

LOCAL

Why your recycling bill is going up

To help a struggling market and create more demand, the MPCA is trying to bring companies into Minnesota that will use recyclable materials.

By **Natalie Rademacher** Special to the Star Tribune | **APRIL 22, 2020 — 8:34PM**

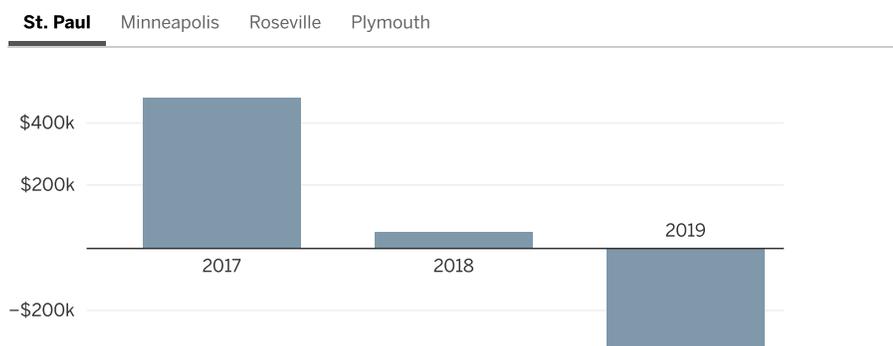
Once a source of revenue for some cities, recycling has become more costly recently and you'll soon see that hitting your pocketbook, if you haven't already.

Cities and counties are feeling the pinch since China stopped accepting most recyclables from the United States two years ago, with some even being forced to change the way recycling operates in their communities.

Since China's shift in January 2018, the value of recyclable materials in the U.S. market has dropped dramatically and continues to fall. For example, the value of cardboard dropped 67% over the past year.

Recycling becomes more costly, cities are paying for it

Some cities in the metro used to make money from their recyclables but are now having



*Negative value means cities are paying for the material to be processed. Plymouth has a floor in their contract.
Chart: Natalie Rademacher, Special to the Star Tribune • Source: Cities of St. Paul, Minneapolis, Roseville, Plymouth and



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Some cities used to make a profit from their recyclables through a revenue-sharing agreement with Minneapolis-based Eureka

Recycling is in an adjustment period and residents and haulers are adapting to the new normal, said Bill Keegan, president of Dem-Con Cos. in Shakopee. There's always been a cost consumers pay for recycling, it's just higher now, he said.

"The main thing is that recycling is not dead," he said. "It's still worth it to recycle."

To help a struggling market and create more demand for recycled material, the Minnesota Pollution Control Agency is trying to bring companies into Minnesota that will use recyclable materials. Wayne Gjerde, MPCA recycling market development manager, said that while the current low value of recyclables is painful for local governments and recycling companies, overall it is an opportunity to create more local markets for recycled products.

The MPCA is trying to bring to Minnesota a facility that will sort paper and a company that will use recycled glass to make road material. Both of these projects will be up and running in the next year, Gjerde said.

Some cities, like Minneapolis and St. Paul, used to make a profit from their recyclables through a revenue-sharing agreement with Minneapolis-based Eureka Recycling. Now, that profit has switched to a cost.

Before the China ban, when items like cardboard and mixed paper had a monetary value, Minneapolis and St. Paul each brought in about \$400,000 annually from their recyclables being sold on the market. Lately, the value of the material is so low that cities are paying for it to be collected and processed.

Last year, St. Paul paid more than \$300,000. While the city has a recycling fund to help with these new costs, residential rates will likely increase when the city negotiates its next contract with Eureka.

“Our piggy bank is drying up,” said Susan Young, St. Paul city manager of resident and employee services.

Lauderdale decided not to renew its revenue-sharing agreement with Eureka last year. City officials had been expecting to make money from recycling but couldn’t handle the volatility of the market, said Lauderdale City Administrator Heather Butkowski. The city continues to offer curbside pickup but the city no longer pays for it. Residents pay a flat rate for their recycling through property taxes.

Kate Davenport, co-president of Eureka, said it’s not the cost of recycling that is hard for cities. It is the unpredictability of the market.

Roseville city officials are also considering not renewing a revenue-sharing agreement if market conditions do not improve. Last year, the city paid about \$75,000 for its recyclables to be processed. A decade earlier, the city netted \$100,000 annually in profit. The city raised its household recycling rate by a couple dollars per month last year.

Some Minnesota counties and cities pay haulers a set rate. Since the market took a downturn, haulers have been asking to raise those rates.

Last fall, Lyon County in southwest Minnesota almost suspended its curbside recycling program after waste hauler Southwest Sanitation abruptly ended its contract with the county. The hauler was struggling to make ends meet.

Bids for a new contract came in higher than expected and above what the county thought it could afford. The county board started debating whether to end curbside recycling.

But the county would lose state funding for recycling if it didn’t at least have drop-off locations available for residents, and local residents began crowding county board meetings saying they’d be willing to pay more to keep the curbside service, according to Roger Schroeder, Lyon County recycling coordinator.

Largely due to the public pushback, the county board kept the program, but increased rates and reduced collections to every other week.

“It’s a service people want,” Schroeder said. “They feel like they’re doing right by recycling.”

In greater Minnesota, transportation costs for moving material to processing facilities are higher than for programs in the metro area, and there are fewer residents to help pay for it. Because of this, some smaller recycling programs are making cuts and others are consolidating to make ends meet.

In the Brainerd Lakes area, waste hauler Eric Loge’s company raised household recycling rates by \$2 a month to stay afloat. For commercial recycling, rates have almost doubled from \$20 to \$40 a month.

Crow Wing County, where Loge’s business Waste Partners Inc. is located, stopped providing subsidies to cities for curbside recycling and closed half its drop-off sites.

“It’s a little bit of a mess right now,” Loge said of current market conditions.

While the six sites that closed were the least-used locations, some residents now must drive about 20 miles to drop off their recyclables, said Ryan Simonson, Crow Wing County environmental services supervisor.

Cloquet Sanitary, a private hauler near Duluth, ended its drop-off recycling program because it had become too expensive. The company continues to offer curbside pickup but raised rates, said owner Randy Crestik. To him, these cuts and price increases are a necessary change because they can't continue to handle material they are not being compensated for.

Another problem that brings down the value of recyclables is that non-recyclable items often end up in the blue bin. This contamination makes it harder for haulers to sell the material. In a crowded recycling market, companies can be more picky about what glass, cardboard and other recyclables they purchase.

Gone are the days when consumers were encouraged to recycle as much as possible, which often led to [wishcycling](https://www.startribune.com/is-it-recyclable-recyclers-offer-some-holiday-help/503391672/). (<https://www.startribune.com/is-it-recyclable-recyclers-offer-some-holiday-help/503391672/>)”

Natalie Rademacher (natalie.rademacher@startribune.com) is a University of Minnesota student on assignment for the Star Tribune.
