MEMO

To: Finance Committee / Glenn Michalowski, Town Manager / Sarah Bennett, Assistant Town Manager

From: Samantha Bryant, Finance Director

Subject: Transfer Station

Date: March 27, 2024

Following up from the discussion at the February 26th, 2024 and March 25th, 2024 Finance Committee meetings a goal was established that fees for various components of the transfer station should pay for themselves, and that taxes should cover overhead costs.

I was tasked with reporting back on the following:

What is the actual deficit to the town to dispose of residential waste (also known as municipal solid waste or MSW) compared to revenues from residential and hauler permits?

- **a.** The Town uses Maine Waste to Energy to dispose of MSW. The cost to do so is $83 per ton in FY24 and was $78 per ton in FY23.
  - **i.** In FY23, the town paid $199,479.80 for this service, but only received $125,682.00 in offsetting revenue ($35 for residential and $3,000 for hauler). That is a deficit of $73,797.80.
  - **ii.** So far in FY24 we have paid $165,847.37 compared to $142,436.00 in offsetting revenue ($52 for residential and $3,000 for hauler). However, I do not expect revenue to grow much more in FY24, while I do expect expenses to do so. It appears that total permit sales were possibly impacted by the price increase. If we assume based on comparing FY24 trends to FY23, we will likely have $210,000 in expenses compared to $150,000 in revenue. That would be a deficit of $60,000.
  - **iii.** If all other operations remained the same, the Town would need to increase permit fees by $20 to offset that deficit. However, there are other options available to the Town, as discussed below.

What if the Town instead went to a pay as you throw (PAYT) system as was advocated for in the memo reviewed at the January 29th, 2024 meeting? Below is a proposal provided from Committee Vice Chair Don Fellows on March 25, 2024:

a. Institute a bag and sticker system so that only residents can use the system. Charge a relatively small fee for a permit to enter the facility. That would better ensure that those who have bags are actually residents.
b. Require specific bags (special color, unique to Lisbon) of #20 gal size to be used. Bags could be purchased on local market.
c. Require anyone who would routinely use the dumping capability for trash to have a special permit.
d. Require every bag that is used to be that unique bag color and size and officially purchased. That would mean that those who have large volumes would require extra time and cost of staff for vigilance, but the fee charged to those would help offset the extra cost.
e. Example:
    i. 3400 bag purchasers (including those of large haulers) x 2 bags per week x 52 weeks = 353600 bags annually.
    ii. 353600 x 70cents per bag = $247520
    iii. Four large haul permits at $500 = $2000
    iv. Facility Entrance Permit --- 3000 x $25 = $75000. Second permit would be free and subsequent ones would be regular price.
    v. Total Raised would be 247520 + 2000 + 75000 = $324,520
    vi. That would generate approximately $25000 that could be used to offset expenses for indigent or otherwise qualified individuals at some minor level. 25000 / .70 = a lot of bags

Given that it is more costly to dispose of plastic than trash (reported by the Transfer Station Superintendent as $136 per ton vs. $83 per ton), are municipalities in Maine required to do so? What is our plastic disposal tonnage?

b. The Town pays Casella to dispose of plastic. We spent $15,559.02 so far in FY24 on this service, and $21,439.95 in FY23.
c. A review of state law and other Maine municipalities found that we are not required to provide plastic disposal.
d. The State of Maine in July 2021 passed a law to create the "Extended Producer Responsibility Program for Packaging." These regulations would require manufacturers that use plastics to provide funding to municipalities to dispose of it. However, it is not expected that this funding will be available until fy26 at the earliest.
e. According to an NPR article from October 2022, less than 5% of plastic overall is recycled, and the remainder goes into landfills.
    i. https://www.npr.org/2022/10/24/1131131088/recycling-plastic-is-practically-impossible-and-the-problem-is-getting-worse
f. Given that most plastic is not truly recycled, and that is costs much more than regular trash to dispose, I would recommend the Town suspend its recycling collection at the transfer station until the external funding for it becomes available.

The Town only charges $3,000 per year for commercial haulers to use the station, when more than 60 households of trash is deposited by each hauler each year (the Transfer Station Superintendent estimated an annual cost of $60,000 to the Town), how do other municipalities handle this?

- **a.** I reviewed municipalities in the vicinity of Lisbon, and found the following:
  - **i.** Municipalities that offer curbside pickup and do not accept any trash at transfer station: Durham, Pownal, Brunswick, Bath
  - **ii.** Municipalities that don't charge any fees to anyone for use of Transfer Station, including trash: Sabbattus
  - **iii.** Municipalities that don't provide any form of trash services for residents: Bowdoin
  - **iv.** That left me to reach out to Topsham, Freeport, and Yarmouth:
    1. Topsham
       a. Residential trash (aka Municipal Solid Waste or MSW) $110 a ton, (packer trucks),they have to go over scales at Crookers Construction and a certain amount of time to get to the Transfer Station after weighing in.
       b. Demo Lite $40 per yard (wood, vinal siding and bulky items for example).
       c. Demo Heavy $80 per yard (Sheetrock and shingles and mixed loads).
       d. Brush and tree wood from commercial $6 per yard.
    2. Yarmouth
       a. Yarmouth does not allow commercial haulers to use the transfer station. All licensed haulers are required to take Yarmouth generated waste to ecomaine where the hauler pays for disposal.
    3. Freeport
       a. The Town of Freeport does not allow commercial haulers to offload at the Transfer Station. Haulers are required to haul trash to ecomaine where the hauler pays for disposal. They do need to have a hauling license which is $250 annually for commercial and $250 annually for residential.
  - v. My recommendation would be that the Town of Lisbon no longer allow commercial haulers to use the Transfer Station.
- b. Another possible option discussed would be to require residents who make use of the commercial haulers to pay for a residential permit. However, there is difficulty in determining how to administer and enforce such a program.
- c. If the Town instead adopted the aforementioned pay as you throw program, haulers could continue to participate, and would only be able to dispose of trash in Lisbon bags, as documented in that idea.

The committee asked for an analysis of whether fees charged for other items at the transfer station adequately offset the disposal costs. It was found on March 25, 2024 that most item fees did offset costs, with the exception below:

a. Program Overall
    vi. Total FY23 Expense: $75,447.03
    vii. Total FY23 Revenue: $100,253.77 ($65,930.50 excluding metal and cardboard)
b. Mattress, Twin and Full $10.00 / Mattress, Queen and King $15.00 / All box spring – Each $10.00 / Sofas (per section) $25.00 / Chairs $15.00 / Carpet: Max size 10' x 12' $15.00 /Water Coolers and Dehumidifier $10.00 / Windows and Doors – Each $5.00 / Shingles – With Demo Permit – Per Yard $30.00 / Shingles – w/o Demo Permit – Per Yard $55.00 / Wood – Per Yard $10.00
    viii. FY23 Revenue: $24,624.00
    ix. Total FY23 Annual Cost: $53,778.56; Town pays Grimmel Industries $88 per ton to dispose. Perhaps there are cheaper options?
    x. The committee discussed on March 25 increasing the fees for mattress disposal and tasked me with discussing this further with the Transfer Station Supervisor.

It was suggested at the March 25th meeting that the Town could save on disposal costs by encouraging residents to compost cat litter, given how heavy it is. I was asked to investigate the feasibility of this option.

c. Independent research found that only specific types of cat litter can be composted. That does not include clay, sand, or crystal litters. It does include those made from biodegradable materials, such as wheat or soy.
d. Research also found that pet waste generally has to be removed from the little prior to composting. This also aligns with the composting requires from our vendor, Garbage to Garden.
e. Finally, this compost cannot be used for growing edible plants, but can only be used for decorative ones.
f. While this idea won't hurt, it may not be as advantageous as thought, given the cost and effort involved on the part of residents (using the correct litter, removing the pet waste prior to composting, and its limited use).