

**Recycle Livingston Membership Update
Changes Required Due to Collapse of Market
for Recyclable Materials
Please Read the Entire Notice
Membership Meeting
August 28th at 7:00 pm
Details Below**

Over the past year, in our quarterly newsletter, we've been trying to keep our members informed about the increasing volatility in the worldwide markets for recyclable materials. It started with China imposing higher standards on the types and cleanliness (contamination level) of the materials they would accept; to the point that no materials from the U.S. were acceptable, effectively closing a major market. Unfortunately, the U.S. recycling industry was to blame, as standards for the types and cleanliness of the material being accepted for "recycling" were far too low. It was, as our Director Julie describes it, "wishful recycling". However, Vietnam, Malaysia and India continued to accept this marginal material, and while material prices fell, there was still a market. That ended abruptly in July when Vietnam followed by Malaysia and then India, without any warning, also stopped taking the "marginally recyclable" materials from the U.S.

The response from our recycling vendor, GFL, was immediate and severe. On August 1st we were notified that, effective immediately, GFL could no longer pick up our materials for no charge and we would have to pay \$200 for transportation of each load. In addition, the rebates we received on the material collected were being significantly reduced, some materials would no longer be accepted, and some contaminated materials, mostly plastics, would only be accepted for a cost of \$100/ton. To add insult to injury those materials would not be recycled, rather they would be incinerated, or land filled! In other words, if we continue to contaminate our loads with materials that cannot be recycled, the loads will cost us money and will not be recycled. To help put the increased cost and lower revenue in perspective, on average we have 7 loads picked up

each month, so our new monthly transportation cost is \$1,400. A load of plastic averages 6 tons, so a contaminated load will cost \$600.

The rebates on material, which previously covered about 30% of our operating expenses – helping to keep our membership and gate fees low – will not even be enough to cover the new transportation charges. Leaving us with a major hole in our budget and little opportunity to reduce expenses as we already run very lean. Most of our staff are volunteers and our few paid employees are all part-time; including our Executive Director who already works extra unpaid volunteer hours every week.

Fortunately, after several conversations with GFL, they agreed to postpone the changes until September 1st to allow our Board time to evaluate the changes we needed to make and notify our members.

The Board met in a special session on August 9th and approved the following emergency measures effective September 1st:

- Temporarily place the new building initiative on-hold to allow us to focus on the changes in the market and restructuring our operations - focusing on a spring groundbreaking and all building donations will be kept separately and will continue to help support this project.
- Increase Membership and gate fees, as outlined below, to help offset the lower rebates, new transportation costs and cover our operating expenses:
 - o Household Membership - \$ 40
 - o Senior Membership - \$ 30
 - o Business Membership - \$130
 - o Gate Fee – Non-member Household - \$ 10
 - o Gate Fee – Non-member Business - \$ 35
- Quantities and the cost of newspaper purchased on-site will be:
 - o \$ 5 for 6 Bags
 - o \$10 for 15 Bags
- The only Plastic accepted will be limited to #1 & #2 - WASHED & SORTED SEPARATELY
 - o **Non-members will not be allowed to bring plastic at all**

- To eliminate contamination, which GFL will charge us for and eventually stop accepting, the following Policy will be implemented without exception:

- o Plastics #3 thru #7, grocery bags, or film plastic of any kind will no longer be accepted. No longer will any hard molded plastic such as outdoor furniture, children play sets, etc. be accepted. Once again, the only plastic accepted for recycling will be #1 plastic and #2 plastic. Lids may be left on. However lids without the container cannot be accepted.

If the “recyclables” you bring include any of this material, we must reject the load and place it back in your car.

Plastic bags, of any kind, can no longer be accepted as they cannot be placed in the compactors. Please bring materials in brown bags, cardboard boxes or your reusable container.

Materials can be brought in clear plastic bags, (although not preferred), which allow the contents to be seen; however, the material will be removed, and the bags will be returned to you. Material brought in any other type of plastic bag cannot be accepted.

We hope that these necessary changes will be enough to keep us viable until the markets stabilize and expand; however, there is no guarantee that additional changes will not be needed. The world markets are clearly setting higher and long needed standards for recyclable materials.

We must transition, quickly, from a period of “wishful recycling” to one of “purposeful and sustainable recycling”. We are not alone; recycling organizations and vendors across the State and across the Country have been scrambling over the past week to react to the sudden market shift.

In our discussions with the DEQ, the Michigan Recycling Coalition, vendors and other recycling non-profits there is a consensus that it will take fully 18 – 24 months for the world markets to reset, stabilize and for demand and prices to increase. We are confident

that with your understanding, help and support we will weather the current storm and emerge as stronger, smarter and more effective recyclers.

To answer your questions on the changes, we are holding a general membership meeting on **August 28th, 7:00 pm**, at St Paul's Episcopal Church, 200 W St Paul Street, Brighton.

Thank you for joining with us to save our environment for future generations!

Your Recycle Livingston Board of Directors

John Boris, President

Steven Cribley

Richard Farr, Treasurer

Mary Hunt

Stephen Kobylarz, Vice President

Frank Melick

Michael Phenev, **Secretary**

Philip Smith

Julie Cribley

Executive Director