Town of Lisbon, Maine

The Office of
Special Advisor to Town Manager
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MEMORANDUM

TO:	**Honorable Town Council** **Sarah Bennett, Town Manager**
FROM:	James A. Bennett, Special Advisor to the Town Manager
DATE:	April 20, 2026
RE:	**Update on Pay As You Throw Assumptions and Financial Impact**

On April 2, 2026, I presented a high level review of how the solid waste facility might change in order to reduce the current tax rate support for Solid Waste.

As a recap, assuming that the Town was annually contributing to a capital reserve to support the equipment and the facilities, the upcoming budget would require $660,078 in additional tax dollars. The total budget (with the capital reserve) is $923,578. This represents $0.64 of the current $17.25 tax rate. The total revenues projected is $227,500. It should be noted that not included the capital reserve would lower the tax rate support to $510,078 or $0.50 on the tax rate.

The initial presentation used the following assumptions:

1. Based on FY25 tonnage, 3,200 tons of municipal solid waste (MSW) would be generated. This is the tonnage that is thrown into the transfer station hopper and transported to the Auburn facility. 200 tons of recycling is dropped off at the transfer station and picked up by the vendor.
2. The known or estimated cost per ton of disposal is $110 tons for FY27.
3. If the Town implemented the PAYT system, 25% of the MSW would go into the recycling stream.
4. The Town cost for the bags were estimated to be $0.25 for a small bag and $0.35 for a large bag.
5. To cover all of the costs associated with the solid waste based on these assumption, the cost for a small bag would need to be $2.50 and $3.50, not including the Town cost for the bag.

The Council indicated a strong support to explore the program further. The revised assumptions are:

a. Maine communities are reportingly see an average of 45% of their waste stream move from the MSW category to recycling or completely disappearing from the waste stream.
b. I have used 30% as the amount that would be removed completely from the waste stream. This is a combination of factors including the elimination of commercial waste, the strong belief[1]

[1] Based on the comparison of MSW tonnage between comparable communities.

that non-Lisbon waste is entering the waste stream and recycling challenges. This would eliminate 660 tons of waste.

c. Recycling would increase by 250%. While the percentage is high, it only increases recycling tonnage from 200 tons to 500 tons.
d. The average cost per bag is $0.32 to the Town. This could be lower with a different vendor.
e. The recommended pricing for the bag to citizens, which includes the cost to the Town would be:
    i. $1.50 per bag for small bags
    ii. $2.30 per bag for large bags
f. The recommended bag cost are more consistent with the charges other communities are reported to be charging. Communities are considering or have adopted an increase in the PAYT bag prices for their upcoming budgets.
g. The cost for single stream recycled items per ton is $110.00. There is no cost to Lisbon for transportation and limited handling of the recycling. While the tonnage cost is the same for MSW, there are additional costs to the taxpayer for handling and transporting to Auburn.
h. It is recommended that the solid waste sticker be required primarily to ensure that only Lisbon recycling is coming into the facility. I would suggest that the Town provide one bundle of PAYT bags this year with the issuance of the annual sticker.
i. The elimination of all operations except for cardboard recycling, single stream recycling and PAYT MSW handling is projected to have a net savings of $70,000 annually.
j. If implemented, the projected savings on the tax rate would be $373,846.40 or $0.36 on the tax rate.