



OB #1. RECYCLING

MEMORANDUM

TO: Peter Joseph, Town Manager
FROM: Adam S. Bliss, P.E., Town Engineer
DATE: July 29, 2020
SUBJECT: Curbside Solid Waste and Recyclable Collection

This memorandum presents discussion points for a Curbside Collection model per the Town Council's request. The primary problems and potential solutions are identified below should the Town move away from the current Transfer Station model.

- (1) Cost. How do we communicate to residents that the Curbside Collection model is less expensive and environmentally beneficial?
- (2) Local Business Impacts. How do we ensure local haulers aren't put out of business?
- (3) Town Charter. How do we educate residents that the Curbside Collection model wouldn't violate the Town Charter policy on user fee, Pay-Per-Bag, or other new tax system?
- (4) Recyclables Contamination. How do we address inherent increases in recyclable contamination?

Cost

Town staff conservatively estimated curbside collection cost via a private hauler contract. The contract cost was developed from surrounding communities that utilize Curbside Collection of similar population, geographic size, and travel distance to ecomaine. The annual collection cost is estimated at \$450,000 and would potentially be funded through an increase in the tax mil rate. The mil rate could increase by \$0.23 per \$1,000 of house valuation. Alternatively stated, the annual tax bill increase would be \$72 for the current median household valuation of \$311,100. Homes assessed at values lower than the median would pay proportionally less than those with homes assessed at higher values.

The Town Council requested a refined breakdown from the household median cost into percentiles. The breakdown and comparison to three disposal models is shown in Table 1. Residents who currently contract with private haulers pay the greatest out-of-pocket costs ranging between \$180 and \$600 per year. Transfer Station users pay the least cost estimated at \$71 per year for their \$6 Transfer Station sticker and \$65 in punch cards (6 bags per month x 12 months x \$0.90 per bag).

The Solid Waste / Recycling operating budget currently contains a line item for ecomaine tipping fees for disposal of privately hauled waste and the Transfer Station solid waste. No tipping fee increases should occur under a new model since these fees are already budgeted. Annual hauling fees for household solid waste and recyclables from the Transfer Station to ecomaine currently range between \$50,000 and \$100,000 per year.

**Table 1
Curbside Collection Comparison Table**

Property Valuation (Percentile)	Property Valuation (\$)	Present Annual Tax (\$)	Future Annual Tax Impact (\$)	Scenario 1: Transfer Station User Cost Difference (\$)	Scenario 2: Private Hauler 1 Cost Difference (\$)	Scenario 3: Private Hauler 2 Cost Difference (\$)
20 th	194,200	2,777	45	(\$26)	(\$135)	(\$435)
40 th	268,500	3,840	62	(\$9)	(\$118)	(\$418)
50 th (median)	311,100	4,449	72	\$1	(\$108)	(\$408)
60 th	363,000	5,191	83	\$13	(\$97)	(\$397)
80 th	515,760	7,375	119	\$48	(\$61)	(\$361)
Notes 1. Scenario 1 compares current Transfer Station user cost to future Curbside Collection cost. 2. Scenario 2 compares current Private Hauler 1 cost (Danny Wentworth) to future Curbside Collection cost. 3. Scenario 3 compares current Private Hauler 2 cost (Pinetree Waste) to future Curbside Collection cost. 4. (Red values in parentheses) indicate out-of-pocket savings to residents.						

The Curbside Collection model is economically viable when it is understood that transportation costs are currently paid through (1) personal, discretionary spending (i.e. private hauling contracts) and (2) Transfer Station / Recycling operating budget. Private hauling contracts are paid out-of-pocket by residents who choose that convenience whereas Transfer Station and Recycling Container costs are paid under the adopted Operating Budget and tax bill revenue. Disposal costs (i.e. tipping fees for private hauler and transfer station waste) are separate and both paid through tax bill revenue.

Town-wide curbside collection, if implemented, could be paid completely by tax bill revenue. The revenue would be applied to cover the transportation costs to ecomaine but not the tipping fees as this would violate the Town Charter. The Town could explore alternative methods to cover transportation costs such as a pay-per-bag system which is effectively what the current punch card system provides. Cost savings to taxpayers further decrease in Table 1 when the money value of time and personal vehicle fuel costs are factored into the curbside collection analysis.

Local Business Impacts

Town staff is concerned with ensuring local haulers can remain in business. Staff prefers establishing a bidding process that allows all haulers to competitively bid on curbside collection services. The bid specifications could divide the Town into bid regions or divide services into types of material collected (e.g. household solid waste versus recyclables) with intent on allowing local businesses to competitively bid for curbside collection services. Another option could be the Town purchases their own collection truck and frames the bid specifications around Town-owned equipment or provides the services themselves through employed labor and capital investment. Waste collection trucks are estimated to cost \$300,000 over a 10- to 20-year depreciation schedule and would require two additional full-time staff estimated to annually cost \$120,000 including salary and benefits.

Each scenario provides different levels of customer service. The levels of service must not decrease under a new model and should support a competitive bid process that doesn't undermine a local business enterprise.

Town Charter

Article 2.12 of the Town Charter states, 'The Town Council shall not enact any ordinance transferring R.W.S. disposal costs to the people by enactment of a user fee, "Pay Per Bag" or other new tax'. R.W.S refers to ecomaine, formerly known as Regional Waste Systems. If the Town adopted a new model, then we must educate residents that additional tax revenue would be used to pay for transportation costs rather than disposal costs. Residents would need encouragement that they already pay for transport costs through the punch card system or through their contracted private hauler. Further, total out-of-pocket transportation costs would decrease under most scenarios presented in Table 1.

Recyclable Contamination

Any collected recyclables moved away from the Transfer Station to the curbside collection method would likely have a negative effect on contamination rates. Contamination rate increases must be mitigated with an in-place monitoring and education program. Interns hired by the Town and other municipalities in 2019 demonstrated positive effects on recyclable contamination rates through education outreach. Existing staff will still be required to operate the Transfer Station for bulky waste drop off, recycling program monitoring, maintenance of the closed landfills according to our Solid Waste licenses, curbside program implementation and monitoring, among many other required tasks.

