

**MUNICIPAL SUSTAINABILITY SUBCOMMITTEE
TOWN OF MILLINOCKET**

**DRAFT PROPOSAL FOR A REVISED
RECYCLING, COMPOST & GARBAGE PROGRAM**

CURRENT MSW PROGRAM

The Town of Millinocket currently provides garbage, recycling and compost drop-off locations open to the public with valid permit/sticker. Less residents are purchasing these stickers and the town is losing revenue as a result. The transfer site currently costs the taxpayers roughly 1 mil. Millinocket's Public Works department has an expense budget of \$337,663 for the 2018 fiscal year, \$210,000 of which (over 62%) is dedicated entirely to landfill costs. In 2016 the town sent 2,492 tons of municipal solid waste (MSW) to a landfill/waste-to-energy facility; recycled 238 tons of traditional MSW recyclables - Paper, cardboard, plastics, metals, glass and textiles; 291 tons of Other MSW recycled - electronics, white goods and other metals, tires, vehicle batteries, mercury-added products; and composted roughly 540 tons.

Revenue that comes from the traditional recycling program averages \$30,000 annually while only making up 6.68% of total MSW (3,561 tons, exclusive of CDD). Increasing recycling efforts will add revenue while simultaneously reducing landfill costs, as well as increasing composting efforts, which can potentially create more revenue-generation. The EPA reports that 75% of MSW is recyclable/compostable, but the national average for recycling/composting is only at 30% with Millinocket slightly above the national average at 35.02%.

With the high mil rate effecting Millinocket, the town has repeatedly asked its residents to recycle in order to reduce the costs associated with MSW. However, waste disposal is not evenly distributed; clearly a single elderly resident will have less waste than a medium- to large-sized business. Unfortunately many residents are unfairly paying for larger waste-producers through taxes; those that create larger amounts of waste aren't paying their fair share and are placing the burden on tax payers. Additionally, although Millinocket has a mandatory recycling program that administers fines for those who do not comply, it is rarely enforced and has therefore not produced any noticeable positive results.

OPTIONS FOR THE TOWN

Single-stream recycling is one option for the transfer site—it would eliminate the need for sorting of recyclables and perhaps widen the types of materials accepted for recycling. However, the town would miss out on revenue-generation from this option and would in addition have to pay \$50/ton tipping fees to bring the material down to Old

Town as well as pay high costs of transportation to deliver the material. Another downside is that it's unlikely more people would recycle as a result of this change—it doesn't incentivize the public to change attitudes and behaviors towards recycling.

Another option would be for the town to purchase a scale to weigh waste being disposed of in an effort to cover estimated landfill fees and transportation costs, thus neutralizing a large portion of the total expense budget for the transfer station. Cars/trucks will pull into the facility and get weighed before dropping off waste and getting re-weighed as they pull out. Users will only be charged for what they disposed of at a rate of 4 cents per pound. Recycle containers can be set out *before* the scale so that residents can dispose of recyclables before getting weighed.

The town can also purchase a generator to run on the waste vegetable oil it is currently paying \$18,000 annually to dispose of. This will result in large annual savings through cutting the disposal costs as well as reducing cost of electricity.

BENEFITS:

- Lower taxes
- This is similar to a pay-per-use plan that more evenly and fairly attributes costs to users
- Revenues will skyrocket through increased recycling and composting
- Landfill expenses will be nearly neutralized as expenses are covered through fee
- MORE MONEY STAYS IN THE COMMUNITY as opposed to (literally) being sent to the landfill
- Will encourage more to recycle and compost
- The community's more tangible engagement will show the economic benefits of reducing waste on the wallet
- Can potentially create local employment opportunities
- Accountability to those not recycling or composting
- Increase in recycling may open the doors for more materials to be recycled
- Recyclable items not “valuable” can be taken out of waste stream with lower fees for disposal

CONCERNS:

- Potential public opposition to a change in behavior
- Potential issues with garbage being thrown out in the woods or in downtown public garbage cans to avoid paying fees
- Effort required to educate public on what is recyclable/compostable
- Unforeseen issues that may arise, although many models and examples around the country exist to draw from

SUMMARY OF REVISIONS:

Type	CURRENT PLAN	PROPOSED PLAN	FY 2020
Est. Total Expenses	\$337,663.00	\$317,948.00	\$266,463.00
Est. Total Revenues	\$141,647.00	\$291,667.00	\$291,667.00
Est. Diversion Rates	35.02%	60.00%	-
NET DEPT. COST	\$196,016.00	\$26,281.00	-\$25,205.00

The one-time cost of the purchase and installation of equipment detailed further in this proposal are included in the “Proposed Plan” section above, with an overall decrease in budget due to estimated diversion rate (up 25%) of recyclables and compostables as well as a decrease in landfill fees. The estimated overall net department “cost” for FY 2020 (after one-time equipment is paid) shows a net gain in revenue of \$25,205.00.

Appropriately assigning the true cost of waste disposal to its “producers” will result in a reduction in taxes, which can lessen the tax burden on those with fixed and/or low income.

In addition, decreasing landfill costs due to lowered volume means less money leaving the community and more revenue-generation through increased recycling—an estimated \$21,000 annual increase. This is subject to changes in the market as value fluctuates.

ADJUSTMENTS TO REVENUES:

TYPE	EXISTING	ADJUSTMENTS	TOTAL
County MSW Agreement	\$34,627.00	\$0.00	\$34,627.00
PERC Reimbursement	\$36,220.00	\$0.00	\$36,220.00
Demo Debris	\$6,000.00	\$0.00	\$6,000.00
Pine Tree Reimbursement	\$2,000.00	\$0.00	\$2,000.00
Tire Permit	\$4,500.00	\$0.00	\$4,500.00
White Goods	\$1,000.00	\$0.00	\$1,000.00
Recycling	\$30,000.00	\$21,000.00	\$51,000.00

Universal Waste	\$300.00	\$0.00	\$300.00
Town Usage Fee	\$27,000.00	-\$27,000.00	\$0.00
County Usage Fee	\$0.00	\$2,000.00	\$2,000.00
Lease/Revenue Compost Site	\$0.00	\$4,500.00	\$4,500.00
Tonnage Fee	\$0.00	\$149,500.00	\$149,500.00
TOTALS	\$141,647.00	\$150,020.00	\$291,667.00

BREAKDOWN OF REVENUE ADJUSTMENTS

If Millinocket were to introduce a pay-per-use system utilizing a scale at the transfer site, the anticipated outcome would be to increase the recycling/composting rate (diversion rate) from 35.02% to 60%, resulting in an estimated \$21,000 in increased revenue. The town usage fee, which comes from selling stickers/permits to residents of the Town would be eliminated considering users will be covering costs via a pay-per-pound model. This decreases annual revenue of \$27,000.00.

The County MSW Agreement would remain intact and not be subjected to this new proposal. Those in the unorganized territories already have different colored stickers for waste drop-off and those revenues would remain the same.

Total cost of waste hauler, equipment repairs, landfill costs, disposal costs and permits (see below in “ADJUSTMENTS TO EXPENSES” in proposed change totals \$138,685. Covering these costs involve dividing the total by estimated tonnage after increased diversion rate (1,869 tons), which equals \$74/ton, or 3.7 cents a pound. Rounding up, the estimated revenue in line “Tonnage Fee” would be 4 cents per pound multiplied by total estimated tonnage (1,869), which results in a total of \$149,520 of estimated revenue. Regardless of fluctuation in total tonnage, the other costs (permits, disposal costs, equipment repairs, etc) remain relatively steady. Consequently, the total per-pound fee applied to drop-offs should cover any fluctuation in usage.

Additionally, the physical and natural capital made available from compost waste can attract other entrepreneurial ventures that could involve leasing land at the compost site, such as poultry farming, agricultural compost production, or shared revenue. This could increase revenue and eliminate resources required to maintain site. Estimated annual revenue (combined with reduction in maintenance costs): \$4,500

ADJUSTMENTS TO EXPENSES:

TYPE	EXISTING	ADJUSTMENTS	FY2019	FY2020
Waste Hauler	\$8,000.00	\$0.00	\$8,000.00	\$8,000.00
Part Time	\$70,548.00	\$0.00	\$70,548.00	\$70,548.00
Electricity/ Water/Sewer	\$9,500.00	-\$2,200.00	\$8,300.00	\$8,300.00
Equipment Repairs	\$5,500.00	\$0.00	\$5,500.00	\$5,500.00
Tools/Small Equip	\$150.00	\$0.00	\$150.00	\$150.00
Library Contract	\$0.00	\$0.00	\$0.00	\$0.00
Postage	\$15.00	\$0.00	\$15.00	\$15.00
Telephone	\$450.00	\$0.00	\$450.00	\$450.00
Tires	\$4,000.00	\$0.00	\$4,000.00	\$4,000.00
Gas/Oil/Grease	\$18,000.00	-\$18,000.00	\$0.00	\$0.00
Soc Security	\$0.00	\$0.00	\$0.00	\$0.00
Cleaning Solvents	\$100.00	\$0.00	\$100.00	\$100.00
Heating Fuel	\$4,000.00	\$0.00	\$4,000.00	\$4,000.00
BLDG Maint.	\$700.00	\$0.00	\$700.00	\$700.00
Landfill Cost	\$210,000.00	-\$88,515.00	\$121,485.00	\$121,485.00
Disposal/Recyl.	\$2,500.00	\$0.00	\$2,500.00	\$2,500.00
Permits	\$1,200.00	\$0.00	\$1,200.00	\$1,200.00
Membership Fees	\$3,000.00	\$0.00	\$3,000.00	\$3,000.00
Scale	\$0.00	\$55,000.00	\$55,000.00	\$0.00
Installation	\$0.00	\$15,000.00	\$15,000.00	\$0.00
Generator w/ installation	\$19,000.00	\$19,000.00	\$19,000.00	\$0.00
TOTALS	\$337,663.00	-\$19,715.00	\$317,948.00	\$266,463.00

BREAKDOWN OF ADJUSTMENTS TO EXPENSES:

- Cost per ton to be reduced to \$65/ton for MSW, down from an average of \$84/ton in FY2018.
- An estimated 25% reduction in landfill waste due to higher diversion rates from recycling and compost brings total from 2,492 tons down to 1,869 tons. At \$65/ton = \$121,485, a total reduction of \$88,515.00 annually. Even at current rate, assuming Fiberight doesn't get up and running, the decrease in expense totals \$52,000.00 annually.
- Those numbers don't include the following: A percentage of recyclable materials that CANNOT be revenue-producing for the town can be shipped to Fiberight at a reduced cost of \$35/ton. This could substantially lower that expense even more.
- Waste oil disposal currently costs the town \$18,000 annually. The town can purchase an electric generator manufactured for the purpose of burning waste oil. The fuel can be safely burned on-site while generating electricity, eliminating disposal fees and decreasing energy costs (both in supply AND transmission). Waste vegetable oil from restaurants may also be burned as well, as a possible option for the future. Total estimated annual savings: \$20,200.