

## 1-26-17 Austin City Council

### Item 42: Approve a resolution related to Austin Resource Recovery's curbside textile collection contract.

**Steve Adler:** That gets us to Item number 42, both because it's time and it's the next item. We have speakers signed up to speak on this matter. I also understand that there may be a motion to postpone this, as well, for a week so that folks can talk... is that what it is? Postponing for a week? Does someone want to make a motion? Or do you want to hear from the speakers first?

**Kathie Tovo:** I think we should hear from the speakers first.

**Steve Adler:** Okay, let's go do that. Adam Winfield. Is Sam Perez here? You have six minutes, Mr. Winfield, if you want to take them. Give it to the clerk. Is it electronic or hard? If you want the clerk to hand out the hard copies, she'll take them. I hear that, but I can't adjudicate that. If people want the opportunity to speak I need to recognize them. Are we ready? Go ahead.

**Adam Winfield:** First of all I want to thank you for the opportunity to present today. My name is Adam Winfield. I'm the founder and President of Simple Recycling. We're a small family business that operates a clothing and household discard recycling program. We contracted with the City of Austin and launched our program on December 5<sup>th</sup> of this past year. Since the program has launched we've had over 6,700 residents participate in the program, and I'd like to take this opportunity just to share a little bit of information about who we are, why we are, and answer any questions that may exist. So our program is free to the City. It is cost free for the City and for the residents. It's a turnkey program; it is designed to be simple and easy for the residents to utilize, and it will allow the City of Austin to divert the 6.6 million pounds of clothing that enters the waste stream and the landfills every year and continues to grow every year. So according to EPA data, 15% of clothing gets donated to charitable organizations; 85% ends up in the landfill. That represents a significant segment of the solid waste stream. I don't have percentage figures for the City of Austin; the only local figure I have is the Austin Resource Recovery number of 6.6 million pounds per year. So, our intention is not to negatively impact the charitable organizations; they do great things. We encourage residents who donate to local organizations, please continue to do that. But what we've seen in traditional recycling is that offering a curbside collection option dramatically reduces the amount of material that enters the waste stream and ends up in the landfill. So we started our program about four years ago with small communities and towns. We've expanded to 56 cities and towns. We service almost three million residents, anywhere from Austin being the most recent... to up to four years ago. Other examples of cities that have done this for a number of years: Sugarland, Texas; Lansing, Michigan; those communities have not reported any negative impact to their charitable organizations. So we were awarded the contract after a lengthy evaluation period and a formal public RFP process. We came into town, and we opened a new facility and created jobs, and created an avenue to keep this material out of the waste stream, and we're very proud of that. There's been some concerns from the non-profit organizations that this could impact their donation streams, which is a valid concern because it is similar types of materials. What we've found is that those are concerns and that there hasn't been enough time to collect the data. And in the communities that we've been working in up to four years, that data has not proven out. We want to take the opportunity today to address these concerns and ask for an opportunity to find solutions that everybody is comfortable with, including the City staff, including the residents of Austin, including the local charitable organizations, that does not immediately call for the cancellation of our contract because that contract... we've invested significant resources. The only way that we stay in business is that we divert the material from the waste stream and we sell that to downstream reuse markets, and that's how we generate the resources to provide this service. So, our plan, and honestly I didn't... I thought we were postponing today so I wasn't expecting to have this conversation, but what I would... what we would like to do is come up with a plan that's acceptable for all parties. Some of that, my suggestions are, to create a list of all of the local donation options. Let's focus on what are all of the options for Austin residents and let's promote that so that this material that is going in the trash can doesn't end up there, but we still provide the option of a curbside collection service. So let's generate that list; what are all of the local options? To have a meeting amongst all of the parties to come up with what's the messaging and what's the path forward. We're happy to contribute and participate in the design so that the City doesn't have to go through formal bidding processes to create that material, to help provide content for Austin's website to accentuate the local donation options. We can also provide a toll free number that provides access to local donation option information for residents that don't have internet access, and to continue to develop the messaging of "Here are all of your options. Please don't throw this material in the trash can." So I'm confident that we can work together with the nonprofits and prove out that we're diverting this material from the waste stream, not from the donation stream, and by bringing additional conversation and dialogue around all of the local donation options, that residents will continue to support those organizations and increase their support. Thank you.

**Steve Adler:** Let's check and see if any others want to speak. Also signed up...

**Kathie Tovo:** Mayor, I have several questions for this speaker, but I'm very comfortable going through the rest of the speakers in case there's some who want to leave, and then circling around back, if that's all right.

**Steve Adler:** Let's go ahead and do that. Dana Houston. Does Dana Houston want to speak? Okay. And then I have Jan Gunter, and then Andrew Dobbs.

**Dena Houston:** My name is Dena Houston, I've been a resident in my neighborhood for 34 years, I live in District 10, and I have always been passionate about recycling. I am so happy that Simple Recycling is in Austin, providing such a wonderful recycling service. I ask that the City Council not cancel the City's contract with Simple Recycling. Please allow them to continue this wonderful service to help Austin achieve its goal of zero waste. I've been a recycling block leader with the City for many years. This is a volunteer position, we are a group of people who are committed to help the City reach its zero waste goal by 2040. We are boots on the ground in our neighborhood to help our neighbors better understand the processes of recycling and how and what to recycle. In Austin we have many hurdles to overcome if we are going to reach our zero waste goal. One has to do with, of course, the textiles in our landfill. In 2014 an Austin Resource Recovery study found that we are sending over, and this just blows me away, 3,300 tons of textiles to Austin's landfill each year. Clearly, if 3,300 tons of textiles goes into our landfill each year, there needs to be an alternative to our throwing these things into our trash cans. Simple Recycling provides one solution to this huge waste problem. Here's what Simple Recycling does that makes them so special. They make recycling convenient. They provide the green bags, they pick up curbside, when they pick up a full bag they leave another one for us to fill up for our next recycling day. They are helping to reduce what goes into our landfill by recycling, reusing, or repurposing some of those items that we've all thrown into our trash can. That one single tennis shoe; the old holey underwear, clean of course; the socks with holes in them; the t-shirts that are torn; and for so many years I've even put them into my garbage can because I did not know what to do with them, and now Simple Recycling takes care of that for us. If we are to achieve zero waste in Austin we need to do it in many ways, and Simple Recycling offers us a service to help us achieve this goal. I still donate to my favorite charity, I always will. My neighbors feel the same way. Simple Recycling has not taken that choice away from me. I want to thank you for your time. Now I have to go home and roll out my blue recycling bin, take my tiny garbage can to the curb, turn my compost pile, and put out my green bag for Simple Recycling. Thank you so much.

**Steve Adler:** Thank you. Jan Gunter.

**Jan Gunter:** I'm Jan Gunter with the Salvation Army and we had agreed in this meeting earlier today to go ahead and postpone this but since Simple Recycling has spoken I wanted to go ahead and take the opportunity to do that. We are willing to postpone this until next week and to continue this conversation because I think that we decided that there was more to be talked about and we could perhaps work on some things together. But I want to tell you that charitable donations of reusable items such as are being collected now by Simple Recycling provide a critical source of funding for the Austin Salvation Army Adult Rehabilitation Center, and obviously for many other local charities. The convenience that was mentioned earlier by Simple Recycling is precisely the reason that the problem that ensues, is that because it becomes very convenient to put things at your curb and donate them to a for profit organization which doesn't even process them here and recycle them here in the City of Austin. It directly impacts, negatively impacts, the charities involved. And I want to tell you that last year the Salvation Army Adult Rehabilitation Center served 1,381 people in our community in a six month residential program that is designed to help free people from a life of addiction. And so it's when those recycle... when we lose those goods that are donated at the curb and therefore not brought in to the Salvation Army we lose the ability to fund the programs that help these people and that have a ripple effect on, not only these 1,400 people but their families, and the people that they work with, the people that they interact with: their spouses, their children, their parents. And in addition to that, our center employs 100 men and women from our community. Beneficiaries find help, hope and a second chance through the rehabilitation of the mind, body and the spirit, and this program is funded exclusively by the sale of donated goods at our local family stores. In addition, through our recycling efforts we have kept 983 tons, or more than 1.96 million pounds of clothing and 2,400 tons, which equals 4.8 million pounds of household goods out of the landfill in just one year, for a total of 3,407 tons. So we, as I said, will continue to work together this week but are concerned about the negative impact that this may have on the Salvation Army Adult Rehabilitation Center.

**Steve Adler:** I hope we can find a good solution.

**Jan Gunter:** Thank you, Mayor.

**Leslie Pool:** Mayor, I have a question for Goodwill. Hi.

**Jan Gunter:** Salvation Army.

**Leslie Pool:** I'm sorry, Salvation Army, So sorry.

**Jan Gunter:** That's okay, that's great.

**Leslie Pool:** Does the Salvation Army accept the single shoes and less desirable clothes that were just listed as appropriate only for Simple Recycling? In other words...

**Jan Gunter:** Major? Yes, we do.

**Leslie Pool:** Come on up to the microphone and introduce yourself, Sir. Thank you.

**David Sams:** I'm Major David Sams, I'm the administrator of the Adult Rehabilitation Center in Austin and we do accept those items that you questioned.

**Leslie Pool:** And I wanted to check with the Simple Recycling folks. Is that something that's on your marketing materials, that you accept types of clothing like single shoes, that cannot be, are not accepted by the Salvation Army?

**Adam Winfield:** So our material...

**Leslie Pool:** Come on up to the microphone so we can get you on record.

**Adam Winfield:** ...states that we are able to collect all material, regardless of quality, condition...

**Leslie Pool:** I understand that piece, what I'm asking specifically to your marketing materials, do you say on your marketing materials that you accept types of clothing, like single shoes, that is rejected by the nonprofits, like the Salvation Army?

**Adam Winfield:** Not specifically, no.

**Leslie Pool:** Not specifically, but maybe generally?

**Adam Winfield:** So all of our marketing material says that we accept clothing, shoes, reusable home goods.

**Leslie Pool:** All right, so you're talking about what you accept and you are not saying that you accept things that are not acceptable by any other entity.

**Adam Winfield:** That's correct.

**Leslie Pool:** All right. Thank you. Thanks so much.

**Steve Adler:** Thank you, the next speaker is Andrew Dobbs. I'm sorry.

**Kathie Tovo:** I'm sorry, now that we're talking about single shoes, I have a question. So, you accept those items, I assume you can't sell them. But maybe I'm wrong.

**David Sams:** We do sell them.

**Kathie Tovo:** You do sell them. You sell single shoes and things of that sort.

**David Sams:** Absolutely.

**Kathie Tovo:** Okay, thank you. That's helpful information, I wouldn't have guessed that. If you do receive items that you can't resell, what do you do with them?

**David Sams:** We recycle cardboard, metal, anything can be recycled, we just separate it out. It may not be sold to the general public but it is sold to fund our rehab program.

**Kathie Tovo:** Including textiles.

**David Sams:** Including textiles.

**Kathie Tovo:** Thank you.

**Jimmy Flannigan:** Hi, so I'm curious, cuz I'm new to the dais as you know, so, are you already experiencing a reduction in donations as a result of this program?

**David Sams:** Absolutely.

**Jimmy Flannigan:** Has that data been provided because I don't think I've seen the data on that.

**David Sams:** We were going to, in earlier discussions in the Mayor's office, we were going to as a group of nonprofits have a meeting on Monday. We didn't know there was gonna be a presentation by Simple Recycling today, so we're trying to catch up here a little bit. We were hoping for a postponement, if anything, to be able to give more information to the Council about numbers and actual effect.

**Jimmy Flannigan:** Excellent. Thank you very much.

**Steve Adler:** Thank you. Mr. Dobbs.

**Ellen Troxclair:** Mayor?

**Steve Adler:** Yes.

**Ellen Troxclair:** Maybe I misunderstood, I mean, if everybody here on this item was expecting a postponement and agreed to a postponement, and did not want to speak, then we can go ahead and have that conversation. I was under the impression that they still wanted the opportunity to speak, so...

**Steve Adler:** I think the problem at this point is we started in this process, that's why I wanted to potentially consider the motion first, but when we did, we went to the group, the group spoke and then once we started a few more people have signed up because they want to be able to express the other side, so I'm not sure we can stop at this point having embarked in this process. Mr. Dobbs.

**Andrew Dobbs:** Thank you very much, Andrew Dobbs, Texas Campaign for the Environment. I think that I just want to express the same kind of confusion or whatever and hopefully, you know, maintain a little bit of peace among stakeholders here. I don't think that anybody was trying to pull a fast one here. I think there was miscommunication. Never ascribe to malice what can be described by miscommunication and City politics. So I just wanted to make that clear. Also, I want to clarify my own miscommunication earlier, where I just sent y'all an email where I indicated that we understood that there were... that Simple Recycling was paying less than living wages. They told me that they do not, that they pay at least the City floor minimum living wage to everybody working here in Austin, even though they're not required to. So our major concern is that there was a City contract like this that went out and doesn't require them to do that. And we need to make sure that that is taken care of. I'm sure if it had come before y'all that might have been taken care of. There are two big factors here. The first is that, is that everybody agrees on. Everybody wants to keep this stuff out of the landfill whether it's every single stakeholder involved, wants to keep this stuff out of the landfill and every single stakeholder involved wants the missions of the nonprofits that believe that they are being effected, to succeed. So then we need to find a way to do both of those things together. And I think that that's what we need to do, and I think that is where TCE is at on this. We cannot support and will not support the cancellation of any recycling program; people are already using this. We're talking to folks in the field that find that they are really excited about this, a lot of them are taking their stuff to the nonprofits and doing this. Some people who were throwing things away are doing this, and I'm sure that there are people that would have taken things to the nonprofits that are now using this. Regardless, we cannot support the cancellation of a recycling program in the City. That's number one. But, number two, we are okay with convening, we want to convene a process to where we can explore the options of: are there better alternatives that we could replace this with, or are there supplemental programs that we could use to make sure that we are protecting our valuable nonprofits while also capturing this material from the landfills. We also need a little bit of time to be able to answer the question, is this stuff capturing stuff that would have gone into the trash or is it capturing stuff that would have gone to these folks? And we need to do that in a way that doesn't leave these folks saying, "Well I guess that was a successful experiment that left us holding the bag and not being able to serve our communities." It's a tough situation, it's a tough situation because once again, and I feel like I've said this before, we have a situation where big decisions are being made by staff and stakeholders weren't adequately notified. You know, I wrote on Monday that I thought that the policies had been set. You know, for somebody like me, I pay a lot of attention to what the recycling programs for five years from now are. The folks with these nonprofits and others collectives that work on this stuff, they don't pay attention to that. Right? And so it's not their fault, that's normal. I don't pay attention to what is going on in a lot of the City departments. They needed to be contacted, they needed to be engaged. We have to get better about this, and I hope that we will use this as an opportunity to learn. The bottom line, real quick, is that, you know, we've got a great zero waste business here that's contracting in good faith with the City; we cannot drive these people out of business, we cannot harm their businesses, because these are the people we need for the future. We also can't harm these nonprofits so let's work together to find a solution that benefits everybody. I'm happy to take any questions.

**Steve Adler:** Any questions at this point? Mr. Dobbs, Thank you.

**Andrew Dobbs:** Thank you. And congratulations Mr. Mayor.

**Steve Adler:** Thank you. Traci Berry and then Kathy Hurwitz, is on deck as the next speaker.

**Traci Berry:** Good Afternoon, my name is Traci Berry, I am with Goodwill Central Texas and we still hold the position that as of today that canceling this contract makes the most sense for the not-for-profit community. We are willing to engage in conversations to see if we can come up with something else. But I think it's important to note that the RFP that was put out for this specifically stated, "will not compete with charitable donations" and it absolutely has competed with us. Again, pure statement in the RFP. Just by nature of it being the most convenient, like one of the speakers talked about, we have national studies, marketing studies, that say that the number one reason people donate is for convenience, not for the good cause, it's because they want that pile of stuff that's been sitting there... how many of us have stuff in our trunks forever, and say I'll get to it. That's why they donate. So, we now... the City gave a for profit business from Ohio the competitive advantage over all of us, the people who have demonstrated track record of success, not only diverting from the landfill. Goodwill is a zero waste organization, we are absolutely committed to doing that. We accept, we're one of the only organizations that accepts almost everything, other than mattresses and hazardous materials. We'll take anything else, including TVs. Right now we are losing \$64,000 a year on recycling TVs because we are that committed to zero waste. And we have invested in our community, serving the countless number of people in Austin who need jobs, with job training and education. We opened the only adult charter school in the entire state of Texas, but those are donations funded. So when you are taking that away from us being able to help the people that are most vulnerable in our community that is damaging, and to date, we absolutely have the data that we are 1.5% down in donations, when you look at the value of that, that's about half a million dollars. What could we do with that? When we're trying to create jobs and working to solve the problems of the community. So there's no question that there has been this competition that has come into our community. And we have talked about solving the problems, we appreciate that they have invested in our community by hiring some individuals but, you know, we talked about as a nonprofit community how we could help those people find jobs. The bottom line, we need to take care of the people in our community and know that all of us as not-for-profits are absolutely committed to zero waste and we were never brought into the process from the beginning. And again, with our demonstrated track record of success, we can solve the problem. It's thirty-three hundred tons that have been identified. We are experts in this, we have been doing it for... Goodwill has been here for six decades, and all the other nonprofits combined, we're over a century when you combine it all together. We can solve the problem. Give us the opportunity to get at that thirty-three hundred tons. Like I said, we are willing to entertain conversations over the next week to see if we can find some solution, but I wanted you to hear why we are here, and what we believe. Thank you very much.

**Steve Adler:** Thank you. Yes, Mayor Pro Tem.

**Kathie Tovo:** You talked about the drop in donations and what was it? 1.5%?

**Traci Berry:** Yes Ma'am. Excuse me, 1.5%. Yes.

**Kathie Tovo:** In what time period?

**Traci Berry:** In the last four weeks.

**Kathie Tovo:** Just since Simple Recycling?

**Traci Berry:** Yes.

**Kathie Tovo:** And, how does that compare to previous? Have you looked back at like the last couple of years to see if that's sort of a trend that happens over that month?

**Traci Berry:** The very big difference, the difference in donations between the same exact four weeks between last year and this year is 13,313. That's significant. Thirteen thousand, three hundred and thirteen.

**Kathie Tovo:** That's the difference in the number of donations?

**Traci Berry:** When you talk about, when you compare last year and this year, yes.

**Kathie Tovo:** For that four week period you're down that percent?

**Traci Berry:** Correct.

**Kathie Tovo:** Okay. I appreciate that, thanks.

**Traci Berry:** Yes.

**Steve Adler:** And you said that translated to half a million dollars?

**Traci Berry:** The value; half a million dollars.

**Steve Adler:** In the four week period of time?

**Traci Berry:** Correct.

**Steve Adler:** Okay. What's the total amount of contributions you get, that would be about thirty million dollars, over the course of the year?

**Traci Berry:** It depends on how, you know, when you annualize it. It would just depend on if that trend continues. And you're just looking at the value when we recycle all those pieces. Some of it's sold in the stores which, if you look at, we have about a thirty-seven percent sale rate in the stores, and people are paying sales taxes on that too, and so it's all staying in our community.

**Steve Adler:** Miss Houston.

**Ora Houston:** Thank you. Are there some things that people donate that you can't use, and if there are what do you do with those items?

**Traci Berry:** So we believe in maximizing every donation. So we start with it being sold in our stores. We have two, after the \_\_\_\_\_ stores, we have two outlet centers, one in south Austin and one north, and then from that point we sell it in the outlet and if doesn't sell there we go to recycling or salvage, and we do everything we can to sell it to vendors. Single shoes is a great idea; we sell truckloads of single shoes, the difference is that while the product might leave our community, the money that we earn from that actually stays here and goes back into our job programs.

**Ora Houston:** So there would never be an instance where you would have something that you could in fact recycle through the Simple Recycling?

**Traci Berry:** That we would recycle through Simple Recycling?

**Ora Houston:** Right. You always have a way to dispose of all the things you are getting?

**Traci Berry:** We do. They're doing the same thing we're doing. They're not recycling it, they're reselling it, and so that's how they're keeping it out of the landfill. We do the same exact thing. I think that's an important note, because it's more repurposing and reselling versus traditional recycling of, for example, metals, and papers and things that actually are recycled and turned into other product.

**Sabino Renteria:** Mayor.

**Steve Adler:** Yes, Mr. Renteria, then Ms. Garza.

**Sabino Renteria:** Ms. Berry, did I hear you say that if you had an opportunity that you were willing to compete, with maybe submit bids, for if there was ever a bid opening, to go house to house to pick up recycling?

**Traci Berry:** You know, I don't know the answer to that, because that's part of the not-for-profits coming together, because again, if I read that clause in the RFP literally, "will not compete", if I went after that contract I'd be competing with Salvation Army and Assistance League. So it looks like we have to come together to figure out how we collectively could do that.

**Sabino Renteria:** I thought I heard you say, that you would find a way to get all that tons of materials going to the landfill. How would you do that? How would that happen, how would you keep it from going to the landfill?

**Traci Berry:** The thirty three hundred? We've talked about everything from a donation drive, specific donations drives, to, yes, there could be a hauling contract where we somehow do some level of curbside, but my understanding is that we wouldn't be able to engage in that given the way the contract is written.

**Sabino Renteria:** There are a lot of people on the east side, east Austin, who don't have vehicles who are not going to go drop it off. So, what would your solution be?

**Traci Berry:** So, we all do house pickups already, so we're already engaging in that. And so we would find a way to, I believe that we could find a way to expand that to meet this need. What that looks like today I'm not exactly sure, because, again, that's what the not-for-profits want to come together to make sure it's not Goodwill dominating the market, the Assistance League has the same opportunities as well.

**Sabino Renteria:** How long do you think it would take you? I mean, we don't just want to stop the contract and then all this material end up in the landfill.

**Traci Berry:** Absolutely, and that's one of the reasons we, I think, talked about postponement, is that we were going to work to come up with a solution in the next week. We are a really smart group of people who've been doing this for a really long time, so I think it's just about figuring out how to bring all of our resources together to

solve the problem. But when you think about how much we already keep out of the landfill despite existing, you know, thirty three hundred tons isn't significant versus what we're already pulling out. And I think it's important to note that that was to solve a problem about textiles, but to note, when you talk about Simple Recycling's advertising materials it's all these other pieces of household items, and all the other things that it wasn't supposed to be. That's not part of the problem that was originally outlined, and so when you look at whether they're taking donations, they're not just now taking the textiles but they're also taking, you know, all those other household items; that wasn't part of the deal.

**Sabino Renteria:** I hope when you come back you can talk about a solution to that problem.

**Traci Berry:** I think we will be able to, because we need to particularly given the fact that we've had a lot of people who have told us that one of the reasons they agreed to put out the bags is they actually think it's going to a not-for-profit, they don't realize it's going to a for profit. So I think we all have some work to do to make this better for all of our community.

**Steve Adler:** Ms. Garza.

**Delia Garza:** The biggest misunderstanding for me and maybe for others was that it sounded like Simple Recycling has a market that Goodwill wouldn't want that stuff. And it sounds like you're saying you use everything.

**Traci Berry:** We do.

**Delia Garza:** And while it sounds like generally most of us don't donate clean, old underwear, there are people who do put that put that underwear in a bag and take it to Goodwill.

**Traci Berry:** We have all sorts of crazy stuff, you have no idea, but we find a way to maximize all of it because it matters to the people we serve. We have that obligation to maximize every dollar that comes out of them and again, we're committed to zero waste. So I think that whole thing, the misnomer is that we can't do both. So all of us organizations are absolutely committed to zero waste, and we support the City's efforts and we believe that we can go about it a different way to achieve that goal, and keep all that money in the community to help the people whether it's basic needs, housing, jobs; all the things we are dedicated to and have been for so long.

**Delia Garza:** I'll just share my anecdotal story of when I received the bag and I assumed it was a not-for-profit but we put it out on the curb and it actually didn't get picked up, so I called 311 and said they didn't pick up our bag, and 311 said well, it's a new program, we're still working out the kinks. We didn't want to bring it back in and put it back out, so we ended up taking it to Goodwill.

**Traci Berry:** Thank you very much.

**Delia Garza:** So I would say that there is... I'm trying to figure out a way that all of this can work together and we can maybe not cancel this contract and not effect... and address the concerns of the residents who don't have access to a vehicle to go drop it off, and how to keep that out of the landfill. And it sounds like it's more of a marketing to educate, educate folks. Then it's their choice, if you have the ability to take it and have a car you can go do that and if you don't... anyway, it sounds like it's a big marketing education.

**Traci Berry:** It is that, but it's also, I mean, we also do house pickups, we actually just started doing valet bag service in some condominiums, because as Austin's growing and all the high rises going in, of how to help those individuals donate too, because they don't have the ease in recycling or keeping those materials out of the landfill. But I think it's the idea of just simply, I mean I know there's a lot of conversation about the zero waste, but you know we're talking about a contract that we're all defending, again, around a company that's not based here, it's based in Ohio. The money is leaving our community and we can do better, we can achieve both goals and I think the not-for-profits should be given the opportunity to do that.

**Delia Garza:** I'm going to support a postponement and see what we can work out in the meantime.

**Traci Berry:** Thank you very much.

**Steve Adler:** Is there anything further?

**Kathy Hurwitz:** Good Afternoon ladies and gentlemen. I'm from the Assistance League of Austin, I'm Kathy Hurwitz. You have heard from the big players in our town and now you are going to hear from one of the little players, who is very, we are very concerned about this program going forward. We are a 400 member all volunteer organization. We have been in Austin for forty-five years. Our thrift house was established in 1987 so we have been recycling and repurposing in Austin for more than 30 years. Some of you know of us because of our flagship program, Operation School Bell. We have clothed at risk children in the Austin area. We have clothed over 85,000 children in this area. The clothing that we give to these children, the revenue that pays for that comes from our thrift

house. Our thrift house lives or dies on donations. The donations that Simple Recycling is getting, the textiles and the household goods are exactly what pays for the programs that Assistance League operates via Operation School Bell, the toy cart at Children's hospital, if any of you have grandchildren or children who been there, those nice ladies that come into their room; that's us. And those toys are paid for by the donations that people bring to our door. We do not have the pickup that Goodwill or Salvation Army may have. We count on our faithful donors to bring items to us and if they decide that it is ever so much easier to just put them in the green bag at the end of their driveway, then they're not coming to us. And when our thrift house goes away because our donations have gone away, then all of our programs that have served Austin for so many years will also go away. So while we support a postponement of the discussion of this matter for a week, we would like very much for this not to go on for a very long time. You asked earlier about the decrease in donations. We do not judge by tons, we judge by revenue. And in December we were twenty-two thousand dollars ahead of our revenue from our previous year. This month we are twelve thousand dollars ahead of our revenue from last year. That is a ten thousand dollar decrease in one month. I can't tell you that it is because of green bag, but that seems to be the only difference that we see in our community. So my request to you, is just to remember not only the large players that you see here, but remember those of us who are small and live or die on what you are giving to Simple Recycling to take out of the City of Austin. I thank you all for your consideration.

**Steve Adler:** Next Speaker.

**Mark Heimstra:** Hi, my name is Mark Heimstra, I'm the Chief Operating Officer with Goodwill Industries of Central Texas and I appreciate the time. I, like my colleagues, I was not anticipating in sharing an opinion today but I feel compelled to refine some of the data points and speak at a broader range as to what Ms. Berry did previously. I want to make sure that folks understand that Goodwill Central Texas is in no way in opposition to recycling. For what we've done as an organization for over a hundred years that is a somewhat ridiculous statement. We have, just our organization, recycled sixteen thousand tons of goods in the previous year. So if we were to talk about the data point that's in your PowerPoint that was presented earlier, the note was that we, in Austin, recycled 3,300 tons of textiles. We reported in that same presentation that the EPA numbers said 85% of those goods are sent to trash and only 15% are donated. I will remind folks, not that you need it, but we are in Austin and Austin is quite a bit different than the numbers and information that was presented from the EPA standards, if 3,300 tons is all that's hitting the landfill, I will challenge the 85% is trash when Goodwill alone is recycling 6,000 tons, almost twice as much as what is hitting the landfill, yet the information you are presented is that 85% of this type of material hits the landfill. That's completely inaccurate. I think that one of the things that we need to remind ourselves is that the folks that have represented today from the nonprofit platform, which I will say that this is a very unifying event for nonprofits in our community. We do have partnerships, we do provide services and refer back and forth to each other from a collaboration perspective, but if we have all the non-profits agreeing this is going to impact us, your nonprofits, and the only dissenting opinion is that of a for profit company out of Dayton, Ohio, we should be concerned. If we look at just at our salvage operations, we have one in North Austin and one in South Austin, we employ more than 200 individuals that are processing the materials that Simple Recycling is now moving to Houston. Now, I remind you that our programs in Central Texas that are Goodwill employ those 200 individuals, almost 80% of those individuals that we employ are individuals with criminal backgrounds and are limited from gaining employment in other industries in our community. Also would like to remind you that the sale of these items inside our retail stores pay employee wages to process the goods here in Austin in addition to sales tax. Two points that Simple Recycling should, I hope, maybe clarify, our understanding is they do not pick up textiles at apartment buildings, in addition it would be interesting data points to find out what zip code or what portions of city and districts they are picking up from when making decisions. I have a whole bunch of other stuff but if there's any questions.

**Steve Adler:** Mr. Flannigan.

**Jimmy Flannigan:** Yeah, I'd like to ask you the same question I asked of the Salvation Army about the percent difference you're seeing in your donations, and if the Simple Recycling guy is here I'd like to ask him a question. Is he still around? Can you come up? I want to ask you one more question. Sir, you could just, what you're change in donations...

**Mark Heimstra:** Our numbers, I'm told were down 1.5% from prior, as Ms. Berry shared earlier.

**Jimmy Flannigan:** And it's my understanding that your program is rolled out citywide, fully citywide?



**Adam Winfield:** That's correct.

**Jimmy Flannigan:** So, if there were residents that were experiencing... that did not know about this service, did not receive bags for this service, are there gaps in the coverage?

**Adam Winfield:** So, our contract in our service area with the City of Austin mirrors the existing curbside recycling service area.

**Jimmy Flannigan:** Right.

**Adam Winfield:** So places like apartment buildings that do not receive City provided curbside recycling service, were not included in the program.

**Jimmy Flannigan:** So if there were residents that had not receive bags, they would contact you directly?

**Adam Winfield:** Correct, yes.

**Jimmy Flannigan:** Okay. No one in my district seems to know anything about this. I'm curious about the change in donations regionally. Are you seeing that 1%, that 1.5% difference, in your Austin locations compared to your non-Austin locations?

**Mark Heimstra:** Primarily, yes.

**Jimmy Flannigan:** I'm really interested in seeing that data. I'm on board with postponing because I really want to see this information. Thank you.

**Mark Heimstra:** We'll actually break it out by where our store locations are as far as where we're down, and that should apply to everyone's district. Anyone else?

**Steve Adler:** Miss Houston.

**Ora Houston:** I just want it to be known that I do get the green bags at my house. I'm in 78722 so I've only used one, but I have gotten them.

**Steve Adler:** Okay, Mr. Flannigan.

**Jimmy Flannigan:** It might just be because I'm in Williamson County. I know I have to bring that up a lot, but there is Austin in Williamson County, and they often get left out.

**Steve Adler:** Mr. Renteria.

**Sabino Renteria:** And I do receive the green bags, and I'm 78702.

**Adam Winfield:** So we worked off a list provided by City staff for all residences receiving curbside.

**Steve Adler:** Thank you. Mr. King is our last speaker. Thank you guys.

**Mark Heimstra:** Thank you.

**David King:** Thank you Mayor, Mayor Pro Tem, Councilmembers. I'll be real brief. My brother works for Goodwill in North Texas and benefits from what he's doing there, and you know I donate everything I can to Goodwill here in the Zilker neighborhood. They have a store there in the Zilker neighborhood and that's really important to us, so I know y'all value that and that's a priority, but I also know that we have this gap here of materials that, despite all of these alternatives and options, is ending up in our landfill. So I understand you're trying to find that balance so you're addressing everybody's concerns here, so I'm just speaking in support of postponement instead of cancellation so we can figure out a way to really address this gap here and not harm the nonprofits. Thank you very much.

**Steve Adler:** Thank you, those are all the speakers that we have, we're not back up to the dais. Seems like every speaker that came up and spoke before us is asking for a week postponement. Does anyone want to move a week

postponement? Miss Houston makes that motion. Is there a second to that motion? Miss Troxclair. Any discussion before we take that vote? Mayor Pro-tem.

**Kathie Tovo:** I have a question for our staff, I think. I'm not really clear on whether the stakeholder meeting on Monday being organized by our City Staff or is that something that the stakeholders are doing on their own and...

**Response from the audience.** [unclear]

**Kathie Tovo:** Great. I guess what I am wondering is, you know there are some other... on Tuesday I mentioned, for example, the Settlement Home. Are they part of these conversations as well? They certainly, if you've ever been this Settlement Home garage sale, you know they collect goods all year long and they fund the operations of the Settlement Home through the garage sale largely, so there's... I would certainly consider them a stakeholder in this realm as well.

**Traci Berry:** They actually have been part of the conversation of nonprofits and they are very interested in this, they just weren't here today.

**Kathie Tovo:** Thank you, I appreciate that information.

**Jessica King:** And we will certainly add them to our list if they are not already included. When we initially reached out we had a list of stakeholders, and the meeting that occurred back in December was very quickly pulled together. We had planned on, and we were recently planning on communicating with the stakeholders, to have another meeting very soon, especially based on the most recent conversations. And so we're looking at that list and hoping to add that list as much as we can. So any recommendations would be helpful.

**Kathie Tovo:** Would you mind sharing that list with us so that we can fill in as...

**Jessica King:** Absolutely.

**Kathie Tovo:** ...as we see them, but I appreciate that you have some of the larger nonprofits, as well as groups like the Assistance League which do great work in the community and have a variety of programs as well.

**Jessica King:** Absolutely.

**Kathie Tovo:** Thanks.

**Steve Adler:** Miss Houston.

**Ora Houston:** Are you planning to send that list to everybody on the Council? Excuse me, are you gonna send that list to everyone on the Council?

**Jessica King:** Yes ma'am.

**Ora Houston:** Because I have thrift stores in my area that – Texas Thrift and Hope. I don't know what they do with their clothing that they don't sell, but it looks like they... it's in the rain, sometimes when I'm there, so we might be able to find a win-win situation. Are you going to meet with Simple Recycling too, are they gonna be part of this conversation? Or is it just the nonprofits?

**Jessica King:** Yes, we hope so. In order... in all of my work with the City it's always helpful to have everybody involved at the table so, to the best of our ability, we will invite everybody and hopefully everybody will join us. Just in addition to the conversation, I just want to make clear too, we're not just limiting it to nonprofits that reuse. We are looking at local thrift stores that are for profit, as well, because they are small business owners in our community too.

**Traci Berry:** I would just like to say that the not-for-profits are going to get together next week but we also made a commitment in the meeting earlier today that we would get with Adam at Simple Recycling and have a conversation with him as well.

**Steve Adler:** Ms. Troxclair.

**Ellen Troxclair:** I don't often speak for everyone on the dais but I think that I do today when I say that we really value the work that our nonprofit groups do for our community, and I don't think that we would have the City that we do today with the services that we do, if it wasn't for the nonprofits who provide so much of... fill so much of the need for us. If the decision were to be made today I just want to put it out there that I would support the cancellation of the contract in order to continue to support the groups that have spoken today, but I, and I'm disappointed that we're in this situation, but I also understand that if there is a way to work out some kind of compromise, I'm willing to take a week and try to do it, but if we're in this same situation next week and nothing has changed then I'm gonna be inclined to support the cancellation of the contract in support of the nonprofits.

**Steve Adler:** Any other further comments? Yes, Ms. Alter.

**Alison Alter:** I just wanted to make sure that Safe Place is among the groups that's also being considered, and it is my hope that we will be able to fashion a compromise that will maximize diversion from the landfill while minimizing or eliminating any negative impacts to nonprofit organizations. And I would very much hope that we can be creative here and find something that maybe no other city is doing that would allow us to be very innovative and accomplish our zero waste goals, and meet the needs of our community that these nonprofits take care of every single day on our behalf. Thank you.

**Traci Berry:** I just want to let you know that actually Goodwill partners with Safe Place, and we take care of all of those donations and so they are definitely represented by us and they do very important work for us so we honor that we are working with them and are advocating for them as well.

**Steve Adler:** Okay, Mayor Pro Tem.

**Kathie Tovo:** Just wanted to underscore what Councilmember Troxclair said. As I said on Tuesday, I have really grave concerns about this contract for all the reasons the speakers have said, in addition to it diverting resources away from our nonprofits and taking those and selling them to other communities, I think, well anyway, that's the substance of my concern. I certainly want to encourage our ARR to look for ways to encourage our own groups to do that, and for consumers to divert their textiles and housewares out of our landfill, but I do agree that we can do it here locally and I look forward to hearing back from our stakeholders, but I guess I'm in the same position as Councilmember Troxclair. I'm open to hearing what comes out of the discussions but I'm also concerned enough about this contract that it's hard for me to see moving forward with supporting it - it continuing.

**Steve Adler:** Mr. Renteria.

**Sabino Renteria:** I do find it very hard, but, you know, when you do have, and sign, a contract there is consequences. You know, we don't know how much this is going to cost the City. That's why, another reason why, we're postponing this, is because there's a cost associated with breaking contracts. So, I'm going to be looking at it very closely because I don't want to go out and where we're going have to be spending not thousands, but hundreds of thousands of dollars there's a possibility of loss to the City because of what we did and how we got into this contract. So I'm just gonna be very careful about this. Nothing that I have against any of these nonprofit organizations but the City did make a commitment and you know usually when you are making a commitment you sign a contract for a period this long, you know, there is, and if you break it, meeting all the obligations we are going to be facing some consequences on this.

**Steve Adler:** I would just add in that I think the Council is eager to see what comes out of the conversations that you have as a group. I think you can tell from the dais that, across the dais, there's risks associated here for everybody that's involved in this conversation, in terms of how it plays out. So if there is a way to come to a resolution or solution on this that preserves our nonprofits, but does it in a way where we don't stop the contract, that would probably be the best solution, and I hope everybody sees whether or not that happens, and for me what those elements might be, I don't know. But I hope that everybody goes into those conversations in good faith, obviously protecting and being true to the obligations that you each have, the responsibilities and fiduciary duties that you each have, but I hope everybody goes into that trying to be really creative and see if in fact there are ways to come out of this where you end up at a better position than you exist today. Any further comments? All right there's been a motion to postpone for one week, it's been seconded. Those in favor please raise your hand. Those opposed. It's unanimous on the dais. We're postponed that way.