Town of Lisbon

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MEMO

To: Town Council / Finance Committee / Glenn Michalowski, Town Manager / Sarah Bennett, Assistant Town Manager
From: Samantha Bryant, Finance Director
Subject: Transfer Station Recommendation
Date: April 23, 2024

The Finance Committee has spent time at its public meetings on January 29, February 26, March 26, and April 22 discussing the revenues and expenses for the Town's Transfer Station. Discussion on the topic was also held at the public workshop with Town Council on March 24, which was recorded.

The Committee has settled on a goal for FY25 to ensure that revenues collected at the transfer station at least pay for the disposal costs of the relevant material. In FY23, that deficit was $73,797.80. In FY24 that deficit is projected to be ~$60,000.

To that end, the committee has the following recommendations to Council for the FY25 Budget:

1. Disallow the current commercial haulers that pay the $3,000 annual fee from using the Transfer Station.
    a. The $3,000 annual fee is not sufficient to cover the costs of disposals from the volume of trash these entities bring. It is estimated that Town taxpayers are subsidizing this disposal in the amount of $60,000 per year.
    b. No other municipality allows commercial haulers use of their transfer station.
    c. A proposal to have the commercial haulers require their customers to also have a transfer station permit was considered, but was ultimately deemed too administratively burdensome to properly implement.
2. Increase the permit fee for residents from $52 to $60 per year.
    a. This amount would offset the lost revenue from commercial hauler annual fees, help ensure that the deficit is resolved for FY25, and reduce administrative costs of frequent change handling with the $52 fee.
3. As noted by the Town Manager at the March 19th Town Council meeting in his budget message, the Committee recommends that the Town cease collection of plastics for recycling. The cost of disposal is much higher than putting these items in with regular trash, and unfortunately the vast majority of plastic products end up in the same place anyhow. This is a budget impact of $20,000 per year. While the state of Maine is working to implement Extended Producer Responsibility, which would charge plastic producers for the cost of recycling (which would be returned to the municipality that does the disposal) it is unknown yet what materials will be considered "readily recyclable" and thus eligible for the program. The Town does not want to get people out of the habit of plastic recycling just to possibly have to get people back into it, but given the known cost now versus the unknown implementation date and standards for this program, the recommendation is to cease the collection altogether. The committee has seen the need for more research specifically in the area of plastic recycling and is also recommending that the Town Council establish an adhoc committee or task an existing committee to research the matter throughout this year. We think that the town may want to implement some means of recycling those plastic that will

likely be “readily recyclable” but that could be done gradually as the town goes through the research process.

4. The committee does not consider this recommendation to be a long term answer to ensure that residents are charged equitably for this Town service, but just a short term stopgap for FY25. Historically, these discussions have only been held during budget preparation, which is not enough to time to fully vet and implement a proper long term solution. To that end, the committee also recommends that Council create an ad hoc body to build on the work on the Finance Committee to implement that solution, which would involve switching to a pay as you throw system.

For full reference, committee research and communications on the topic are enclosed with this memo.