MEMO

To: Finance Committee / Glenn Michalowski, Town Manager / Sarah Bennett, Assistant Town Manager / Randy Cyr, Public Works Director

From: Samantha Bryant, Finance Director

Subject: Transfer Station

Date: January 8, 2024

It is the goal of the Town to provide equitable and affordable options to our property owners for solid waste disposal and recycling.

This memo builds on the research provided to Council from the Finance Committee dated October 19th, 2021. I also reviewed the relevant portion of the Council meeting minutes dated October 19th, 2021 and reviewed the meeting minutes and video recordings of meetings where FY24 Budget development was discussed. There have been various changes to the financial situation of the Transfer Station and options and information that were not considered by the Finance Committee in its presentation to Council. I also found some of the information and conclusions drawn by the Finance Committee at that time to be erroneous. Other documents that have informed this memo include the USA EPA's 2002 Manual "Waste Transfer Stations: A Manual for Decision Making", Colby College's 2014 Report "State of Maine's Municipal Solid Waste 2014", The University of Maine's 2015 Report "Solid Waste Management in Maine: Past, Present, and Future."

To set a baseline for the conversation, as of this memo the Town owns and operates a transfer station where anyone who owns or rents property in Town may pay $52 for the year to register a vehicle to access the transfer station, and $15 for a second vehicle at the same property to do so. The fee is the same no matter how much waste and recycling a property brings to the transfer station. Commercial haulers that privately provide curbside service to Town property owners pay $3,000 per year to do so, whether they have 100 or 500 customers in Town, or are dumping trash from customers outside of Town. There are no incentives for waste reduction or recycling.

There are various other fees for bulk items. Payments are accepted at the transfer station or town office via cash, check or credit card.

The Town has fixed costs to maintain and operate the space itself. It has largely predictable variable costs in terms of the Town employees that work at the station. However, the Town also has large variable unpredictable costs in terms of the fees paid per ton for disposal, as we do not know how many tons will be disposed, and the fees can be changed on us with only a 60 day notice.

Here is a breakdown of revenues and expenses for the transfer station for the past few years:

Year	Revenues	Expenses	Gain/Loss
FY21 Audited	$183,184	$543,403	-$360,219

FY22 Audited	$233,389	$580,473	-$347,084
FY23 Unaudited	$220,049	$537,299	-$317,250

There is no reliable data available on how many residents currently subscribe to private curbside trash pickup, and what rates residents pay for that service.

The policy questions for Council in weighing options to provide solid waste disposal services for residents are:

1. **Is Council amenable to taxpayers subsidizing the use of the transfer station, and if so to what extent?**
2. **How does Council weigh the financial impact of Town roadway maintenance from multiple curbside trash haulers engaged in inefficient collection?**
3. **Should the Town factor in quality of life issues in regards to solid waste disposal and its impact on Lisbon's desirability as a place for residents and businesses to invest in?**
4. **How important is the environmental impact of its solid waste disposal and recycling program to Council?**

Going into this analysis, I want to be upfront about my biases in regards to these questions. I generally hold a strong belief that when government charges a fee for service, that fee should as much as possible recoup the full cost of the service provided; residents should have the highest quality of life the Town can afford to provide; and environmental harm from solid waste disposal should be minimized. In addition, I have found in my municipal career that property owners tend to have strong opinions as well on this topic, and I fully encourage public input as much as possible on the matter prior to any final decision.

What follows in an updated analysis of the options available to Council as I perceive them in terms of implementation effort:

Status Quo

I highly recommend against this option. As noted earlier, the fees charged do not recoup the service costs, there is no equity in the system (as everyone pays the same no matter how much trash they have), and it's a system easily abused by Town property owners and commercial trash haulers (by dumping non Lisbon trash). The permits themselves are time consuming and difficult to track once sold. Residents under this system also have to store and transport the waste themselves, which negatively impacts quality of life and the environment. There's no incentive to reduce waste generation or to recycle.

Open Market System

Under this option the Town would cease transfer station operations, and leave it on property owners in Town to either contract with a private trash hauler or find an appropriate location to dispose of waste.

This is not an option to the Town, as state law requires municipalities to provide for the disposal of domestic and commercial wastes as well as recycling.

Transfer Station Reform – Permitting System

Many of the problems identified with the current system could be fixed if the Town moved away from stickers and instead tracked dump permits through a license plate reader. Similar to how many towns sell parking permits, the Town could implement software where residents could pay online or at the Town offices for transfer station permits. When going to the station, the license plate could be quickly checked for access. This would cut down on the hassle for staff and residents for system maintenance. It would also prevent a permit "black market". Finally, if the Town ever had to suspend a permit, or wanted to offer more flexible permit terms, it could easily do so. Past experience with such systems suggests the Town would have to pay a few thousand dollars per year in software licensing fees, and a few thousand dollars for a handheld license plate reader.

Transfer Station Reform – Pay as You Throw (PAYT)

Under this model, instead of paying a flat rate permit, residents would instead pay for special trash bags that they would be allowed to take to the Lisbon Transfer Station.

This option would charge per use (and Council could set the fee to whatever level, if any, of taxpayer subsidization they wish), eliminate tracking permits, and provide incentive for waste generation reduction and recycling (studies have shown that municipalities with such programs have recycling rates double those that don't). Administration of such a program could be provided by Ecomaine to reduce impact to staff and to provide residents with multiple locations to purchase these trash bags.

It would still require transfer station users to store and transport the items. Fraud could also still occur, as residents could buy trash bags on behalf of others, but at least the Town would still be getting revenue to offset its expenses, unlike if a resident or commercial hauler with a permit disposes of trash on behalf of non-residents.

Transfer Station Reform – Weighing Scales

There is also the option of using a scale to charge per pound for solid waste. However, this would require purchasing the scale, adjusting the layout and operations of the transfer station to incorporate the scale, and creating price uncertainty for users. In an extreme scenario a user could be short on payment after weighing and the Town's ability to pursue payment after the fact would be limited. For those reasons I would not support this option.

Curbside Collection – Private Hauler

The Town could close the transfer station, and mandate that all property owners dispose of their solid waste and recycling through a contracted hauler selected through a competitive bid process.

This hauler would provide storage containers for trash and recycling, and on a schedule determined by the Town collect and dispose of solid waste and recycling for Town property owners.

This would reduce the amount of trash trucks on Town roads, which would have both a financial and environmental benefit. According to American Association of State Highway and Transportation Officials (AASHTO), full garbage trucks accelerate road damage. Organized truck routes in a single-hauler collection system reduce roadway degradation over the life of the roadway and reduce associated costs. Trash trucks are among the most polluting vehicles on residential streets. Nearly 90% of U.S. trash trucks are diesel fueled, which produces an exhaust that includes substances that have been proven to be detrimental to human health, including nitrogen oxides and particulate matter. These trucks average less than 3 mpg, and their constant accelerating and decelerating between stops poses a challenge for exhaust systems that work better at higher speeds.

Once again, recycling rates are much higher in municipalities with a curbside pickup program than those without.

Leveraging the size of the Town with a single hauler would result in a contract that is less expensive per household than it would be otherwise. Unlike the current situation where the costs of disposal can increase at any time a competitive bid would also provide budget certainty through a multi-year contract, which would allow for better Town long term financial planning.

This option would dramatically increase the quality of life for residents, improve recycling rates, would save money on road maintenance, provide long term budget certainty, and reduce climate change from solid waste operations.

This option would almost certainly be more expensive than current operations, but would also depend on the level of service quoted. It could range from slightly more expensive to twice as expensive (based on the estimate obtained from Waste Management in 2021). However, when factoring in the savings to roadway maintenance, some of that increase could be offset. The Town could at least put out a nonbinding bid for services to see what specific prices would be offered.

This approach is not novel, and is offered by many municipalities of our size and in our region, including Bath, Bowdoin, Bowdoinham, Brunswick, Cumberland, Ellsworth, Kennebunk, Old Orchard Beach, Orono, Winslow, and Yarmouth. While primarily based in Hampden, a joint municipal effort to provide curbside trash collection through MRC could also be further evaluated.

Curbside Collection – Town Operated

Similar to the prior option, but instead of hiring a private contractor, the Town would handle the collection, storage and disposal.

I would advise against this option, as the Town would have to invest in large amounts of equipment as well as store and maintain it; hire/train/retain specialized staff for both trash collection, service, and billing; and would likely be more expensive operationally than contracted service.