	
Net Cost - Average Market⁶		\$ 1,089,360		\$ 580,519	Net savings of \$508,841
Added Revenue - Strong Market	12,000 tons x \$37.50/ton	\$ 360,000	32,000 tons x \$37.50/ton	\$ 800,000	
Net Cost - Strong Market⁶		\$ 729,360		\$ (219,481)	Profit of \$219,481

Note 1 - All numbers assume that each program will be in place for the full year. Actual revenue and expenses will depend on the implementation date.

Note 2 - 12,000 ton/year estimate is based on historic performance of the City's current program.

Note 4 - 32,000 ton/year estimate is based on the experience of 20 other cities using RecycleBank, and assumes Cincinnati's performance will be among the worst of the 20.

Note 5 - The full amount of the EECBG grant for recycling enhancements is \$750,000. The portion not used in 2010 will be used in 2011 and 2012.

Note 6 - The per ton price received by the City for sale of recyclables depends upon the volume of material sold and the market price of recyclables. The "Weak Market" calculation is based on a market price for 2010 of \$65/ton, the "Average Market" calculation is based on the historic 10 year average of \$100/ton and the "Strong Market" calculation is based on a market price of \$125/ton, still well below the \$140/ton price of 2007/2008.

Note 7 - \$1.86/month x 12 months

Note 8 - \$2.60/month x 12 months

Source: City of Cincinnati Office of Environmental Quality