



- Presentation Outline**
1. Overview: Workshop History
 2. Review Processing Fee Cost Surveys and Methodology
 3. Review of Processing Fee and Recycling Fee Methodology
 4. Review of Processing Fee and Recycling Fee Cost Surveys
 5. Review of Processing Fee and Recycling Fee Results
 6. Review of Processing Fee and Recycling Fee

- Session Goals**
1. Understand the history of processing fee surveys
 2. Review the methodology of processing fee surveys
 3. Review the results of processing fee surveys
 4. Review the implications of processing fee surveys

- Policy Implications of Current PF Cost Survey Methodology**
1. Balance between high volume for cost and low volume of high cost
 2. High volume is guaranteed to be "trash only"
 3. Costs reflect all types of recyclers, business types, and business categories
 4. Costs can vary based on multiple factors (price, cost, utility, etc., but price, etc.)

Report Review - Overview of Findings

Survey	Year	Sample Size	Cost Range	Avg Cost
2008	2008	100	\$0.00 - \$0.10	\$0.05
2009	2009	100	\$0.00 - \$0.10	\$0.05
2010	2010	100	\$0.00 - \$0.10	\$0.05
2011	2011	100	\$0.00 - \$0.10	\$0.05
2012	2012	100	\$0.00 - \$0.10	\$0.05
2013	2013	100	\$0.00 - \$0.10	\$0.05
2014	2014	100	\$0.00 - \$0.10	\$0.05
2015	2015	100	\$0.00 - \$0.10	\$0.05



Overview of PF Cost Surveys

Survey 1: 2008

Survey 2: 2009

Survey 3: 2010

Survey 4: 2011

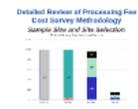
Overview of PF Cost Surveys

Survey 1: 2008

Survey 2: 2009

Survey 3: 2010

Survey 4: 2011



Detailed Review of Processing Fee Cost Survey Methodology

Category	Count
Category 1	10
Category 2	20
Category 3	30
Category 4	40
Category 5	50

Detailed Review of Processing Fee Cost Survey Methodology

Sample Size and Site Selection



Detailed Review of Processing Fee Cost Survey Methodology

Survey Process



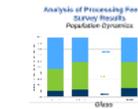
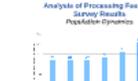
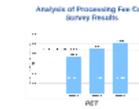
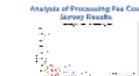
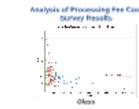
Detailed Review of Processing Fee Cost Survey Methodology

Survey Process



Detailed Review of Processing Fee Cost Survey Methodology

Calculation Approach



Policy Implications of Current PF Cost Survey Methodology

1. Balance between high volume for cost and low volume of high cost
2. High volume is guaranteed to be "trash only"
3. Costs reflect all types of recyclers, business types, and business categories
4. Costs can vary based on multiple factors (price, cost, utility, etc., but price, etc.)

Questions, Comments, Feedback



Department of Resources Recycling and Recovery

Processing Fee Workshop

February 17, 2016

Presentation Outline

1. Report Review - Overview of Findings
2. History of Processing Fee (PF) and Handling Fee (HF) Cost Surveys
3. Overview of Processing Fee and Handling Fee Cost Surveys
4. Detailed Review of Processing Fee Cost Survey Methodology
 - Sample Size & Site Selection
 - Survey Procedures
 - Cost Per Ton Calculation
5. Analysis of Processing Fee Cost Survey Results
 - Key Factors that Influence Costs
6. Questions, Comments, Feedback

Session Goals

1. Validated methodology
2. Conforms to statute
3. Representative of population
4. Multiple population and market forces can contribute to the rise and fall of costs

Policy Implications of Current PF Cost Survey Methodology

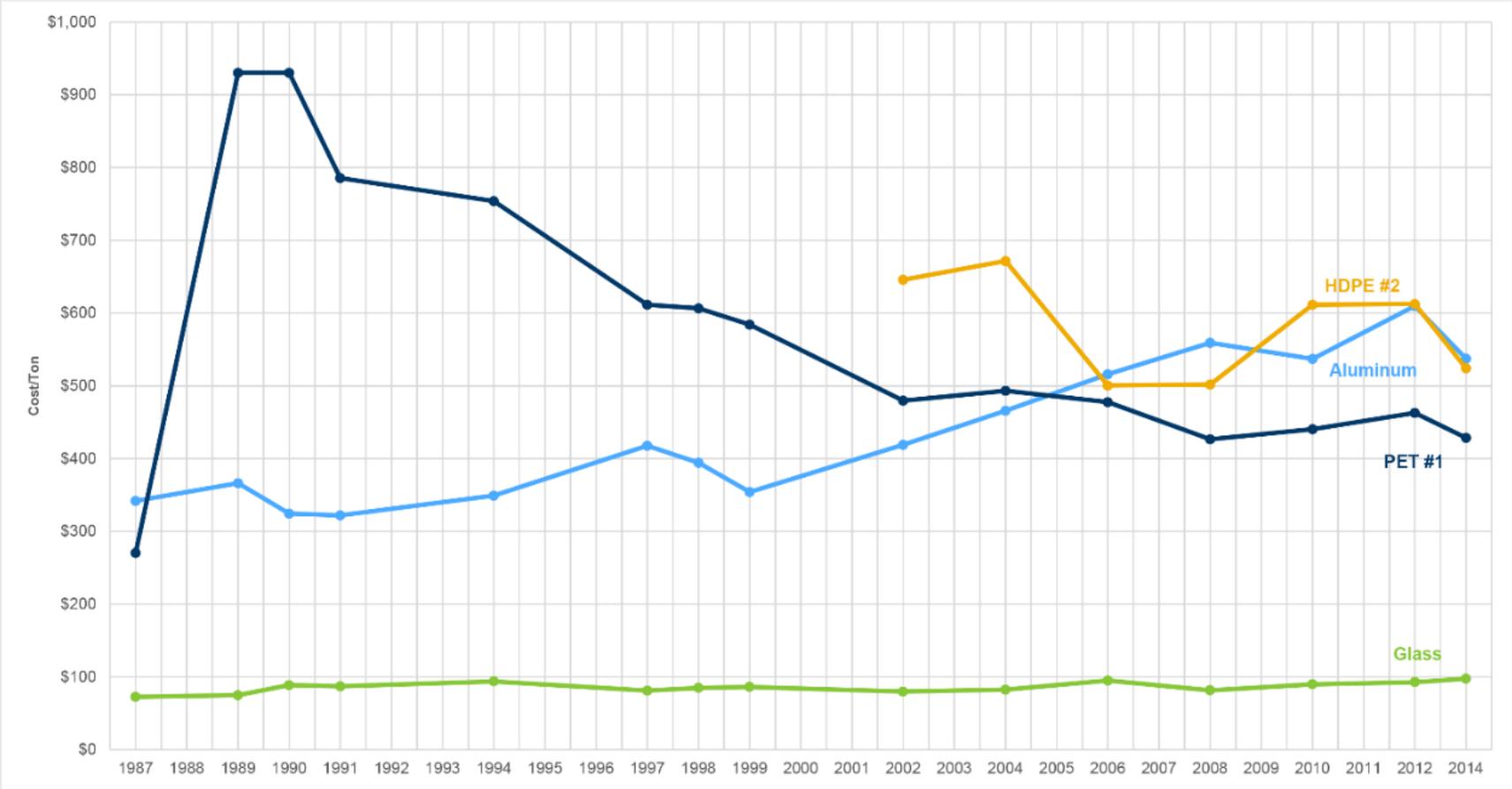
1. Balance between high volume/low cost and low volume/high cost
 - Statewide, weighted average
2. Not every recycler is guaranteed to be "made whole"
3. Costs reflect all types of recyclers, business types, and business categories
4. Costs can vary based on multiple factors (labor, cost cutting efforts, fuel prices, etc.)

Report Review - Overview of Findings

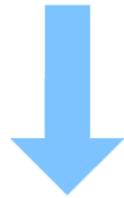
Cost Survey Number	Year	Aluminum	Glass	PET #1
1	1987	\$342.09	\$72.52	\$270.29
2	1989	366.39	74.84	930.42
3	1990	324.32	88.69	930.42
4	1991	322.02	86.98	785.56
5	1994	349.07	93.75	754.16
6	1997	417.60	81.09	611.74
7	1998	394.41	84.85	606.62
8	1999	354.30	86.25	584.14

Cost Survey Number	Year	Aluminum	Glass	PET #1
9	2002	\$418.95	\$79.81	\$479.63
10	2004	465.90	82.45	493.31
11	2006	516.13	94.98	477.73
12	2008	559.23	81.60	426.76
13	2010	537.06	89.76	440.61
14	2012	609.81	92.88	462.79
15	2014	537.29	97.50	428.55

Report Review - Overview of Findings



History of PF Cost Surveys



History of PF Cost Surveys

1987 – 1997

- Time and motion studies
- Processors included – then excluded
- Highest cost recycling centers excluded
- Legislative capped costs and processing fees/ payments
- Labor allocation methodology developed in 1994

1997 - 2015

- Consistent survey methodology
- 8 surveys since 1999

2015

- Current cost survey
- Review 2014 costs
- Determine 2016 processing fees and processing payments

2017

- Next cost survey
- Review 2016 costs
- Determine 2018 processing fees and processing payments

1987 – 1997

- Time and motion studies
- Processors included – then excluded
- Highest cost recycling centers excluded
- Legislative capped costs and processing fees/
payments
- Labor allocation methodology developed in
1994



1997 - 2015

- Consistent survey methodology
- 8 surveys since 1999

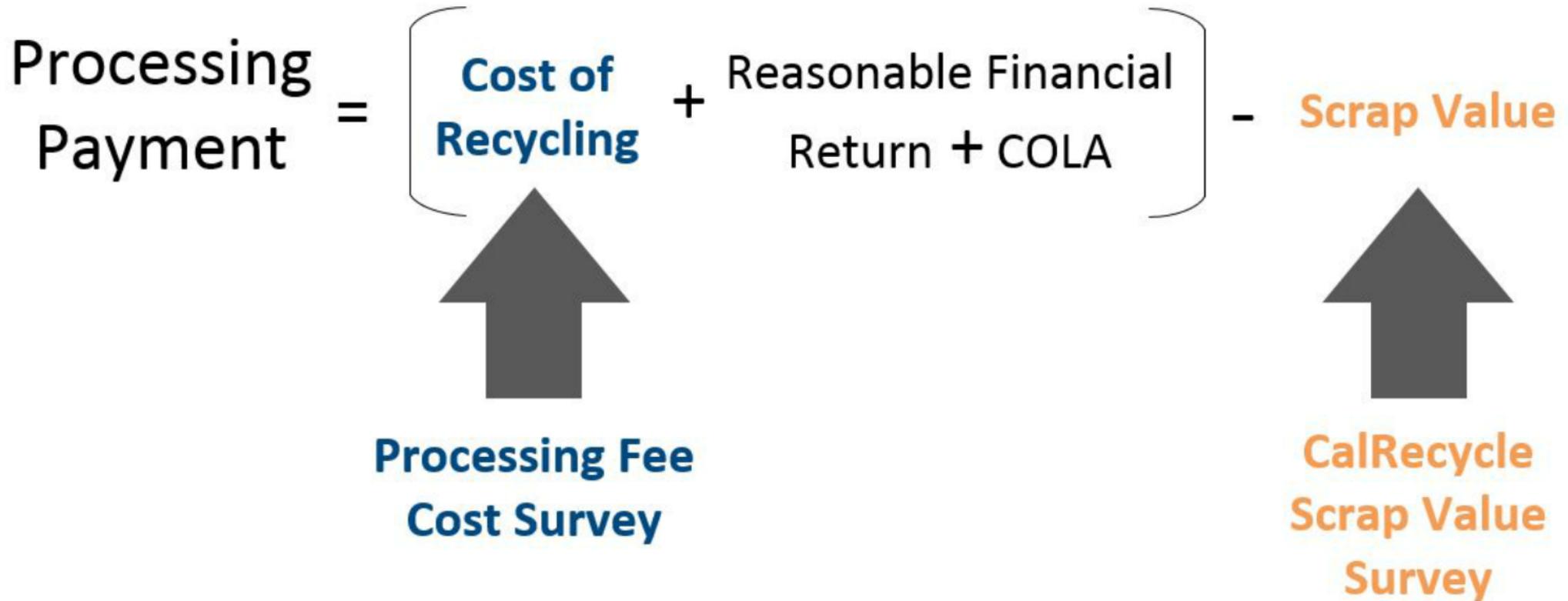
2015

- Current cost survey
- Review 2014 costs
- Determine 2016 processing fees and processing payments

2017

- Next cost survey
- Review 2016 costs
- Determine 2018 processing fees and processing payments

Overview of PF Cost Surveys



Overview of PF Cost Surveys

$$\begin{array}{ccccc} \text{Processing} & & \text{Processing} & & \text{Reduction} \\ \text{Fee} & = & \text{Payment} & \times & \text{Factor} \\ & & & & \text{(between 10\% and 65\%} \\ & & & & \text{of processing payment)} \end{array}$$

Overview of PF Cost Surveys

Statute, Section 14575

(b) The processing payment shall be at least equal to the difference between the scrap value offered to a statistically significant sample of recyclers by willing purchasers, and except for the initial calculation made pursuant to subdivision (d), the sum of both of the following:

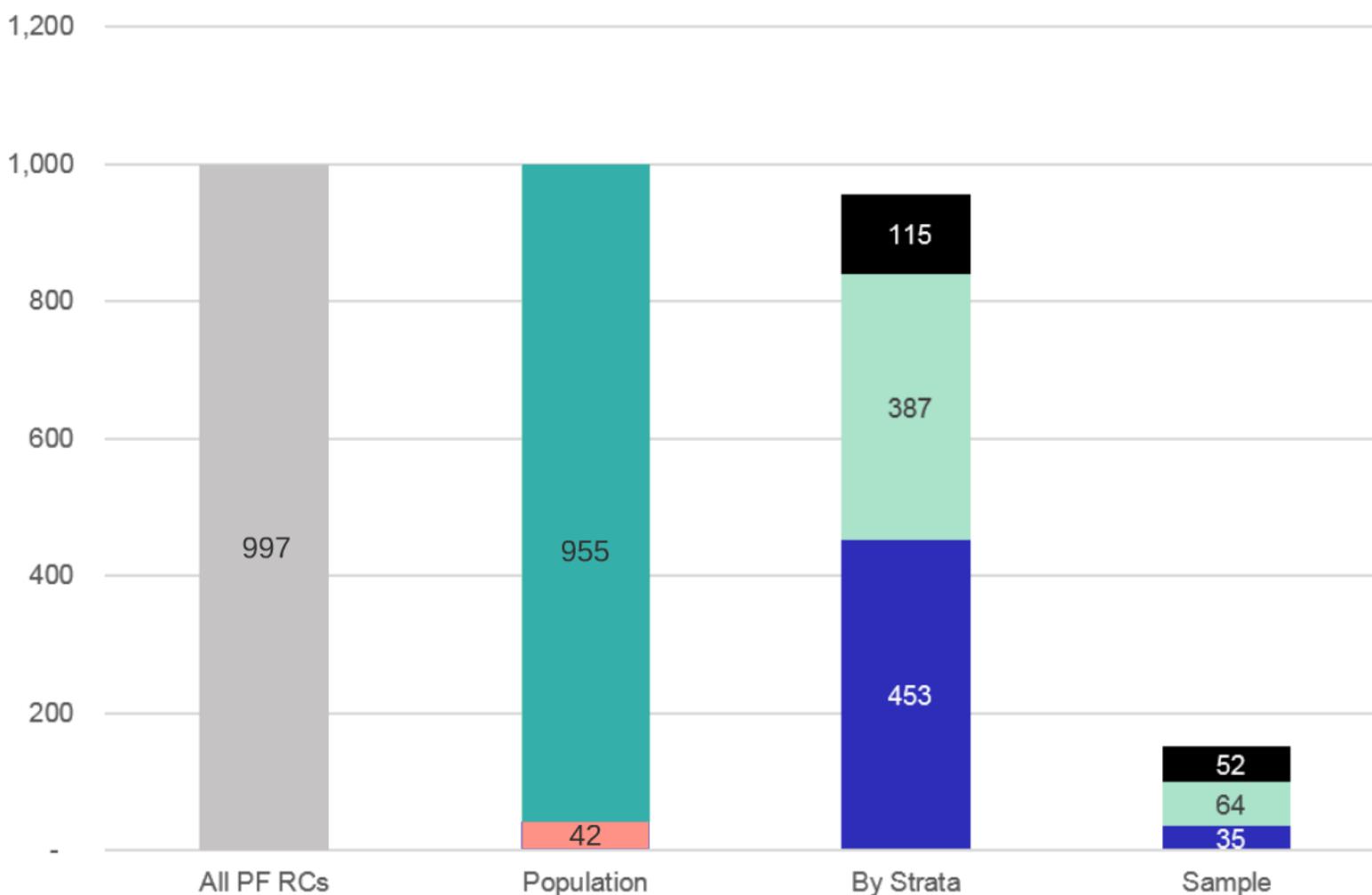
(1) The actual cost for certified recycling centers, excluding centers receiving a handling fee, of receiving, handling, storing, transporting, and maintaining equipment for each container sold for recycling or, only if the container is not recyclable, the actual cost of disposal, calculated pursuant to subdivision (c). The department shall determine the **statewide weighted average cost** to recycle each beverage container type, which shall serve as the actual recycling costs for purposes of paragraph (2) of subdivision (c), **by conducting a survey of the costs of a statistically significant sample of certified recycling centers, excluding those recycling centers receiving a handling fee, for receiving, handling, storing, transporting, and maintaining equipment.**

(2) A reasonable financial return for recycling centers.

Detailed Review of Processing Fee Cost Survey Methodology

Sample Size and Site Selection

PF Cost Survey Population and Sample



Detailed Review of Processing Fee Cost Survey Methodology

Sample Size and Site Selection

Why stratify?

- Decreased sample size
 - 428 - estimated sample size with no strata
 - 151 - actual sample size with strata
- Widely accepted and utilized technique
- Groups population into less variable sub groups
- Sub groups with less variability reduce the number of sampled sites

Strata	Definition	N - PF Population	N - PF Sample
1	>=550 tons Glass	115	52
2	>=150 tons and <550 tons	387	64
3	<150 tons Glass	453	35
Total		955	151

Detailed Review of Processing Fee Cost Survey Methodology

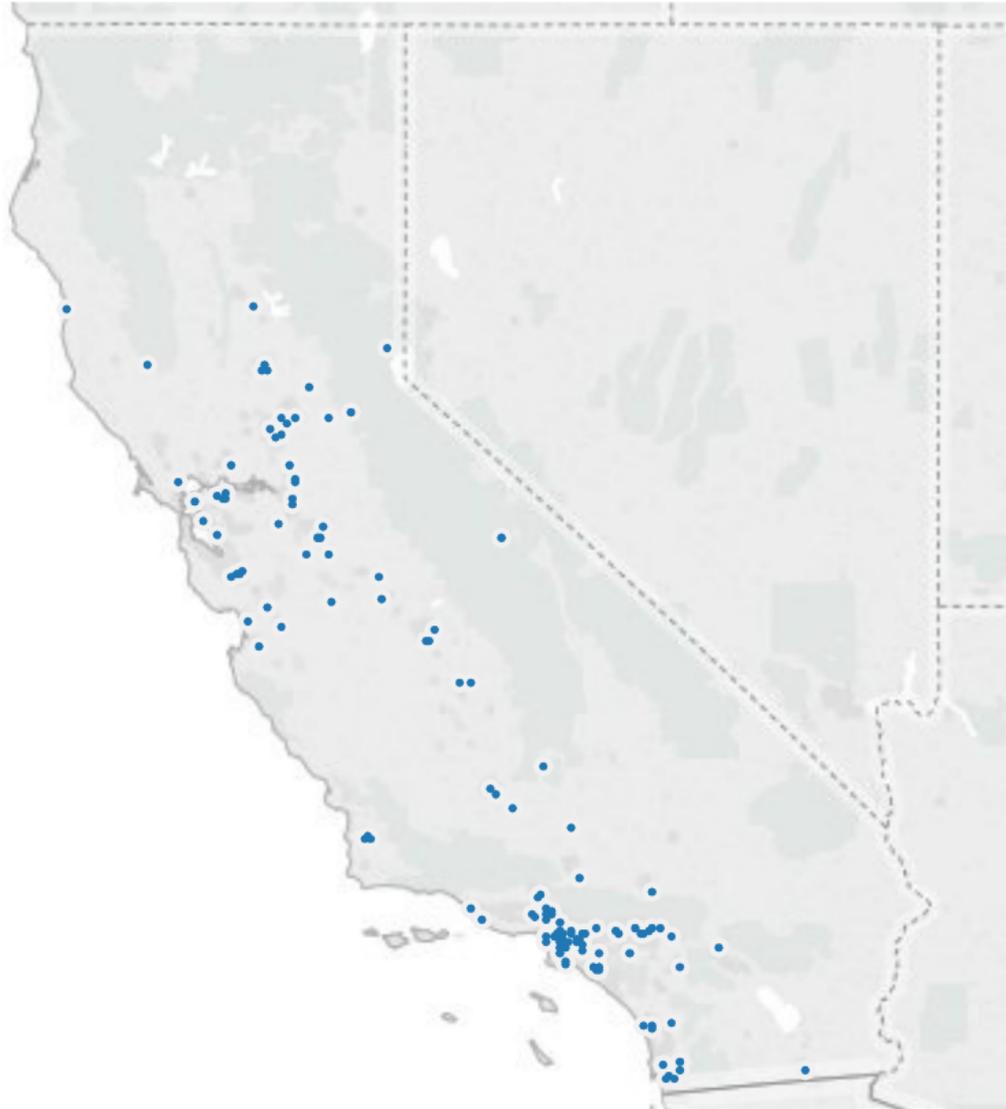
Sample Size and Site Selection

	=RAND()
RC Cert ID	Random #
RC0029	0.9836061070
RC0043	0.0862422011
RC0048	0.8640457387
RC0050	0.3890328824
RC0052	0.8504325926
RC0064	0.5558043600
RC0067	0.5769246947
RC0070	0.8225904676
RC0072	0.8614237866
RC0076	0.0877978982
RC0077	0.7569788018
RC0084	0.1201409278
RC0086	0.8596187707
RC0095	0.3897993988
RC0132	0.6981813710
RC0617	0.6322223495
RC0618	0.8946430457
RC0620	0.3014781866
RC0697	0.5001978018
RC0698	0.8030375758
RC0702	0.1311587162
RC0704	0.5430019476
RC0705	0.8456673506

RC Cert ID	Random #
RC0043	0.0862422011
RC0076	0.0877978982
RC0084	0.1201409278
RC0702	0.1311587162
RC0620	0.3014781866
RC0050	0.3890328824
RC0095	0.3897993988
RC0697	0.5001978018
RC0704	0.5430019476
RC0064	0.5558043600
RC0067	0.5769246947
RC0617	0.6322223495
<u>RC0132</u>	<u>0.6981813710</u>
RC0077	0.7569788018
RC0698	0.8030375758
RC0070	0.8225904676
RC0705	0.8456673506
RC0052	0.8504325926
RC0086	0.8596187707
RC0072	0.8614237866
RC0048	0.8640457387
RC0618	0.8946430457
RC0029	0.9836061070

Detailed Review of Processing Fee Cost Survey Methodology

Sample Size and Site Selection



Detailed Review of Processing Fee Cost Survey Methodology

Survey Process



Detailed Review of Processing Fee Cost Survey Methodology Survey Process

Sample Financial Document

Operating Expenses
Accounting → online/Pennysaver - no coupons
Advertising
Auto & Truck Expenses → GL only
Bank Charges
Computer Expenses
Donations
Dues & Subscriptions
Insurance
Insurance-Health
Insurance-Workers Comp
Legal & Professional Expenses
Licenses & Permits → business license
Maintenance → forklift
Maintenance-General
Office Expenses
Outside Labor → forklift mechanic
Payroll Staff
Payroll Processing Charges
Payroll Taxes
Pension & Profit Sharing Contr
Pest Control
Professional Services → non CRV, consultant
Rent-Office
Repairs → baler repair AL, PL, non CRV office + yard
Security
Supplies → office + yard
Taxes-Property Tax
Telephone
Uniforms
Utilities
Waste Disposal
Total Expenses
Operating Income
Interest, Depreciation & Amortization
Depreciation
Total Interest, Deprec & Amort

Sample Depreciation Schedule

12/31/14 2014 FEDERAL SUMMARY DEPRECIATION SCHEDULE PAGE 2										
ML	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179/ SDA	PRIOR 179/ SDA/ DEPR.	METHOD	LIFE	CURRENT DEPR.
13	BALER EQUIPMENT	12/31/97		18,651			18,651	2000B HY	7	0
14	BALER	9/30/00		3,000			3,000	2000B HY	7	0
17	PLASTIC PERFORATOR	9/15/02		6,000			6,000	2000B HY	7	0
18	SCALE	9/11/02		857			857	2000B HY	7	0
21	SCALE	3/31/04		2,281			2,281	2000B HY	7	0
22	FORKLIFT	4/30/04		10,104			10,104	2000B HY	7	0
23	SECURITY SYSTEM	8/11/04		5,200			5,200	2000B HY	7	0
24	BALE MACHINE	8/27/04		5,916			5,916	2000B HY	7	0
25	STORAGE BIN	11/02/04		2,550			2,550	2000B HY	7	0
27	SAFE	8/08/04		690			690	2000B HY	7	0
31	EQUIPMENT	2/23/05		9,763			9,763	2000B HY	7	0
32	EQUIPMENT	2/23/05		14,345			14,345	2000B HY	7	0
33	EQUIPMENT	10/27/05		13,361			13,361	2000B HY	7	0
34	SCALE	11/28/05		4,483			4,483	2000B HY	7	0
37	ALARM SYSTEM	8/13/07		18,708			18,708	2000B HY	7	0
38	COMPUTER	1/31/07		13,707			13,707	2000B HY	7	0
39	COMPACTOR	10/24/07		70,952			70,952	2000B HY	7	0
41	COMPUTER SYSTEM	9/23/08		24,138			24,138	2000B HY	7	0
42	WELDER	6/14/08		4,510			4,510	2000B HY	7	0
43	ALARM	8/12/08		5,225			5,225	2000B HY	7	0
44	SCALE	8/13/08		2,330			2,330	2000B HY	7	0
45	EQUIPMENT	10/27/08		21,721			21,721	2000B HY	7	0
46	FORKLIFT	9/28/09		10,365			10,365	2000B HY	7	0
48	FORKLIFT	1/21/11		6,900			4,613	2000B MQ	7	716
49	FORKLIFT	10/18/11		10,000			5,080	2000B MQ	7	1,405
50	ALARM SYSTEM	7/13/12		6,870			6,870	2000B HY	7	0
52	LIFT REPAIR	6/18/13		4,308			4,308	2000B HY	7	0
53	EQUIPMENT	6/25/13		1,324			1,324	2000B HY	7	0
TOTAL MACHINERY AND EQUIPME				387,725		0	380,318			2,116

Sample Financial Document

Operating Expenses

Accounting → Online/Pennysaver - no coupons

Advertising

Auto & Truck Expenses → GL only

Bank Charges

Computer Expenses

Donations

Dues & Subscriptions

Insurance

Insurance-Health

Insurance-Workers Comp

Legal & Professional Expenses

Licenses & Permits → business license

Maintenance → forklift

Maintenance-General

Office Expenses

Outside Labor → forklift mechanic

Payroll Staff

Payroll Processing Charges

Payroll Taxes

Pension & Profit Sharing Contr

Pest Control

Professional Services → non CRV, consultant

Rent-Office

Repairs

→ baler repair

AL, PL, non CRV

office + yard

Security

Supplies

Taxes-Property Tax

Telephone

Uniforms

Utilities

Waste Disposal

Total Expenses

Operating Income

Interest, Depreciation & Amortization

Depreciation

Total Interest, Deprec & Amort

Sample Depreciation Schedule

12/31/14		2014 FEDERAL SUMMARY DEPRECIATION SCHEDULE						PAGE 2		
NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179/ SDA	PRIOR 179/ SDA/ DEPR.	METHOD	LIFE	CURRENT DEPR.
13	BAILER EQUIPMENT	12/31/97		18,651			18,651	200DB HY	7	0
14	BALER	9/30/00		3,000			3,000	200DB HY	7	0
17	PLASTIC PERFORATOR	9/15/02		6,000			6,000	200DB HY	7	0
18	SCALE	9/11/03		857			857	200DB HY	7	0
21	SCALE	3/31/04		2,281			2,281	200DB HY	7	0
22	FORKLIFT	4/30/04		10,104			10,104	200DB HY	7	0
23	SECURITY SYSTEM	8/11/04		5,200			5,200	200DB HY	7	0
24	BALE MACHINE	8/27/04		5,916			5,916	200DB HY	7	0
25	STORAGE BIN	11/02/04		2,550			2,550	200DB HY	7	0
27	SAFE	8/09/04		690			690	200DB HY	7	0
31	EQUIPMENT	2/23/06		9,763			9,763	200DB HY	7	0
32	EQUIPMENT	2/23/06		14,345			14,345	200DB HY	7	0
33	EQUIPMENT	10/27/06		13,361			13,361	200DB HY	7	0
34	SCALE	11/28/06		4,463			4,463	200DB HY	7	0
37	ALARM SYSTEM	8/13/07		19,708			19,708	200DB HY	7	0
38	COMPUTER	1/31/07		13,707			13,707	200DB HY	7	0
39	COMPACTOR	10/24/07		70,952			70,952	200DB HY	7	0
41	COMPUTER SYSTEM	9/23/08		24,158			24,158	200DB HY	7	0
42	WELDER	6/14/08		4,510			4,510	200DB HY	7	0
43	ALARM	8/12/08		5,225			5,225	200DB HY	7	0
44	SCALE	8/13/08		2,330			2,330	200DB HY	7	0
45	EQUIPMENT	10/27/08		21,721			21,721	200DB HY	7	0
46	FORKLIFT	9/29/09		10,365			10,365	200DB HY	7	0
48	FORKLIFT	1/21/11		6,500			4,013	200DB MQ	7	710
49	FORKLIFT	10/18/11		10,000			5,080	200DB MQ	7	1,406
50	ALARM SYSTEM	7/13/12		6,870			6,870	200DB HY	7	0
52	LIFT REPAIR	6/18/13		4,308			4,308	200DB HY	7	0
53	EQUIPMENT	6/25/13		1,324			1,324	200DB HY	7	0
TOTAL MACHINERY AND EQUIPME				387,725		0	380,318			2,116

Detailed Review of Processing Fee Cost Survey Methodology *Survey Process*







Analysis of Processing Fee Cost Survey Results

Average Costs by Category

Cost Category	Sample Average	Percent of Total CRV
Labor	\$97,166	50%
All Other Labor	17,495	9%
General Business Overhead	12,491	6%
Transportation	11,874	6%
Rent	22,944	12%
Depreciation	4,062	2%
Property Tax	1,204	1%
Utilities	5,558	3%
Supplies	7,543	4%
Fuel	1,914	1%
Insurance	4,778	2%
Interest	881	0.5%
Maintenance	\$6,630	3%
Total CRV Costs	\$194,538	100%
Total RC Costs	\$463,073	
CRV as a Percent of Total	42%	

Detailed Review of Processing Fee

Cost Survey Methodology

Survey Process

Reports

Page 1 of 1

PERIOD: 01/01/14 - 12/31/14

Form W-2 Wage and Tax Statement 2014 EMPLOYER REFERENCE COPY - DO NOT FILE 15002

1 Control number: [] 2 Employer's name, address, and ZIP code: [] 3 Department of the Treasury - Internal Revenue Service OMB No. 1545-0048

4 Employer's federal identification number: [] 5 Employer's state identification number: [] 6 Wages, tips, other compensation: 35777.94 7 Union income tax withheld: 2147.60

8 Social security wages: 35777.94 9 Social security tax withheld: 2216.23

10 Medicare wages and tips: 35777.94 11 Medicare tax withheld: 518.78

12 State wages, tips, etc. for state 13 Other: CASDC 357.70 14 Employer's name, address, and ZIP code: [] 15 State: CA 16 State wages, tips, etc.: 35777.94 17 State income tax: 503.65 18 Local wages, tips, etc.: [] 19 Local income tax: [] 20 Locality name: []

EMPLOYEE	REG	OT1	OT2	VAC	HOL	SEC	OTH	TOTAL
LABOR	751:30	10:45						762:15
	16:00							16:00
	624:30	78:15			16:00			718:45
	1392:00	89:00			16:00			1497:00
	1262:00	45:30		13:50	38:05		2:30	1361:55
	701:30	\$7:00			43:00		2:00	803:30
	32:00	:15						32:15
	349:00	33:45						2:15 385:00
	868:15	26:00			16:00		1:00	911:15
	53:00	:15						53:15
	1779:15	93:00		8:00	39:30		2:45	1922:30
	759:30	3:45			14:00		2:00	779:15
	1246:00	206:00	:15		24:00		1:08	1477:23
Total:	7050:30	465:30	:15	21:50	174:35		13:38	7726:18
SALES	146:30	3:30			8:00			158:00
Grand Total :	8589:00	558:00	:15	21:50	198:35		13:38	9381:18

Total Pay Report

Jan 01 - Dec 31, 2014

NAME	SALARY	REGULAR PAY	VACATION PAY	TOTAL
	\$26,000.00	\$0.00	\$0.00	\$26,000.00
	\$4,800.00	\$0.00	\$0.00	\$4,800.00
	\$16,200.00	\$0.00	\$0.00	\$16,200.00
	\$20,850.00	\$0.00	\$0.00	\$20,850.00
	\$12,480.00	\$500.00	\$0.00	\$13,000.00
	\$30,000.00	\$500.00	\$0.00	\$31,000.00
	\$30,000.00	\$500.00	\$1,200.00	\$31,700.00
Total Pay	\$145,860.00	\$1,738.00	\$1,200.00	\$148,800.00

Payroll Summary
January through December 2014

	Hours	Rate	Jan - Dec 14	Hours	Rate	Jan - Dec 14	Hours	Rate	Jan - Dec 14
Employee Wages, Taxes and Adjustments									
Gross Pay			0.00			0.00			0.00
Wages			0.00	8	18.00	120.00	8	10.00	80.00
Holiday			0.00			28,000.00	1,992	10.00	18,960.00
Hourly	1,144	8.00	9,152.00	400	22.50	9,000.00	400	18.00	7,200.00
Overtime (at 1.5x hourly)	92		1,522.00						
Total Gross Pay	1,240		10,688.00	2,400		38,000.00	2,400		24,760.00
Adjusted Gross Pay	1,240		10,688.00	2,400		36,000.00	2,400		24,760.00
Taxes Withheld									
Federal Withholding			567.59			950.50			288.90
Medicare Employee			184.87			560.50			1,534.62
Social Security Employee			682.85			2,416.00			0.00
CA - Withholding			-50.00			517.75			-247.82
CA - Disability Employee			-126.98			-380.00			-2,141.04
Total Taxes Withheld			-1,242.11			-7,811.13			
Deductions from Net Pay									
Accident Insurance			0.00			0.00			0.00
Life Insurance (employee)			0.00			0.00			0.00
Vision Insurance (employee)			0.00			0.00			0.00
Wage Garnishment			0.00			0.00			0.00
Total Deductions from Net Pay			0.00			0.00			0.00
Net Pay	1,240		9,145.89	2,400		31,818.87	2,400		22,810.00
Employer Taxes and Contributions									
Federal Unemployment-S&D			42.00			42.00			359.50
Medicare Company			194.98			585.90			1,534.62
Social Security Company			682.85			2,416.00			280.00
CA - Unemployment Company			280.00			280.00			7.00
CA - Employment Training Tax			7.00			7.00			2,222.52
Total Employer Taxes and Contributions			1,146.84			3,122.52			

Form W-2 Wage and Tax Statement 2014

EMPLOYER REFERENCE COPY - DO NOT FILE

15003

a Control number		Void	c Employer's name, address, and ZIP code		Department of the Treasury - Internal Revenue Service OMB No. 1545-0008	
b Employer's identification number		d Employee's social security number		1 Wages, tips, other compensation 35777.94		2 Federal income tax withheld 2147.60
13 Statutory employee	Retirement plan	Third-party sick pay	Subtotal	3 Social security wages 35777.94		4 Social security tax withheld 2218.23
12 See Instrs. for Box 12	14 Other CASDI		357.70	e Employee's name, address, and ZIP code		5 Medicare wages and tips 35777.94
						6 Medicare tax withheld 518.78
						7 Social security tips
						8 Allocated tips
						9 Advance EIC payment
						10 Dependent care benefits
						11 Nonqualified plans
15 State CA	Employer's state ID No.		16 State wages, tips, etc. 35777.94	17 State income tax 503.65	18 Local wages, tips, etc.	19 Local income tax
						20 Locality name

Detailed Review of Processing Fee Cost Survey Methodology *Survey Process*

Labor Input Sheet [X]

Employee Name: Gross Wages: Record #

Position: Hours Worked: # of employees: of

Percent of Site Time

Select a Tab to Toggle Between "Recycler" and "Processor"

	RECYCLER	PROCESSOR
% Direct Yard Labor	<input type="text" value="100"/>	% All Other Labor <input type="text" value="0"/>
<i>Direct Yard Labor</i> <i>All Other Labor</i>		
% Other Non-CRV	<input type="text" value="85"/>	<input type="text" value="0"/>
% CRV Material	<input type="text" value="15"/>	<input type="text" value="0"/>
% Aluminum/BI-M	<input type="text" value="35"/>	<input type="text" value="0"/>
% Glass	<input type="text" value="0"/>	<input type="text" value="0"/>
% Plastic	<input type="text" value="65"/>	<input type="text" value="0"/>

Overall Activity

% Recycler:

% Processor:

% Other Business:

% Unallocated:

Buttons: New, Delete, Restore, Copy, Previous Record, Next Record, Close, OK (Save Changes)

Detailed Review of Processing Fee Cost Survey Methodology *Survey Process*

	RC				
	Aluminum/ Bi-Metal	Glass	Plastic	Non CRV	Total
BCI Percentage	50.54512%	14.08034%	35.37454%		100.00%
AMI Percentage	11.54605%	3.21638%	8.08063%	77.15694%	100.00%
	Percentage of Total Hours				
RC	100.000%				
No PR	0.000%				
Other Business	0.000%				

Detailed Review of Processing Fee

Cost Survey Methodology

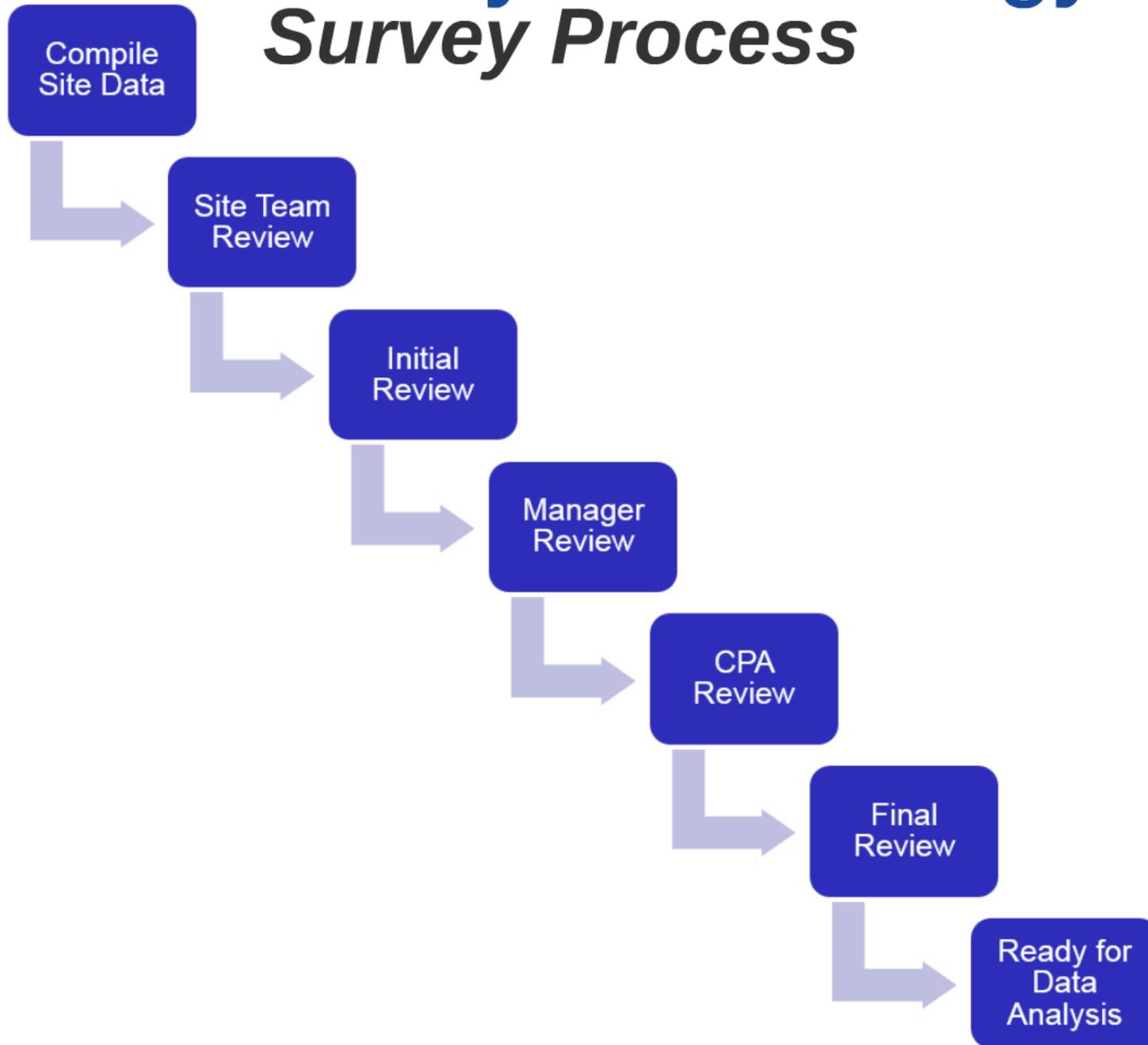
Survey Process

Description	Total	Aluminum/ Bi-Metal	Glass	Plastic	Non CRV Materials
1 Labor					
a. Per Labor Input Sheet	\$1,333,946.00	\$138,229.62	\$39,000.56	\$96,569.20	\$1,060,146.61
b. All Other Labor	281,916.00	32,550.16	9,067.49	22,780.59	217,517.76
2 General Business Overhead	535,696.01	55,585.46	15,484.43	38,902.09	425,724.03
2a Supermarket Site Contract	0.00	0.00	0.00	0.00	0.00
3 Transportation	247,489.00	28,575.20	7,960.19	19,998.67	190,954.94
4 Rent	95,599.99	11,038.02	3,074.86	7,725.08	73,762.03
5 Depreciation	80,202.00	0.00	0.00	0.00	80,202.00
6 Property Taxes	13,484.00	1,556.87	433.70	1,089.59	10,403.84
7 Utilities	22,970.00	2,652.13	738.80	1,856.12	17,722.95
8 Supplies	145,263.01	16,772.14	4,672.21	11,738.17	112,080.49
9 Fuel	0.00	0.00	0.00	0.00	0.00
10 Insurance	8,213.00	948.28	264.16	663.66	6,336.90
11 Interest	0.00	0.00	0.00	0.00	0.00
12 Maintenance	55,133.00	6,365.68	1,773.29	4,455.09	42,538.94
13 Cost of Bonding	0.00	0.00	0.00	0.00	0.00
14 Disposal Costs	0.00	0.00	0.00	0.00	0.00
Subtotal	\$2,819,912.01	\$294,273.56	\$82,469.69	\$205,778.26	\$2,237,390.49
15 State Administrative Fee	(12,669.39)	(6,911.02)	(1,501.07)	(4,257.30)	0.00
Total Costs	\$2,807,242.62	\$287,362.54	\$80,968.62	\$201,520.97	\$2,237,390.49
Total Tons	1,566.1	294.4	953.1	318.7	
<hr/> Cost per Ton <hr/>		\$976.10	\$84.96	\$632.42	
Number of Containers	29,917,751	17,340,101	3,669,292	8,908,357	
Total CRV Costs	\$ 569,852.13				
Cost per Container	\$ 0.0190				

Detailed Review of Processing Fee

Cost Survey Methodology

Survey Process



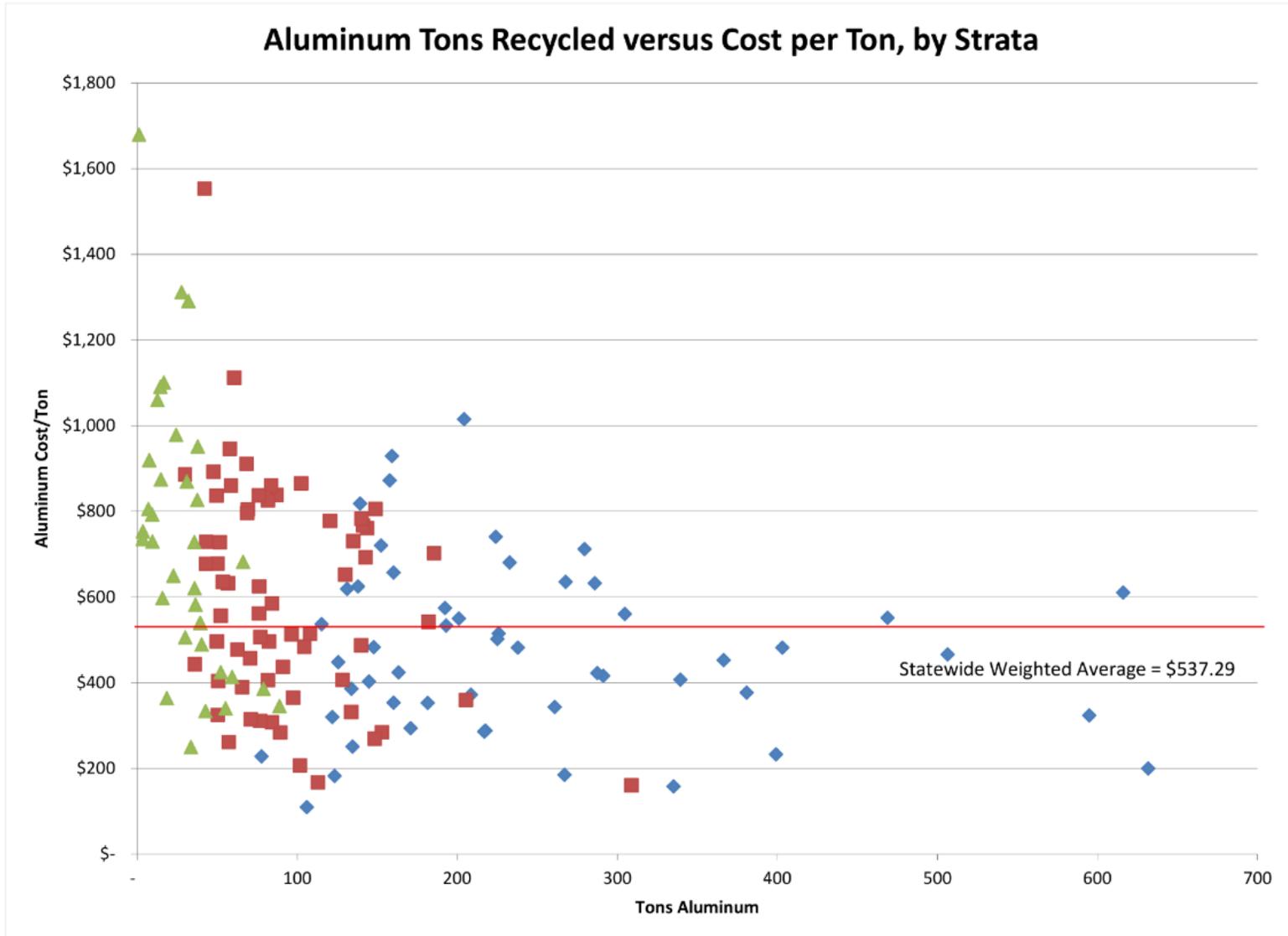
Detailed Review of Processing Fee Cost Survey Methodology *Calculation Approach*

RC #	Tons Glass	Total Glass Costs	Cost per Ton
RC1	1,000	\$75,000	\$75
RC2	500	\$50,000	\$100
RC3	100	\$15,000	\$150
<hr/>			
Total	1,600	\$140,000	
Simple Average		\$108.33	$(75+100+150)/3$
Weighted Average		\$87.50	$(\$140,000/1,600)$

Detailed Review of Processing Fee Cost Survey Methodology *Calculation Approach*

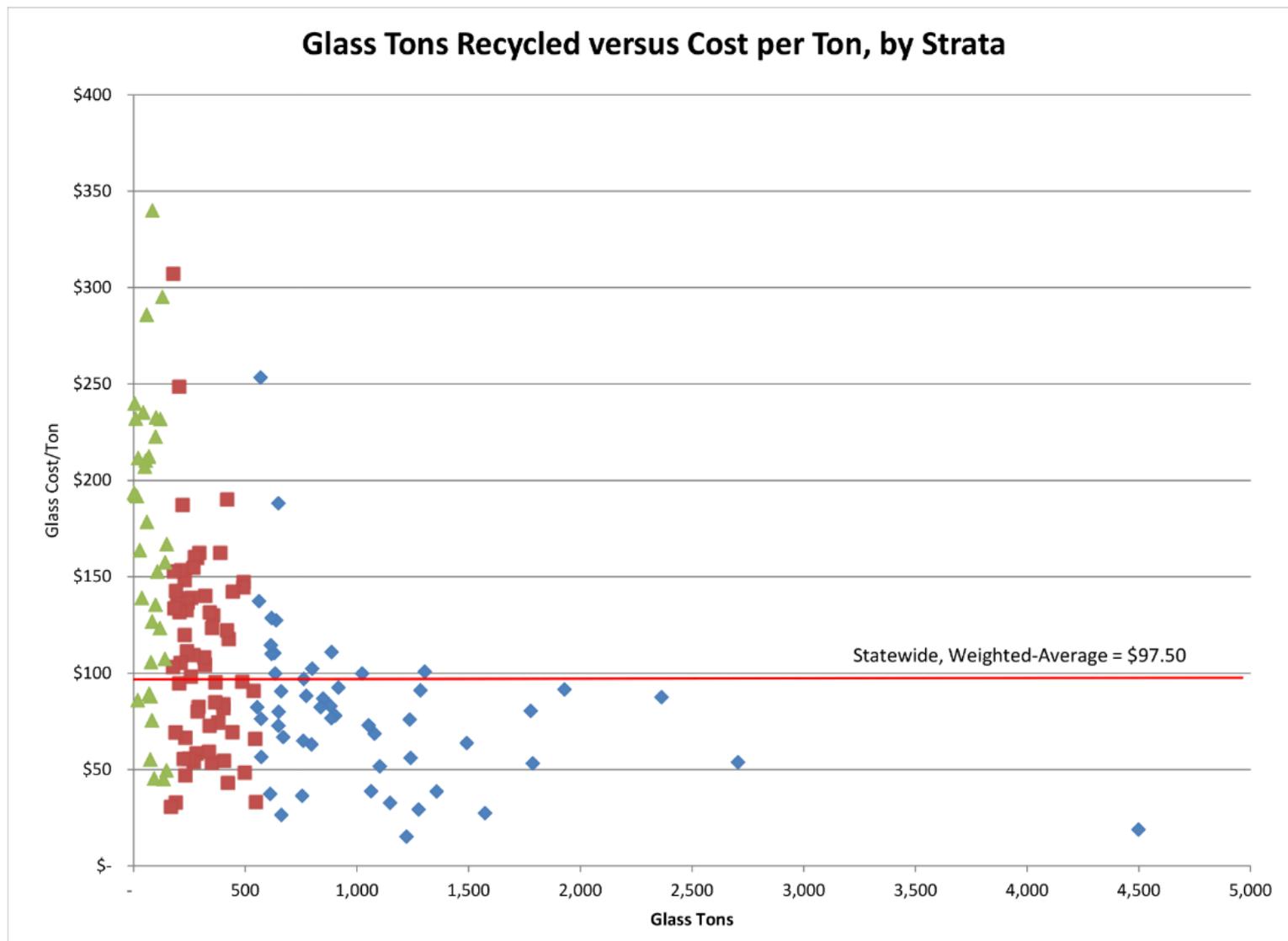
Stratum	Sample Glass Cost		Sample Glass Tons		Sample Cost per Ton		Population Glass Tons		Population Glass Cost	
Stratum 1	\$3,926,700		55,428		\$70.84		106,306		\$7,530,724	
Stratum 2	\$2,111,053	÷	19,916	=	106.00	×	117,646	=	\$12,470,522	
Stratum 3	\$402,720		2,596		\$155.12		31,810		\$4,934,415	
							<u>255,763</u>		<u>\$24,935,661</u>	= \$97.50

Analysis of Processing Fee Cost Survey Results



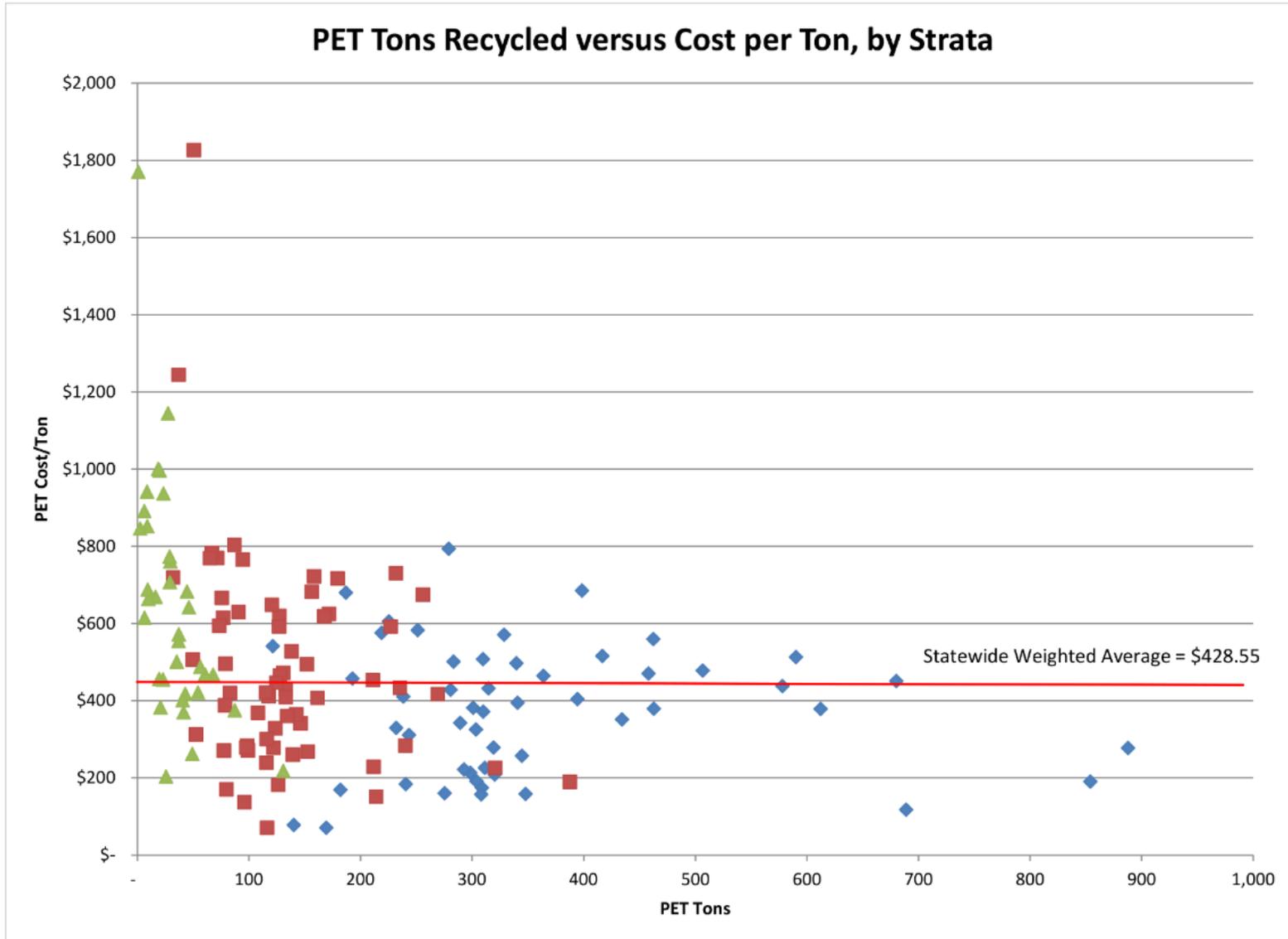
Aluminum

Analysis of Processing Fee Cost Survey Results



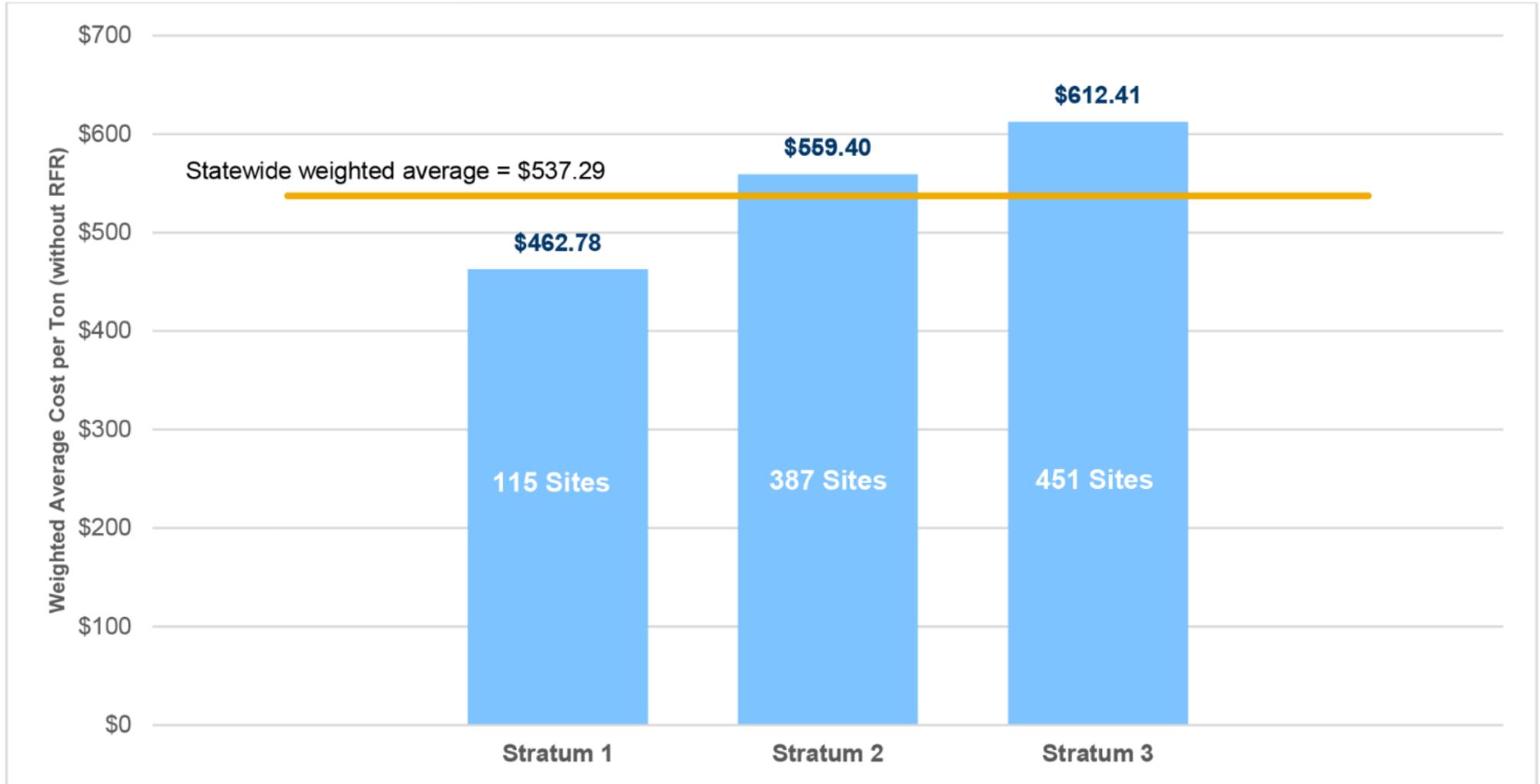
Glass

Analysis of Processing Fee Cost Survey Results



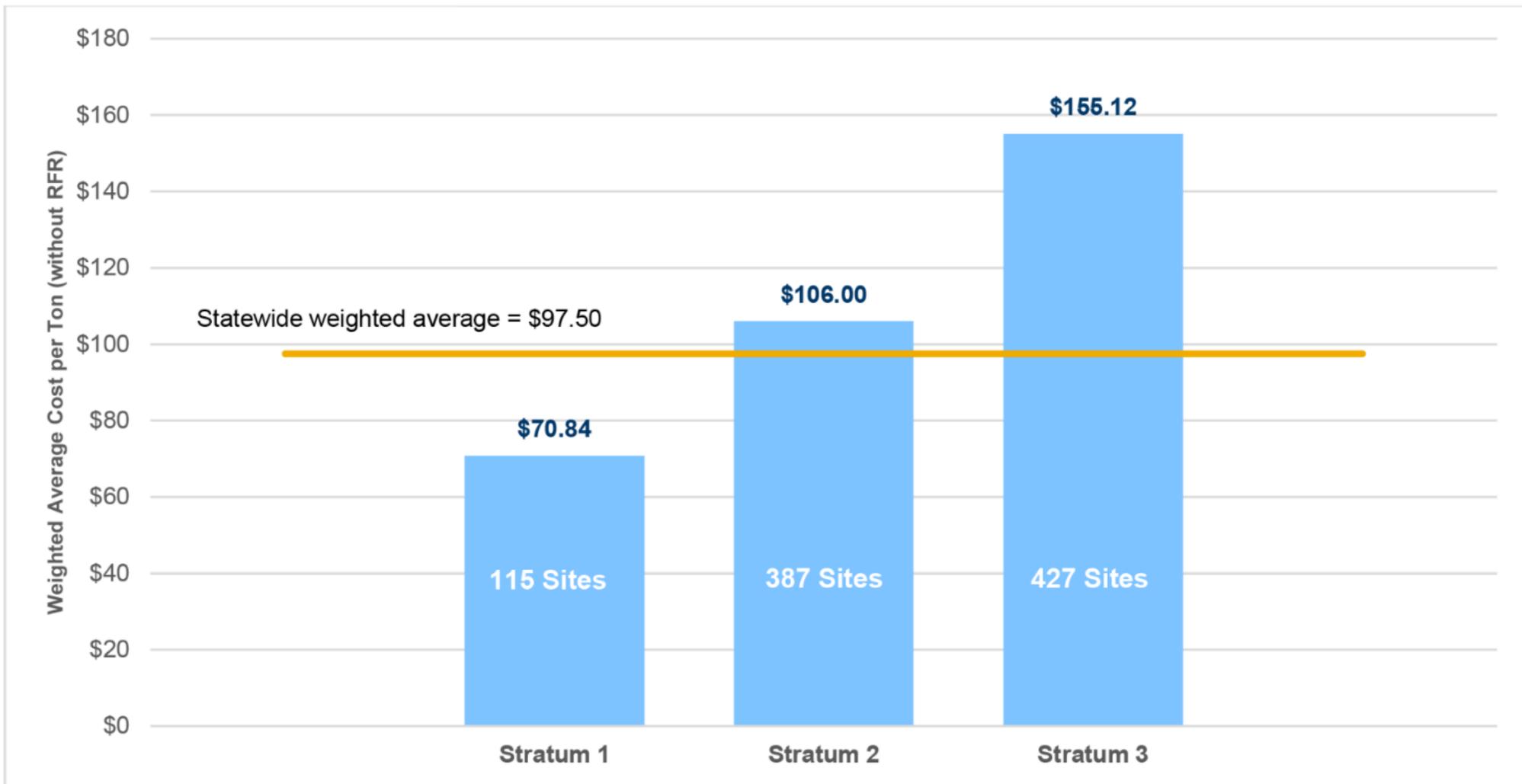
PET

Analysis of Processing Fee Cost Survey Results



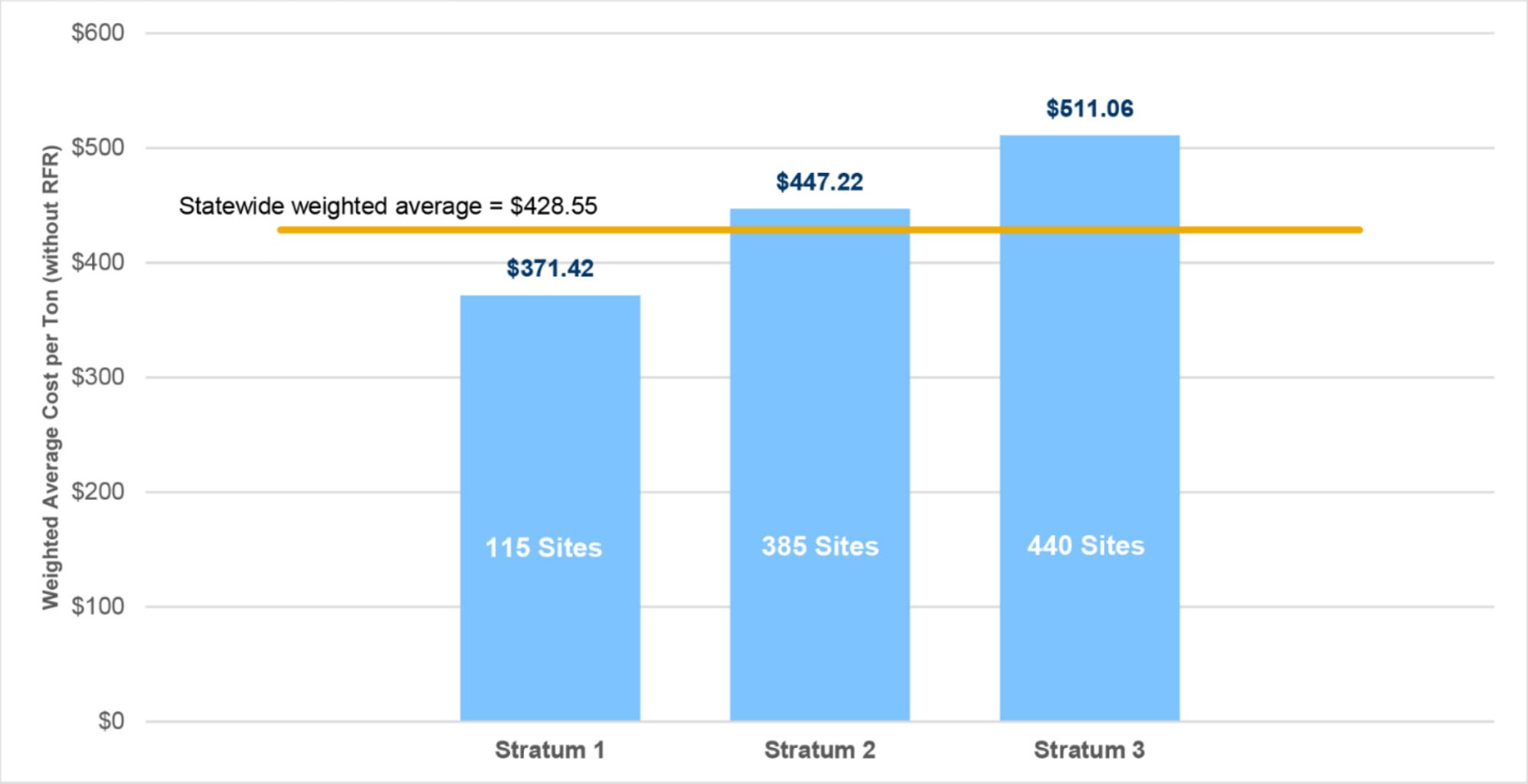
Aluminum

Analysis of Processing Fee Cost Survey Results



Glass

Analysis of Processing Fee Cost Survey Results



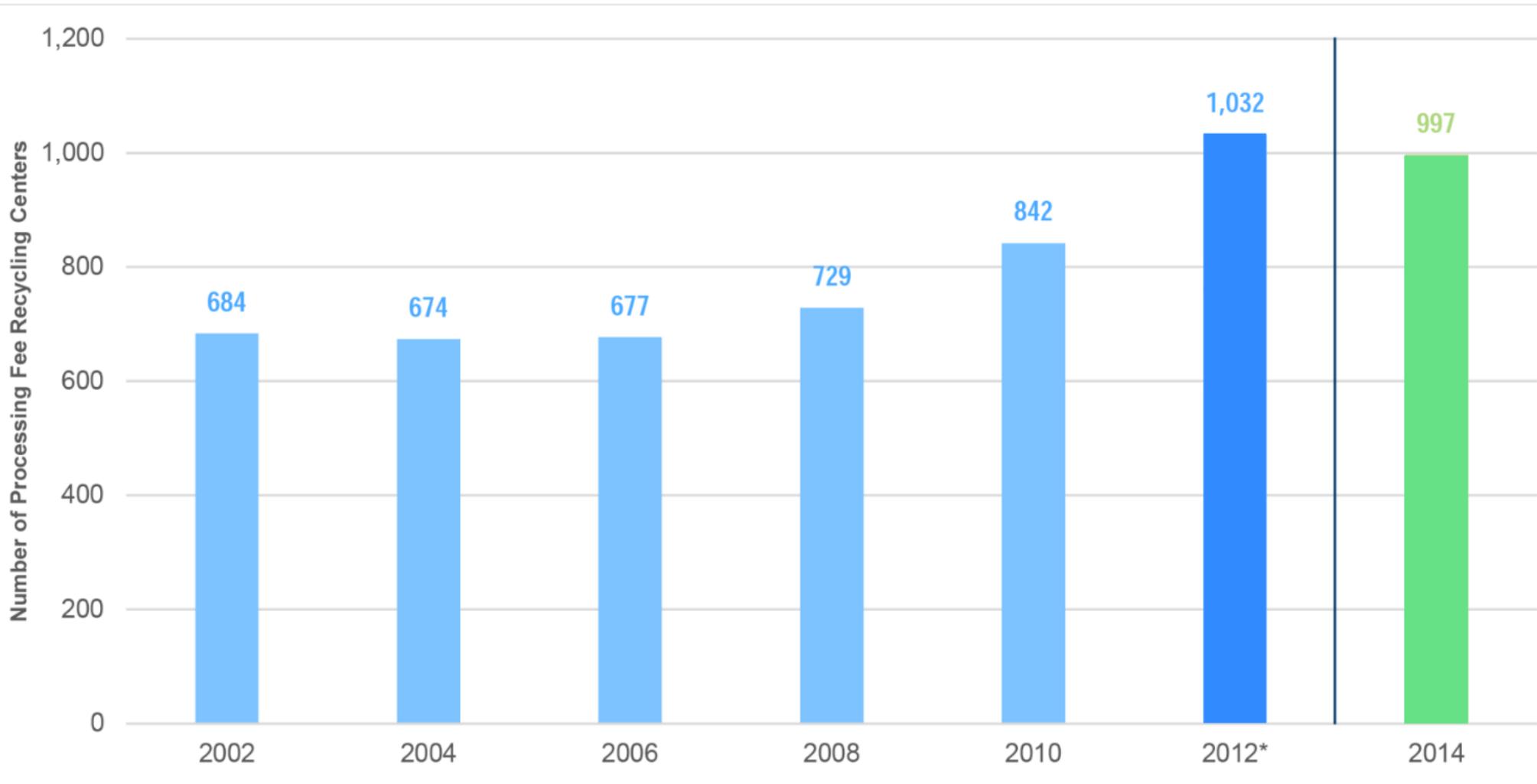
PET

Analysis of Processing Fee Cost Survey Results

Key Factors that Influence Costs

1. Population Dynamics
2. Recycling Costs & Quantities
3. Labor

Analysis of Processing Fee Cost Survey Results *Population Dynamics*



Analysis of Processing Fee Cost Survey Results *Population Dynamics*

Glass

Stratum	2014	2012	% Change
1	\$70.84	\$73.20	-3%
2	106.00	105.77	0%
3	155.12	155.19	0%

PET #1

Stratum	2014	2012	% Change
1	\$371.42	\$401.42	-7%
2	447.22	500.56	-11%
3	511.06	565.95	-10%

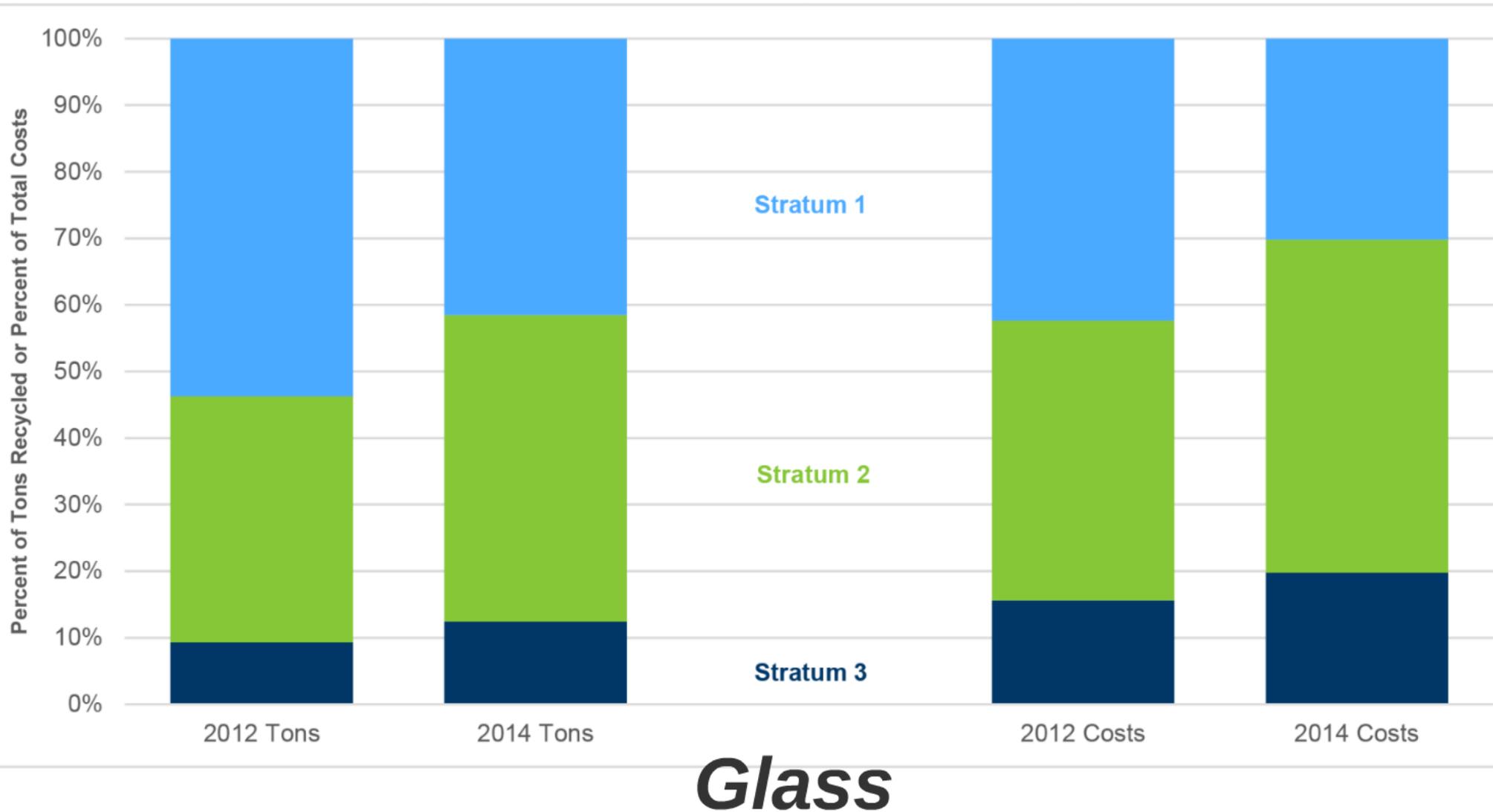
Aluminum

Stratum	2014	2012	% Change
1	\$462.78	\$532.37	-13%
2	559.40	621.85	-10%
3	612.41	750.13	-18%

HDPE #2

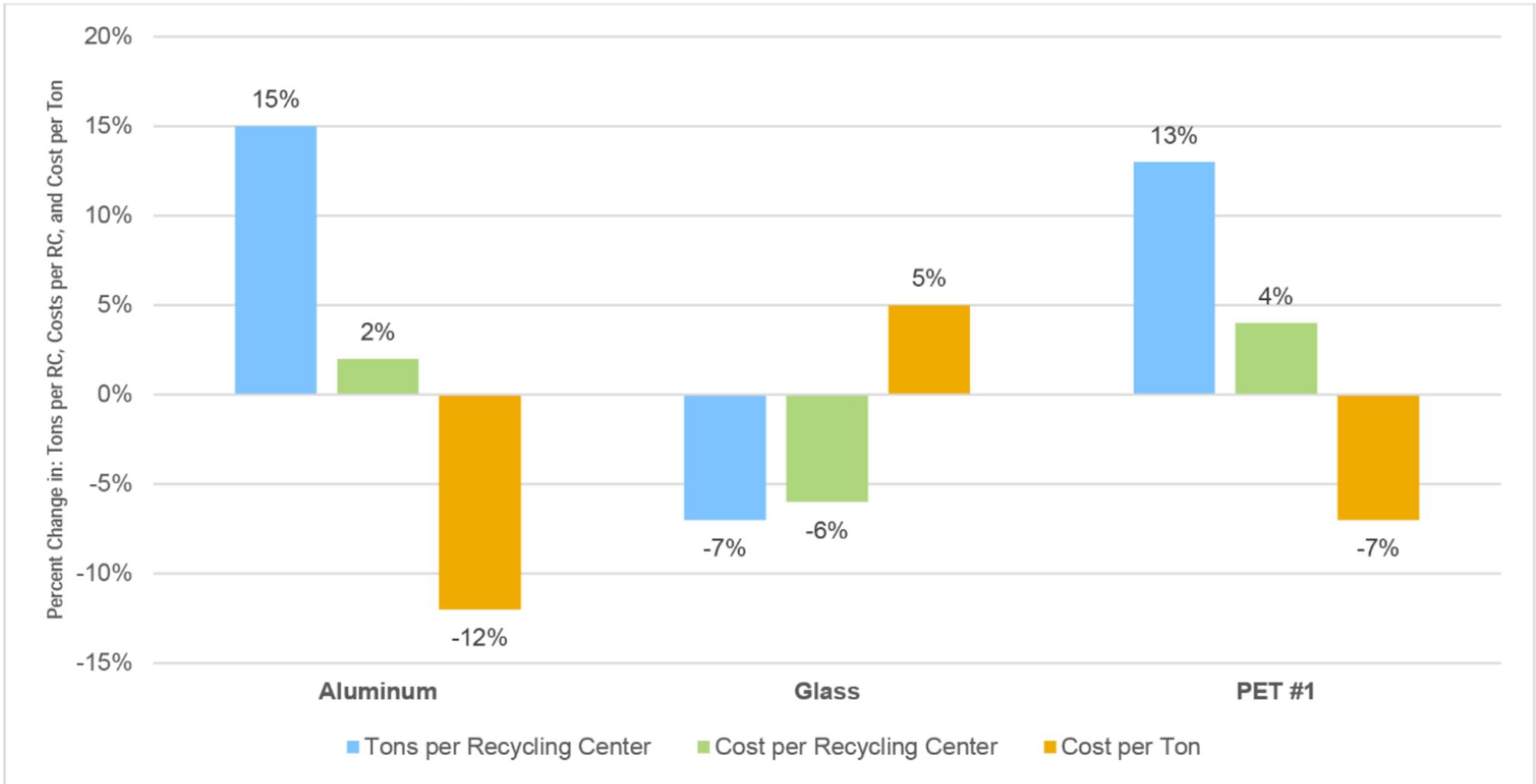
Stratum	2014	2012	% Change
1	\$457.98	\$511.57	-10%
2	534.25	715.63	-25%
3	658.83	757.63	-13%

Analysis of Processing Fee Cost Survey Results *Population Dynamics*

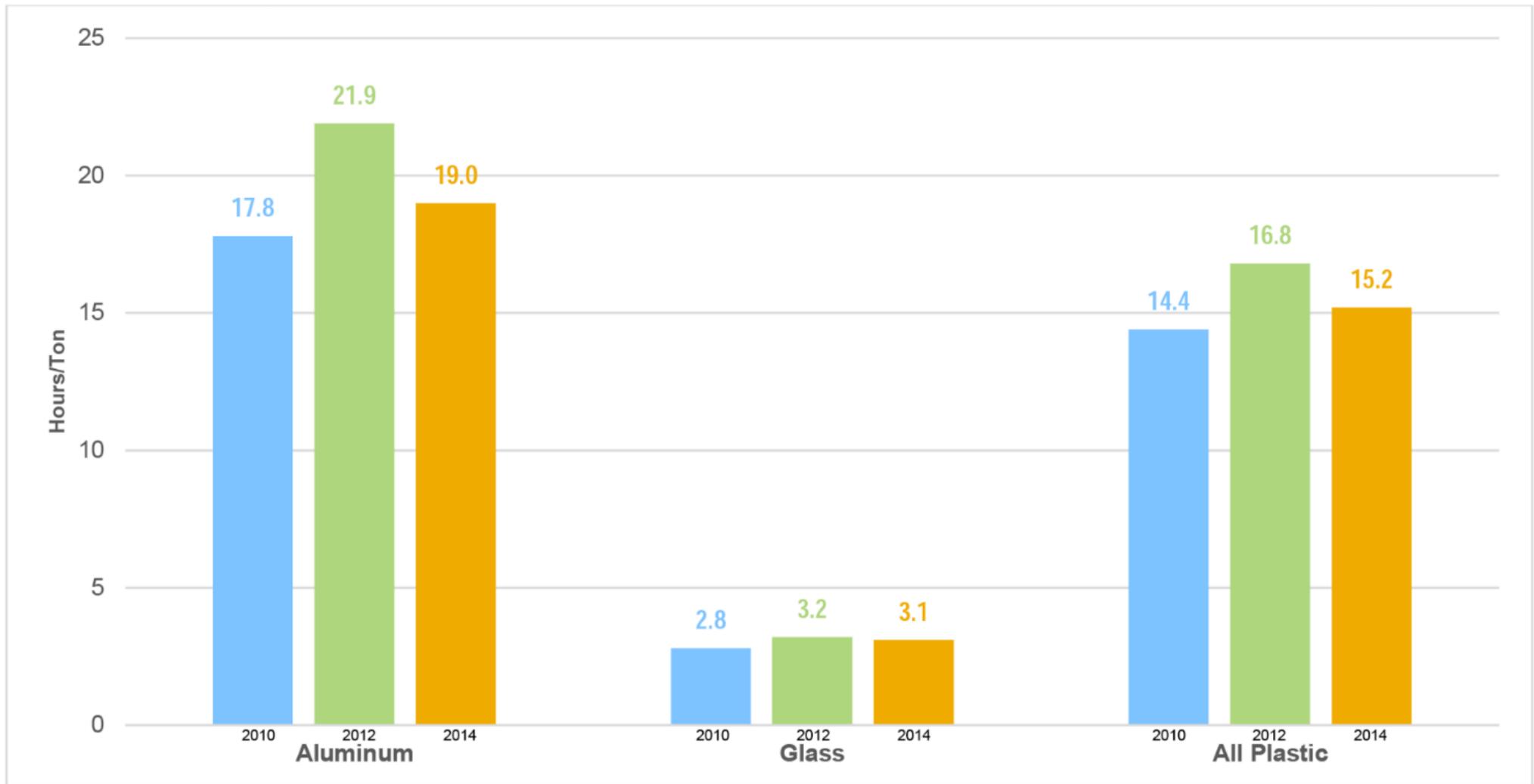


Analysis of Processing Fee Cost Survey Results

Recycling Costs & Quantities



Analysis of Processing Fee Cost Survey Results *Labor*



Average Wages / Hour

2010: \$14.43 / hour

2012: \$13.89 / hour

2014: \$13.69 / hour

Policy Implications of Current PF Cost Survey Methodology

1. Balance between high volume/low cost and low volume/high cost
 - Statewide, weighted average
2. Not every recycler is guaranteed to be "made whole"
3. Costs reflect all types of recyclers, business types, and business categories
4. Costs can vary based on multiple factors (labor, cost cutting efforts, fuel prices, etc.)

Questions, Comments, Feedback