

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
WEDNESDAY, MARCH 9, 2011
TOWN HALL CHAMBERS**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, March 9, 2011 in the Town Council Chambers. Chair Quinn opened the meeting at 7:05 p.m. The purpose of the Workshop was to discuss the Sewer User Fee and also Pay-to-Throw.

The following were in attendance:

**Chair Bob Quinn
Vice Chair Michael Tousignant
Councilor Robin Dayton
Town Manager Jack Turcotte
Assistant Town Manager Louise Reid
Roger Bedard, P.E. – Wright Pierce
Christopher White- Superintendent – Waste Water
John Weaver – Chairman – Recycling Committee
Jill Eastman – Finance Director**

**Absent: Councilor Sharri MacDonald
Councilor Shawn O'Neill**

Sewer User Fee

The Town Manager spoke about the fact that over the past few years there has been an ongoing discussion about sewer rates. There are about six communities in the State of Maine who don't have separate sewer rates and Old Orchard Beach is one of them. The Town Manager indicated that budget considerations need to be addressed in a timely manner due to the constraints on us all in the budget process. The Town Council has stated that Old Orchard Beach must start looking at doing things differently because traditional operations are no longer financially meeting our future needs. It is critical that we look to long-range planning to address major future operational needs.

The Town Manager spoke about reviewing the different fee methods used in similar communities to fund their Waste Water Treatment Plant. These fee systems vary from those that charge according to actual usage, estimated usage, or a combination of both. The budget portion of the presentation will show the proposed FY12 operational and maintenance costs of the Wastewater Facility pump stations and sewer lines. The annual operational and maintenance budget numbers represent a proposed budget for the FY12 budget cycle and the estimated carryover for each account. While this budget has yet to be scrutinized by the Town Council, the Departments feel it is a realistic request. We have also included a projected bond payment for borrowing substantial money for the first construction phase to address the current and future needs of the Wastewater facility and pump station. The project bond payments are based on a 20-year loan through the State Revolving Loan Fund (SRF.)

The objective this evening is to show how much money is spent and the different fee methods that are available to raise the needed funds. We need to understand that any change in the funding system will take substantial amounts of time for the administration and staff as well as difficult decisions on the part of the Town Council. There is no doubt that changing the fee system will also have an impact on residents and businesses alike. All systems have their advantages and disadvantages. It is our hope the Council will come away with a better understanding of all three. If the Town Council decides to move forward with further study of the options then the Council needs to understand that a substantial amount of staff time will be needed to explore the options within the fee systems. Depending on the favored option, the Town will also need to make an investment in gathering background material and consulting with engineers. Without this information the cost for the individual homeowner and business owner are difficult to ascertain and could only be estimated. We need to remember that the object is to recover within the user fee the amount used to fund Wastewater operations that are currently in the property taxes. The Council will have choices to include specific accounts and funds that may or may not be included within the user fee.

The Town Council, Administration and Wastewater Department have shown fiscal responsibility and regardless of changes, it will continue to do so. The department cannot, however, pretend that its needs can be put off for extended periods. There are always great strides in technology that save time, money and energy. With the cooperation of the Council, administration and staff, much work has been done in the last five years. To continue a safe and efficient operation it will be necessary at some time and point to make a significant investment. These choices are much better done when they are done in a manner that best serves the people of Old Orchard Beach.

Roger Bedard of Wright Pierce will be doing the presentation this evening and Chris White, Superintendent of Waste Water will be available to answer questions after the presentation. The presentation included discussion of sewer rate development; methods (pros and cons/viability); items covered by sewer rates; estimated charges; review of other community sewer rate charges; and the cost of implementing the system.

It was explained that sometimes there are benefits to public services that are shared by all. The dwelling unit methodology equates the design flow of motels, camps or campgrounds, apartments, commercial establishments, etc. to single family homes and therefore negates the need for the use of water records. The Consultant evaluated methodologies available for recovering sewerage costs including continuation of existing ad valorem system; a sewer fee based on water use; a sewer fee based on the equivalent dwelling unit methodology; and a sewer fee based on a combination of all or some of the methodologies noted above. He indicated that his review will be an evaluation of the advantages and disadvantages of each system and the costs for implementation.

The Waste Water Department is currently funded through property taxes, commonly referred to as Ad Valorem, or taxation. Regardless of use or impact, typically 10-12% of property taxes are dedicated to the operation and debt retirement of the Wastewater Treatment facility as well as the Pump Stations. The maintenance of the sewer lines is currently not included in the budget. The annual operating and maintenance budget is estimated to be \$1,100,000 for the FY 12 budget.

Sewer Use Charge Methodologies

Tax Rate
Water Use
Equivalent Dwelling Use
Combinations of Above

Advantages of Recovering Costs through Tax Rate (ad Valorem)

Easy to Assess – Billing Structure is already in place;
Current system in use;
Can be deducted from Federal Income Taxes (IS THIS STILL THE CASE?);
Everyone is accustomed to it;
Simple to Administer; and
No additional collection costs.

Disadvantages of the Costs through Tax Rate

Considered inequitable (payment is related to property value, not actual usage);
May disqualify Town for State and Federal grants;
Does not promote water conservation based on usage; and
All taxpayers fund future sewer system improvements, not just users.

Advantages of the Water Use Method

Those who use the most water pay the most; those who use less pay less;
Most widely used sewer rate system;
Water conservation is encouraged;
Easiest to defend; and
Cost burden is shifted off tax base.

Disadvantages of the Water Use Base

Highest billing and collection costs;
Some users will pay more under this system than the current system; and
Expense may no longer be tax-deductible.

Equivalent Dwelling Unit Method (EDU)

Single family homes are charged based on one dwelling unit.
All other properties are charged on a multiple of the flow expected
from a single family home based on their expected design flow.

Advantages of Equivalent Dwelling Unit Method

Payment based on design flows versus actual use;
After initial setup cost billing requires little update;
Revenues will not vary from year to year as can occur with

water use method;
 Do not have to pay for water readings;
 Paid only by users of the Wastewater System; and
 Less expensive to administer than the Water System.

It should be noted that single family homes, condominiums, mobile homes, and individual apartments, EDU's for individual hotel/motel rooms, individual campground sites, restaurants, lounges, car washes and laundry mats would be assigned EDU's according to the Maine Plumbing Code. Determination of the number of commercial EDU's that qualify for "seasonal" status still needs to be estimated. In some communities, seasonal status is only granted to those that show proof they have removed their water meter.

Hybrid System

This is a combination of water use and EEDU Systems.

Summary of Rates:

What do other communities charge?

<u>Community</u>	<u>Method</u>	<u>Average Residential Bill</u>
Old Orchard Beach	tax base	\$264
Saco	water use	288
Scarborough SD	EDU	330
Kittery	water use	356
Kennebunkport	EDU	388
Ogunquit SD	water use	400
Wells SD	hybrid	480
Freeport SD	water use	566

What Can User Rates Cover?

Waste Water Treatment facilities and Pump Stations:

Labor, vehicles, utilities, operations, maintenance, sludge disposal,
 Pump station costs and equipment replacement costs.

Wastewater Collection System:

Labor, line cleaning, maintenance, vehicles, sludge disposal, pump station costs;
 and equipment replacement costs.

Existing Payments on Bonds; and

Future Payments on Bonds.

Estimated Expenses

Estimated expenses which could be covered by user charges:

Fiscal Year 2012

Wastewater Facility and Pump Stations \$ 1,100,000

Collection Systems O&M and CIP	150,000
Existing Debt	0
Future Plant CIP Debt	650,000
System Administration Costs	100,000
Total	\$ 2,000,000

Advantages of Combination Methodology:

- Most Homeowners who itemize their federal tax would be allowed to deduct the cost of wastewater collection and treatment from their federal tax bill, as they presently do, inasmuch it would remain a part of their municipal tax bill;**
- Motels, campgrounds, Laundromats and high use commercial and residential customers would pay for their high water usage;**
- Low use customers, such as senior citizens, would not be unfairly penalized As under the EDUM; and**
- Water conservation would be encouraged.**

Disadvantages to the Combination Methodology

- Those 300 residents who are not on the sewer system would continue to pay for the sewerage system through the taxes;**
- Special computer program would be needed to be written to take the Water data supplied by the Biddeford & Saco Water Company and convert it into information that could be used for billing by the Town;**
- The Town would have to pay Biddeford & Saco Water Company and Convert it into information that could be used for billing by the Town; and**
- The combination methodology is projected to be the most expensive Systems for motels and campgrounds.**

Next Step

- Set Methodology;**
- Set Budget items for rate setting;**
- Establish Rates;**
 - Each community served by Wastewater Treatment utility is in a constant state of change. As new developments for residential and industrial users are planned and constructed, wastewater volume and strength characteristics will fluctuate. Selecting a rate-setting model normally involves conducting a review to determine the number and types of users contributing to the utility, their discharge characteristics, and the Treatment Plant's processing capability.**
 - When developing a charge, management must determine:**
 - (1) who will be billed; (2) what factors on which billing will be based; and (3) how the billing will be performed.**

**Determine Budget items to be allocated against user charge;
Enact enabling legislation;
Enact Ordinance; and
Implement charges.**

We have about 350 single family homes not on the sewer connection – septic system. Currently the town reimburses owners \$250 every eighteen months to pump out system if they choose to do that. Part of the study indicates that about 11% of your taxes go to fund sewer and infrastructure. The sewer impact fee charge represents the cost of a share of the physical wastewater treatment allocated to new or existing customers. This money is usually dedicated to capital improvement costs associated with repair or upgrades and not for day to day operations.

Several attendees at the meetings made comments including why new users should pay for neglected maintenance and it was explained that all residents have paid a connection fee at one time and that money, although indirectly, paid for maintenance on existing equipment. It was explained that it is a commonly used method and is used as a “buy in” for new residents who are using a portion of the remaining capacity. This money is normally set aside for repairs to existing equipment. It was noted by others that our method is outdated and is not a fair cost-sharing formula for the residents. Some felt the Town needed to be generating more revenue in the summer in order to deal with budget shortfalls. This would mean upgrades to the wastewater treatment pump station and plan again which affects rates. The idea of looking at all options was encouraged including charging users based on EDU’s or equivalent dwelling units – a standard, family portioned amount of water. Commercial and industrial users would be charged for multiple EDU’s based on their usage and how it equates to that of a single family. It was suggested also that restaurants, hotels, and souvenir shops would have to be categorized and charged accordingly. Some felt that we need to share costs but at the same time we do not want to drive businesses out. The general feeling was that the Town needs a more fair and equitable system. When a question was asked about the mil rate being affected or reduced by the removal of the wastewater costs out of the budget and into the sewer user fee instead, it was indicated it would be affected.

The caveat will be whether the Council is willing to commit that the amount of funding taken off the tax base remains off of the tax base so that the increase that property owners will see from the addition of a sewer fee is indeed offset by savings in property taxes. One of the concerns was that once we realize a lower mil rate that there is a possibility of it being viewed as an opportunity to increase the budget with other expenditures. The way to insure that this does not happen is to peg any budget increase allowed to the baseline of the budget to be minus the Waste Water costs.

Some of the questions that were asked included information provided at other meetings as pointed out by Councilor Dayton. She specifically related comments made from the former Town Manager, Steve Gunty, which she felt was well written and defined what we were discussion this evening. “While the Water Use based system was deemed most equitable and generated a varied level of support from some, and gained solid support on part of the business community due to its numerous advantages, it also presented several extreme challenges. While content with the existing Ad Valorem method and concerned that any user fee system might cause community divisiveness over changing the billing basis especially if

perceived to be unfair, some businesses weighted heavily on the side of Water Use due to its inherent across the board fairness. Unfortunately specific rates cannot be determined without purchasing the water usage records at a cost of approximately \$6,000 and a \$50,000 software program to interpret. Fluctuations in seasonal water usage could be problematic for Town Capital Investment planning and could lead to erratic rate fluctuations to compensate. The most compelling advantage of the Water Use method was that it allocated charges based on actual use of the wastewater system by a measurement tied to water usage. While expensive the costs of securing water usage data could be recaptured based on the rate charged and perhaps future grants received would justify its initial cost. There would be additional complications in billing because of the irregularities of the meter reading cycle of the Water Company. Customers are billed either monthly, quarterly or seasonally and the Town would have to incorporate those nuances into its billing system, including the need to estimate readings when access to homes was denied. Staff time would be costly and a dedicated full-time employee would be required with the range of approximately \$80,000 (\$50,000 wage, \$24,000 data purchase, \$6,000 training – computer support, and a one-time software cost of \$50,000.”

“The EDU based-system, although felt to be lacking the complete equity of the Water Use system, has compelling reasons for consideration. The Town would insure its eligibility for certain types of State Grants. It is the easiest start up system and easy to maintain. There is no need for purchase and analysis of water bills. It is less expensive to start up and maintain. Initial set up could be handled by a $\frac{3}{4}$ time employee with future duties reduced to $\frac{1}{2}$ time. Software is less expensive pushing the total annual administrative cost in the \$27,000 - \$39,000 range (\$25,000 to 37,000 for wage/benefit; nothing for data purchase; \$2,000 for training; and a one-time software cost of \$15,000. It should also be noted that it provides less unknowns – a flat fee and consistent billing for all users. Because revenue is consistent (not subject to water usage), it helps create a reserve fund within the budget for use as Pay-As-You-Go funding as needed to offset the need for bonding. Should in the future you want to switch to Water Use or Hybrid system there are less complications, utilizing newly trained staff developed for this purpose. You would be able to credit seasonal users to further enhance system fairness. Impacts to many property owners are less extreme than the Water Use method and there is no additional impact to year-round-single-family homeowners.”

Further discussion on grants brought forth the question of eligibility. Councilor Dayton read into the Minutes from a September 29, 2008 memo from Wright Pierce – “Eligibility for a DEP grant requires that the average residential sewer user charge exceed two percent of the medium household income (MHI) of the municipality. OOB’s MHI from the 2000 census is \$36,568. On this basis, the Town’s annual sewer user charge would need to exceed \$731 in order to qualify for a DEP grant. If there is funding available, DEP can award a grant in the amount necessary to reduce the user charge by 2 percent of the MHI*, up to the maximum of 80%. However, based on figures it is highly unlikely that a State grant funding could be obtained. The Rural Development grant is the most common program used in smaller communities. The Town might qualify for this up to 45 percent of RD funding.”

Discussion continued with the Assistant Town Manager asking if it is the case that if we should drop the Ad Val Orem (to which we are grandfathered), we would not be able to go back to it again? Mr. Bedard was unclear if you could go back although he did indicate that he has not heard of a community going back to the old system. She also asked if grants were available to those communities using the Ad Velorum system? Mr. Bedard indicated that

STAG grants are available but USDA grants were not. Mr. Neil Weinstein insisted that USDA grants can be applied to those communities that use the Ad Velorum system. Councilor Dayton insisted they were not and claimed to have document stating such. Mr. Bedard indicated that he saw no reason why the RD grant and loan funding could not be obtained by Old Orchard Beach. Documents requested by Councilor Dayton to be attached to the Minutes include the Wright Pierce Memo of September 29, 2008 and the Federal Register- Volume 49. No. 34/Rules and Regulations – February 17, 1984.

Dusty Guarino said she is on septic and was tired of paying for the system she does not use and wants a more equitable fee. Fred Dolgan asked what was expected to be accomplished this evening in this discussion? Chair Quinn indicated that some of the Town's needs have been put on the back burner and this should be talked about. The Town Manager indicated that the Town doesn't have a system in failure but needs need to be addressed soon. John Bird said he was in favor of a sewer user fee system but only if the funds were used for designated purposes. He is very interested in the hybrid fee system since it would account for seasonal use. He also would like to see different accounts for different uses. Mr. Bedard remarked that a minimum fee would be put in place. Rick Payette spoke and asked if the example fees presented include administrative costs and was told that they do. Robert Riley asked if one house equals one EDU and was told yes and when he heard that, he requested that the EDU method not be used.

Marc Sylvester commended that these fees were a "slippery slope" and said all costs should be "community effort." He owns a business in Biddeford and said that initially the sewer user fee lowered his taxes, but taxes have gone up since then. Councilor Dayton answered that we have been using the Ad Valorem system for a long time and we still do not have a plan. She also stated that the report on needs was missing in the presentation. She wants to move forward with the sewer use fee, but wants a list of infrastructure needs first. Vice Chair Tousignant had a copy of the 2009 report. Residents had asked if the study included the cost of sewer lines and if all the needs can be bonded. Vice Chair Tousignant indicated that the sewer lines were not included but all needs can be bonded. Councilor Dayton wants fees for individual residential and commercial owners "broken out" under the current system.

Discussion continued with Mr. King Weinstein recommending that the Town have a plan before authorizing expenditures. He also commented that the Town would probably pass a bond referendum even without a sewer set fee. John Bird understood that expenses will need to be planned for and a sewer user fee is more equitable. It will account for commercial use and we should start with a small fee to cover portions of the budget. Councilor Dayton again commented that the 2008 Sewer Rate Survey Study prepared under a program administered by the Maine Municipal Bond Bank had never been put toward the Workshop and that this needed to be considered. The question was asked how we implement a sewer fee to which the Town Manager indicated it would require an ordinance change. Jerome Begert raised several questions to the Town Manager, the Engineering Consultant and to the Waste Water Superintendent. Keeping in mind, he said, total sewer-usage numbers will attract Federal Government grants and how usage-measurement can provide incentives for water-conservation. He asked that the citizens be educated about our government facilities – the Town Hall, Public Works Department, Wastewater Treatment Plant, Police and Fire Departments, public restrooms at West Grand Avenue, Milliken and Memorial Park, and the Old Orchard Beach Baseball Park as well as the Regional School Units' buildings. Do these now pay sewer bills? How will these government facilities pay under a sewer-user-fee system?

If these are not included in the system, how do you gauge their infrastructure impact on the Treatment Plant? He said that water usage shrinks when tens of thousands of tourists and summer homeowners evacuate the Town for nine to ten months and when condominium “snowbirds” travel south for six months. He said he didn’t see how there can really be enough sewer-user fee revenues to pay as much as property-tax-ratio revenue unless you’ll be charging more some how charging more somehow to year-round residents. Vice Chair Tousignant asked what our current bond debt is, to which the Finance Director responded that it is eleven million dollars and we could bond up to 22 million dollars. The Chair commented that grant possibilities should be investigated before any decisions are made. Fred Dolgan again asked what percentage of the project was administrative and engineering to which Mr. Bedard said this is an unknown until you decide the scope of the project.

The Chair expressed appreciation to all who had attended this workshop and for the interaction of those in attendance.

Pay As You Throw (PAYT)

History

In communities with Pay-As-You-Throw program (also known as unit pricing or variable-rate pricing), residents are charged for the collection of municipal solid waste – ordinary household trash – based on the amount they throw away. This creates a direct economic incentive to recycle more and to generate less waste. Traditionally residents pay for waste collection through property taxes or a fixed fee, regardless of how much, or how little, trash they generate. PAYT breaks with tradition by treating trash services just like electricity, gas, and other utilities. Households pay a variable rate depending on the amount of service they use. Most communities with PAYT charge residents a fee for each bag or can of waste they generate, and in a small number of communities, residents are billed based on the weight of their trash. Either way, these programs are simple and fair. The less individuals throw away, the less the pay.

Reasons for consideration of the PAYT program include environmental sustainability (significant increases in recycling and reduction of waste.) Less waste and more recycling means that fewer natural resources are impacted. It also includes economic sustainability as it is an effective tool for communities struggling to cope with soaring municipal solid waste management expenses. Well-designed programs generate the revenues, communities need to cover their solid waste costs, including the costs of such complementary programs as recycling and composting. Residents benefit because they have the opportunity to take control of their own trash bills. There is also a sense of equity; it has inherent fairness. When the cost of managing trash is hidden in taxes or charged at a flat rate, residents who recycle and prevent waste subsidize their neighbors’ wastefulness; but under PAYT residents pay only for what they throw away.

Some of the concerns expressed were that when there is a change to any established municipal service, public resistance is common. It was suggested that there might be more illegal dumping. The three common pricing structures include proportional pricing meaning residents pay a set price per bag or unit of trash they generate; Variable rate pricing means that the price per unit changes as the amount of waste created by an individual changes; Multi-tiered pricing uses a flat fee to create revenue stability, and then adds additional costs

per unit of waste generated; and generally the flat fee would be used to cover the program's fixed costs, and the two tier fees to cover variable costs such as collection, transportation and disposal. PAYT programs provide the largest increase in recycling volume with minimal cost impacts to local governments and residents. It is a more equitable system for residents who can now pay only for the non-recyclable waste they generate without subsidizing neighbors who generate considerable more waste. PAYT rates also increase yard waste recycling tonnages, thus diverting compostable materials away from the waste stream.

The implementation of a PAYT program entails minimal operational changes and costs where established solid waste collection routes already exist. Some administrative processes are necessary to ensure billing and collection. Some communities forego billing by requiring the purchase of approved trash bags or trash can decals. It is both critical and challenging to build public consensus, which will require a good planning and public education efforts.

Reasoning for the consideration of the implementation of the PAYT program is that it will offset the increasing costs of trash disposal. It allows each household to control their volume of trash disposal and the associated costs with excess disposal. It can encourage recycling use which benefits everyone. PAYT implementation will alleviate additional increases in the Town's trash budget. The cost per bag will offset the trash disposal cost of each bag of trash. The Town will continue to incur monthly collection costs in addition to the tonnage charges assumed with each bag of trash disposed. There will continue to be curbside pick up of recyclables. The question of when this will be implemented is the decision of the Town Council.

Many questions would need to be answered should the Council vote to adopt the program. The Council directed the Town Manager and the Committee to come up with a recommendation to the Council. Some of the questions needing to be answered would include: Will there be different size bags? Will it be a 14 gallon bag and 33 gallon bag? What is the cost of the bags and will they be sold in packages of five? Will the bags be biodegradable? Very few companies offer a biodegradable bag option – many bags on the market are compostable, but not biodegradable. Bags currently available will not degrade in a landfill. Bio-bags need air and water to decompose. Bio bags are extremely expensive. What color bags will we use? Will everyone have to purchase bags? Will there be a senior discount? Everyone will be paying the same price for the same size bags. For accountability and ease of sales, especially through area businesses, pricing will remain consistent. Where will the bags be sold? Is there a possibility of the Town's bags being sold by area merchants? What happens if you don't have the right bag and use just a regular bag? The trash company will put a sticker on it that indicates you must have the right size and color bag. How will the Town deal with offenders? The Town will regularly monitor areas around Town that have historically had dumping issues. The Town will encourage the citizens of the Town to report offenders as well as engage the cooperation of our citizens for success of the program. How will the Town be informed about the PAYT program? There will be many avenues of communication including the Town website, press releases, mailers to town residents, newspaper articles, campaigns, possible 911 alerts, through advertising, etc. What if the trash doesn't fit into the bag? If your non-recyclable item does not fit into the PAYT bag, then the item may not be eligible for curbside pickup. What if I have a non-eligible PAYT item? You would need to dispose of your item through the Town's bulk day, if there is one scheduled. Will there be a limit to the number of bags that we put out? Will there be a sticker program?

Successful PAYT programs operate in conjunction with comprehensive recycling programs. This allows residents to reduce much of their waste. The municipality benefits to the extent that recycling lowers landfill tipping fees and potentially increases revenue from the resale of recyclables. It was indicated that the reason for the PAYT program failing in Sanford was that some perceived it to be divisive and did not give incentives to people to recycle; instead it punished them for recycling. Strangely, it was noted, that after seven weeks of switching to the PAYT program, Sanford's recycling rate went from 7.5 percent to 41 percent, one of the highest in the State. The amount of trash it delivered to the incinerator had dropped to an average 63 tons per week during the first six weeks of the new system, compared to an average 155 tons per week during the same period last year. At that rate it was indicated Sanford could have saved \$275,00 in trash disposal fees. Ecomaine communities that have mandatory recycling ordinances, curbside recycling and PAYT recycle at a rate of 41 percent rate compared to 17 percent in communities that don't offer these incentives. It is interesting that Sanford had a year educational program that seemed not to have accomplished its mission. On the other hand, there are those who feel education is the key to success; such as sending out notices with property bills, web updates, mailings, advertising, etc. One of the negatives that some recounted is that the town would be charging for a service that citizens got free before.

In the process of review the Council will take into consideration – the bottom line; is it economically sustainable; is it environmentally sustainable; and is it fair? In order to work the benefits of the system must provide include a fair allocation of disposal and collection costs; tax-deductible collection cost components; lower collection costs than a traditional non-fee system; incentives for recycling and waste reduction; a favorable cash flow structure; and the elimination of trash “mixing” by unscrupulous haulers.

How will it work? In some communities the Town buys the bags; local stores retail the bags and are allowed a markup. Stores are invoiced at the time of delivery and have 30 days to pay. Some considerations from other Town's experience include not to overbuy the supply of bags until you are confident they are the correct size; it might be prudent to buy a smaller number so that changes can be made if needed or desired. Education prior to implementation is important – brochures, newsletters, passing out a couple of free bags or stickers if using the sticker program. Don't underestimate the difficulty people have with new programs and plan for the extra work at the beginning that the staff will have in selling and monitoring the program. It has been indicated by some communities that it takes at least nine-months to get people into the habit of following the program. The major challenge inherent in any reduction and recycling program is informing the public.

The questions include, “Do we use bags, tags or cans.” The counterfeiting of tags has been an issue in some communities; containers require a large upfront capital cost; plastic bags seemed to be the most equitable choice by many communities. Some communities sent out questionnaire before the program began to ask for general consensus and input. An excellent public information and education program is imperative. Sanford spent over \$50,000 on educational material and yet it was repealed. In the 15 weeks PAYT was in force, Sanford's trash volume fell by 83 tons a week while recycling rose from ten percent to forty percent of the overall waste stream. When it was repealed, trash volume instantly went up to fifty ton a week. Many feel the failure of the program was that it was sold as another tax. The other fear factor was the possibility of “midnight dumping.” This is the surreptitious and illegal disposal of garbage on side roads and vacant lots. Less waste and greater recycling means that

fewer natural resources are used; less energy is consumed; and less pollution is created. Landfill space is used at a slower rate reducing the need to site additional facilities. Adjustment of purchasing habits to favor products that will result in less waste also is a plus. In addition disposal costs go down because they often have more recovered materials and less waste to dispose of and these programs can yield savings in waste transportation expenses and potentially greater revenues from the sale of collected recyclables. The bold truth is that although they may not realize it, residents pay to throw away trash. Whether they pay through their taxes or with a flat fee, those who generate less and recycle more are paying for neighbors who generate two or three times as much waste. Pay-as-you-throw is more equitable; residents who reduce and recycle are rewarded with a lower trash bill. Offering citizens this program as well as composting for yard trimmings and other programs are, however, positive approaches. The Councilors and those attending discussed a wide variety of issues.

Single stream recycling reduces costs, especially with the price of gas increasing. By needing to only dump one bin of recyclables, there is less idle time at each stop, and by tossing all recyclables together, there are no worries that one compartment will fill up before another compartment, and each truck can therefore hold larger quantities. It was indicated that you will never get people to recycle unless you hit them in the wallet.

Discussion between Council, the Recycling Chair John Weaver, and citizens in the audience, centered around the pros and cons of changing to the Pay to Throw program. The Committee recommended that the Council provide some direction to the Committee. It was again recommended that at least a nine months, if not longer, education process proceed the Pay to Throw system be implemented should the Town Council decide to do this once a recommendation comes forward to the Council from the Recycling Committee.

The meeting adjourned at 10:30 p.m.

Respectfully Submitted:

V. Louise Reid
Secretary to the Council

I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, do hereby certify that the foregoing document consisting of twelve (12) pages is a true copy of the original Minutes of the Workshop Meeting on March 9, 2011

V. Louise Reid