

# LEWISTON CITY COUNCIL WORKSHOP AGENDA

## CITY COUNCIL CHAMBERS, CITY HALL

TUESDAY, FEBRUARY 9, 2016

### 6:00 p.m. Workshop

Pledge of Allegiance to the Flag.  
Moment of Silence.

1. Review of Bartlett Street and Sidewalk Improvement Project - 30 minutes
2. Discussion of City Solid Waste Management System and Proposed Pay As You Throw Program - 45 minutes

LEWISTON CITY COUNCIL  
WORKSHOP AGENDA  
TUESDAY, FEBRUARY 9, 2016  
CITY COUNCIL CHAMBERS, LEWISTON CITY HALL  
6:00 PM

1. Review of Bartlett Street and Sidewalk Improvement Project – 30 minutes.

City staff have been working to design the Bartlett Street and Sidewalk Improvement Program for some time. This is a state/federal/city funded project to improve Bartlett from East Avenue to College Street. A public meeting was recently held to review the plans with interested parties. Before finalizing the plans and specifications for this project, we would like to review it with the City Council.

2. City Solid Waste Management System and Proposed Pay as You Throw Program – 45 minutes.

Over the last year, the prior City Council considered the possible introduction of a Pay as You Throw system in Lewiston. Late in the last year, that Council decided to implement a public information and participation effort around such a program. We are at a point where such a program can be initiated. Before doing so, however, we would like to check in with the new Council to determine whether support remains for such an effort. Please see the attached material which provides, first, an overview of the City's current solid waste management system and, second, information on pay as you throw systems.



## EXECUTIVE DEPARTMENT

**Edward A. Barrett, City Administrator**  
**Phil Nadeau, Deputy City Administrator**

February 4, 2016

To: Honorable Mayor and Members of the City Council  
Fr: Edward A. Barrett  
Su: City Solid Waste System

Recent discussions of the Pay as You Throw option for solid waste collection have raised questions and interest in the City's overall approach toward and policies covering solid waste collection, disposal, and recycling. What follows is an attempt to provide an overview of the City's current system and how it operates.

### Solid Waste Collection

The City contracts with Pine Tree, a division of Casella, to collect residential solid waste from single family homes and certain multi-family units. The current year cost of this service is \$570,826, is included in the City's property tax rate, and collects at no charge from single family homes, duplexes, and three-unit buildings where one of the units in the building is owner occupied<sup>1</sup>. Owners of multiple unit apartment buildings<sup>2</sup> (as defined\*) that do not qualify for no fee collection have several options available. First, they may enroll in the City's collection service at an annual cost of \$170 per unit; they may contract with a private company for waste services; or they may individually collect waste and deliver it to the City's solid waste facility or to other waste facilities, such as the Mid Maine Waste Action Corporation (MMWAC) in Auburn, and pay the respective fees required by those facilities<sup>3</sup>.

No fee collection services are provided to about 9,915 residential units (single family homes, duplexes, and three unit buildings where one of the units is occupied by the building owner). There are approximately 6,859 rental units in buildings that do not qualify for no fee collection. Of these, about 1,952 units pay a fee to the City for waste collection. This produces total revenue of about \$320,000 annually and includes slightly over 28% of rental units potentially eligible for City fee based collection. The City has generally been ambivalent about offering this fee for service program to multi-unit buildings. When implemented, the initial proposal was to require all larger apartment buildings to provide for non-City collection services. Some landlords objected to this change, so the City implemented the fee collection system. Initially, however, once someone left the system, they could not return. More recently, this restriction has also been weakened to allow easier re-entry into the program. Given this, the current program can best be characterized as a compromise system.

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<sup>1</sup> Note that if a unit in a building with 4 or more units is owner occupied and that building is enrolled in the City's fee for service collection program, no fee is charged for the owner occupied unit.

<sup>2</sup> Section 62-11, Definitions, states – *Multiple Unit Apartment Building: An apartment building or complex of buildings, which contain a total of four or more dwelling units per parcel of property or three or more dwelling units per parcel of property, which are not owner occupied.*

<sup>3</sup> Please also see the discussion of the E-Pas program below re: passes provided to landlords.

## Incineration in Maine

Municipal Solid Waste collected by Pine Tree is transported to the Mid-Maine Waste Action Corporation incinerator in Auburn where we are charged \$42.50 per ton. In FY 15, we delivered 10,515 tons to MMWAC at a cost of \$446,888.

Incinerators in Maine are generally experiencing fiscal stress. When initially established, these facilities benefited from requirements imposed by the Maine Public Utilities Commission. These requirements included that utilities would enter into long-term power purchase agreements from MMWAC and other incinerators at advantageous prices. These long-term contracts have now either expired or will shortly, significantly reducing facility revenues. As a result, some facilities have closed while others have struggled to increase tipping fees while remaining competitive with disposal costs offered at the state's two major landfills. In addition, the state's solid waste incinerators are all aging and will face the future need for on-going significant capital maintenance.

Should the continued operation of MMWAC ever become financially unfeasible, Lewiston's only options would be to truck our solid waste to a landfill at significantly higher transportation and disposal costs (and see a major loss of revenue from ash disposal in our landfill) or to amend our landfill license to allow it to accept our solid waste, significantly reducing the expected life of that facility and increasing its operating costs. Recent efforts to work with the state to find a mechanism to help support incinerators have not been successful, although these efforts are continuing.

## Recycling

The City also provides free curbside recyclable collection to properties which place their recyclable waste materials, curbside, in suitable containers as defined. This is provided through a contract with Almighty Waste at a current year cost of \$197,000. During FY 15, the City collected 993 tons of recycled material which is delivered to the Casella Material Recovery Facility (MRF) at our solid waste facility at no charge.<sup>4</sup>

## Landfill/Solid Waste Facility

The City offers a variety of services at the Landfill. These include drop off no charge recycling, accepting solid waste, disposing of certain hazardous or categorical wastes, and accepting ash from MMWAC.

The City's landfill basically only accepts ash from the incinerator in Auburn. MMWAC is charged \$40 per ton of ash, and the City accepts the ash generated from solid waste delivered to MMWAC by all of its customers. In FY 15, we received 17,990 tons of ash and billed MMWAC \$719,619. As a result, the Ash for Trash contract with MMWAC actually produces a net revenue stream of \$277,741 to the City after taking into consideration the tipping fees we pay there.

One future issue relating to the landfill is closure and post closure costs. While we estimate the landfill's current life expectancy in the 30-35 year range, the final costs to close the landfill and the on-going costs to monitor and maintain it are significant. Current estimates are in the \$20 million range. If our landfill

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<sup>4</sup> Casella is currently charging up to \$35 per ton to other customers. We are not charged as part of the overall agreement that established the MRF facility at our solid waste facility.

was privately owned, the state would require that a separate trust account be established and funded annually to ensure that funds will be available in the future to meet these costs. As a municipality, we do not face the requirement to pre-fund closure costs; however, we will be required to fund them at time of closure and annually thereafter. If we were running the landfill as a business, these costs would be included in the fees that we charge so that they would be available at time of closure. Therefore, it is fair to say that the annual budget for the landfill understates actual costs.

Residents and small quantity business generators can also deliver recyclables directly to the solid waste facility without charge. This extends the availability of the recycling service to those who are not on the tax supported collection system. Businesses that generate higher volumes of recyclables must deliver their materials directly to Casella's MRF at a current cost of \$35 per ton.

The Facility also accepts a variety of other materials, some at no cost but most with a charge for service. A copy of the fee schedule is attached.

Finally, a Household Hazardous Waste Depot is operated by the Androscoggin Valley Council of Governments and is located at our facility and operated on the first and third Saturdays of the months of May through November. Lewiston residents can dispose of up to 10 gallons of liquid and 40 lbs. of solid waste at no cost. A fee is charged beyond that amount. A summary of that program is also attached.

### **ePass Program**

The City sells ePasses (formerly known as "Punch Passes") to Lewiston residents at the Treasurer's Office and at the Scale House at the Solid Waste Facility. These passes allow individuals to deliver certain wastes to our Facility at a significantly discounted rate. ePasses are good for one year from the date of purchase. The cost of the first pass is \$20. If necessary, a resident may purchase a second pass during the year for \$40.

The ePass allows the holder to dispose of the following:

- 2 - tires (off the rim)
- 1 - television or computer monitor
- 1 - refrigerated appliance
- 6 - Bulk Waste items (i.e. furniture, rolls of carpet, etc.)
- 6,000 lbs. of trash/construction and demolition debris/yard debris

The retail value of an ePass, assuming all materials are actually disposed of, is about \$350. A \$20 price represents over a 90% discount. In FY 15, the City sold 2,348 ePasses. Only 110 of these were the higher priced second passes. This produced \$47,740 in revenue.

The City also offers an abbreviated ePass program for renters. This pass costs \$10 and allows the resident to dispose of similar quantities of material except for a reduction in the weight of trash/construction/yard debris from 6,000 lbs. to 800 lbs. During FY 15, 71 of these passes were sold for \$710 in total revenue.

A final element of the ePass program relates to landlords with a large number of properties. They are eligible to receive, free of charge, one ePass for every 3 units enrolled in the City's fee collection system. Based simply on an analysis of individual multi-family properties in the City's collection system, the City

provides a minimum of 678<sup>5</sup> no charge ePasses, which would produce \$13,560 in revenue if sold for \$20 and which have a disposal value of \$237,300. Given the significant discount associated with this program, it is possible that large property owners can manage their properties in such a way as to minimize their overall costs by balancing the number of units for which they pay the city fee against the number that they service on their own using the ePass' allowance for solid waste (6,000 lbs). The average residence produces about 2,600 lbs. of solid waste per year. Given this, every no charge ePass provided to a property owner allows that owner to deliver waste generated from an estimated 2.3 units to the City's solid waste facility and incur no disposal costs.

### **Effectiveness of Current Recycling Program**

The City's current recycling rate is less than 10%, far below the state goal of 50% and the rates achieved by many other Cities in Maine.<sup>6</sup>

The attached spreadsheet presents information on the City's recycling rate from 1999 through 2015. The rate is computed by dividing the amount recycled by the total tons of waste we handle (incinerated and recycled). Based on this formula, our recycling rate was 12.8% in 1999. It fell to a low of 7.1% in 2008 and grew to a high of 11.9% in 2013, slipping back to 8.6% in 2015. So, over this entire period, our recycling rate has been relatively low and is somewhat lower today than when the program began in 1999.

The last full year before single stream, our recycling rate was 8.0%. During the first full year of single stream, that percentage went up to 10.6%, so our rate increased by about 2.5%. While this may indicate that more people began recycling, it may be more likely that those who were already recycling increased the amount they put out at the curb because single stream takes more kinds of material.

Over the first three years of the zero sort program, the recycling rate increased from 9.5% (program in effect for six months) to 10.6% to 11.9%. Unfortunately, that trend did not continue in 2014, where the rate fell to 10% and 2015, where it continued to decline to 8.6%.

Overall, the following conclusions can be drawn from this data:

- While single sort initially improved our recycling rate, it has since fallen off and we continue to have a very low rate;
- While the rate initially increased under single sort, it has since declined to at or near the level before zero sort was implemented.

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<sup>5</sup> This is a minimum estimate based on the assumption that every multi-family building is individually owned. Since many landlords own more than one building, the actual number is larger. For example, if I own an 11 unit building, I would receive 3 no charge ePasses. If I own a 13 unit building, I would receive 4. If I own both, with a total of 24 units, I would receive 8 ePasses instead of 4.

<sup>6</sup> While the state has collected data on recycling and calculated rates for municipalities for many years in an effort to track progress toward its 50% goal, the state formula takes into account a number of factors other than household solid waste. The state formula is: Composted waste + recycled waste + construction and demolition debris + recycled hazardous waste + bottle bill returns/Divided by Total Waste. The approach that we use to determine our recycling percentage simply looks at material we actually handle through direct city programs. This includes solid waste and recycled materials collected curbside and solid waste and recycled materials delivered to our solid waste facility. It does not include commercial waste that goes directly to MMWAC or a landfill, bulky waste, construction and demolition debris, etc.

- Recycling likely has a very low penetration rate with a relatively small percentage of our residents participating.
- This reflects both our limited ability to publicize and educate about the program and a lack of incentives for residents to participate. It's simply easier to throw it all out in one container than separate it. Traditional behavior patterns are hard to change
- Due to the low tonnage of recycling that we are collecting, collection and disposal costs for recyclables are more expensive than are the costs associated with solid waste. These costs, respectively, are \$196.37 per ton of recyclables and \$96.71 per ton of waste delivered to MMWAC.

#### Thoughts and Comments on the Current System

- The City's landfill is a major positive for the community, allowing us to generate a significant revenue stream from accepting ash from MMWAC to offset overall solid waste costs;
- The future of the MMWAC incinerator, however, is not assured given the loss of long-term electric generation contracts, the age of the facility, and competition from other waste disposal alternatives.
- We are not pre-funding closure and post closure costs. Unless this changes, this significant cost will eventually be handled, most likely through borrowing the necessary funds, increasing total costs and burdening future residents.
- The decision to contract with private firms to collect our solid waste and recycling was a wise one, allowing the City to avoid the high capital costs associated with collection equipment and reduce exposure to workers compensation claims and expenses
- The City's recycling rate is currently inadequate to cost justify continuing the program in its current form.
- The City's ePass system distorts the market for waste disposal by offering a percentage discount that is so substantial that we have heard of cases where ePasses are traded for services and where large landlords use their no charge ePasses to avoid disposal costs.
- The current system, particularly the multi-family and ePass programs, are administratively burdensome. As examples, the City must bill landlords on the fee collection program, police the system to ensure that those that do not pay do not receive the service, track three unit properties with an owner occupant and owner occupied units in larger buildings, manage the ePass program, both in Treasury and at the Solid Waste Facility where our staff must identify and record the type of material being disposed, etc. Simply put, the system is a nightmare to administer and aspects of it are confusing to our residents.

#### Conclusion

Overall, the City's current solid waste system is relatively cost effective, largely due to the revenue generated by our landfill and recognizing that we are not currently saving toward the landfill's eventual closure cost. At the same time, it is clear that the current system developed over time in response to changes in the world and resident and property owner demands and concerns. As a result, the overall system lacks coherence, can be confusing, and is difficult to administer.

While the current system works, it should be reformed to recognize the total current and future cost of waste disposal, to simplify its administration, and to be clearly guided by those principles to which the City gives priority, be they financial or environmental.

## **CITY OF LEWISTON SOLID WASTE FACILITY FEE SCHEDULE**

The following schedule of fees shall be charged for use of the City's Solid Waste Facility (Facility) and services rendered by the City's Department of Public Works (DPW). A Facility employee shall determine whether a vehicle entering the Facility contains a full or partial load and the fees listed below will be adjusted accordingly:

Vehicles with an "ePass" or an "abbreviated ePass" (as defined in Section 62-11 of the City of Lewiston Code of Ordinances) will not be charged for waste disposal of those materials identified in Section 62-24 – ePass program – of the City's Code of Ordinance. **ePasses are sold to owners of Residential properties and multi-unit properties as defined in the City's Code of Ordinance, ONLY. Abbreviated ePasses are available for purchase by tenants who live in rental property. ePasses are intended for use by the recipient, ONLY, and ARE NOT transferable.** Failure to present the ePass (Driver's License) to the Scale House Attendant will result in charges for the disposal of the waste material.

**"Abbreviated ePass" \$10.00**

**First "ePass" \$20.00**

**Second "ePass" \$40.00**

Limit, one ePass, rental property tenant, per year.

Limit, two ePasses, per residential property owner, per year.

All vehicles, which do not have a valid ePass for the type of materials to be disposed and compaction vehicles shall be weighed and charged a unit price of: **\$95.00/Ton**

The minimum disposal charge shall be: **\$ 7.00**

All vehicles hauling commercial or construction debris shall be subject to a minimum charge of: **\$8.00**

All vehicles containing only recyclables and/or scrap metal, as defined in Chapter 62 of the City Code of Ordinances: **NO FEE**

Scale Weights (includes Commercial & Waste Haulers, as defined): **\$10.00/vehicle weight.**

### **All vehicles without a valid ePass will be charged the rates below for the following waste materials:**

Wood waste	<b><u>\$90.00/Ton</u></b>
Asphalt, bricks, concrete (without rebar)	<b><u>\$ 6.00/Ton</u></b>
Asphalt shingles and sheetrock (March – October)	<b><u>\$79.00 /Ton</u></b>
Asphalt shingles and sheetrock (November – February)	<b><u>\$90.00/Ton</u></b>
Bulky Waste	<b><u>\$79.00/Ton</u></b>
20# Propane Tanks	<b><u>\$3.00/tank</u></b>
Refrigerant containing appliances (Residential air-conditioners / refrigerators)	<b><u>\$11.00/item</u></b>
Lead Acid Batteries (Non-Universal Waste)	<b><u>NO FEE</u></b>
Waste Oil	<b><u>NO FEE</u></b>
Florescent lights	<b><u>NO FEE</u></b>

All mixed loads containing recyclables mixed with solid waste as determined by the Superintendent or his designee: **\$180.00/Ton**

Tires from all commercial and residential vehicles will be accepted as follows:

Up to 16" w/o rim	<b><u>\$ 3.00/tire</u></b>
Up to 16" w/rim	<b><u>\$ 6.00/tire</u></b>
>16" to 24"	<b><u>\$ 6.00/tire</u></b>
over 24"	<b><u>\$22.00/tire</u></b>

*Additional information on disposal fees, waste collection schedules and hours of the Solid Waste Facility can be obtained at - <http://www.ci.lewiston.me.us/publicworks/solidwaste.htm>*

## **Household Hazardous Waste (HHW) Depot**

Founded in the Fall of 2005, the permanent HHW Depot is located at Lewiston's Solid Waste Facility. **This Depot will be open to the residents of Lewiston beginning Saturday, May 3<sup>rd</sup> through November 15<sup>th</sup>, on the FIRST AND THIRD SATURDAY of those months, ONLY.** Visit [www.avcog.org](http://www.avcog.org) or call AVCOG at 783-9186 for additional details concerning the depot.

*Examples of waste, which WILL be accepted at the HHW Depot include –*

- oil based paint
- pesticides
- anti-freeze
- old pool chemicals
- waste gasoline & fuels
- solvent based cleaners
- for a more complete list, visit the Environmental Depot's web site - [envdepot.com](http://envdepot.com)

*Examples of waste, which WILL NOT be accepted at the HHW Depot include –*

- ammunition, ordinance, explosives (contact the Maine State Police for info. on disposal)
- prescription medication
- biological and/or infectious waste
- compressed gas cylinders

If you are in doubt / have questions, please check the AVCOG website ([www.avcog.org](http://www.avcog.org)) or give them a call at 783-9186.

## **The HHW Depot is open to residents ONLY and cannot accept Hazardous Waste generated from businesses or other commercial firms.**

*Lewiston residents may dispose of 2 units (up to 10 gal. of liquid, 40 lbs. of solid waste material or a combination of liquid & solid waste) at no cost. **Quantities, which exceed this amount will be charged \$28.50 per unit.** Residents can pay the contractor directly – cash or check. The contractor cannot accept credit cards.*

If you are in doubt / have questions, please check the AVCOG website ([www.avcog.org](http://www.avcog.org)) or give them a call at 783-9186.

**City of Lewiston  
Solid Waste Disposal Facility**

**Residential Waste Summary Report**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change
<b>Solid Waste Disposal</b>																		
Solid Waste - Incinerated	12,648.3	12,561.7	12,592.5	12,505.3	12,859.0	12,922.0	13,102.0	13,084.3	12,158.1	12,007.4	11,503.1	11,203.4	10,908.4	10,428.1	10,311.3	10,598.0	10,515.0	-16.9%
Solid Waste - Recycled	1,852.0	1,746.7	1,685.7	1,164.3	1,303.6	1,115.7	1,179.1	1,134.8	1,225.1	920.7	1,144.8	979.3	1,149.5	1,241.6	1,397.9	1,181.0	993.0	-46.4%
TOTAL HOUSEHOLD Waste	14,500.3	14,308.4	14,278.2	13,669.6	14,162.6	14,037.7	14,281.1	14,219.1	13,383.2	12,928.1	12,647.9	12,182.7	12,057.9	11,669.7	11,709.2	11,779.0	11,508.0	-20.6%
Recycling %	12.8%	12.2%	11.8%	8.5%	9.2%	7.9%	8.3%	8.0%	9.2%	7.1%	9.1%	8.0%	9.5%	10.6%	11.9%	10.0%	8.6%	



## EXECUTIVE DEPARTMENT

**Edward A. Barrett, City Administrator**  
**Phil Nadeau, Deputy City Administrator**

February 4, 2016

To: Honorable Mayor and Members of the City Council  
Fr: Edward A. Barrett  
Su: Lewiston Solid Waste System and Pay as You Throw Proposal

In January of last year, the City Council began discussing a Pay as You Throw proposal for the City of Lewiston. The attached January 7, 2015 memo served as the basis for the initial Council workshop discussion. This discussion continued in May 2015 when additional information was presented on this approach (see May 7, 2015 memo attached) and representatives of WasteZero, a company that specializes in implementing and managing PAYT systems made a presentation to the Council (see attached "Pay-as-You-Throw" for Lewiston, May 2015).

In July 2015, the Council authorized staff to proceed with a contract to provide a public education and community engagement process on the PAYT system and authorized the \$30,000 cost. An RFP was issued and a contract awarded in August with WasteZero. Subsequently in September, a number of Councilors suggested that it might be appropriate to defer this effort until after the election and the new City Council was in office. After discussion, the Council's direction was to proceed with the effort.

Staff initiated discussions with WasteZero and initial organization and planning was done. However, during the November election campaign, it became apparent that some current and potential Councilors might be uncomfortable with pursuing this effort at this time. Given this uncertainty, we placed a hold on actually initiating the education and participation campaign pending the inauguration of the new Council.

At this point, we are prepared to begin this effort. However, before we do so, we once again wish to seek confirmation from the Council that there is support in doing so. Please note that moving the education and participation campaign forward does not indicate the intent of the Council to adopt the PAYT program. That decision would be made at a later date.

As noted above, a variety of background information on the PAYT system is attached.

Should you have any questions or need anything else, please let me know.

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## EXECUTIVE DEPARTMENT

**Edward A. Barrett, City Administrator**  
**Phil Nadeau, Deputy City Administrator**

January 7, 2015

To: Honorable Mayor and Members of the City Council  
Fr: Edward A. Barrett  
Su: Pay as You Throw (PAYT)

Over the past few months, a number of staff members have been involved in discussing alternatives to the City's current system of solid waste collection.

### Current System

Under the current system, commercial and larger multi-family properties are required to pay for the collection and disposal of their solid waste while single family and smaller multi-family properties receive the service at no charge. Single stream recycling is provided to single family and small multi-family properties at no charge.

This system raises a number of questions of equity given that owners of some properties are required to pay for collection and disposal where others receive the service at no charge. In addition, the amount of waste generated by individual properties who receive the no charge service varies dramatically, with some residents generating significant larger quantities than others, in part dependent on whether those residents do or do not take advantage of the no charge recycling system.

The City's current recycling rate, which is barely above 10%, is significantly below the state goal of 50%. This low recycling rate:

- Increases the tipping fees paid by the City for waste disposal,
- Underutilizes the recycling system we provide, and
- Does not contribute to the environmental benefits of recycling or the economic benefits associated with the recently opened materials processing facility at our Solid Waste Facility.

### Potential Advantages of a PAYT System

Based on preliminary analysis, a PAYT system would increase our recycling tonnage from the current 1,200 to 3,100; reduce the tons we deliver to the Mid-Maine Waste incinerator from 11,000 to 6,200, and move our recycling rate up to the 50% state goal. Based on data from cities across Maine and New England with PAYT systems that have operated successfully for more than 20 years, these changes are likely to be permanent.

It would also:

- Increase overall equity by moving everyone to a system in which they pay for the cost of collecting and disposing of solid waste
- Reduce energy use and greenhouse emissions through enhanced recycling

- Remove the current cost of municipal solid waste from property taxes, thus helping to stabilize or reduce our property tax rate
- Simplify the administration and oversight of our current program by eliminating the City's multi-family charge for service system.
- Allow MMWAC to replace the waste we reduce with other waste for which a higher tipping fee is charged, improving that facility's financial situation
- From the point of view of the taxpayer, move the cost of solid waste from an uncontrollable expense, where individual actions have no or very limited ability to effect the actual amount paid to a controllable expense where individual actions can reduce costs, similar to the ability to control energy costs through conservation efforts or gasoline costs through choice of vehicle. While initially resistant, residents and councils in other communities have come to embrace PAYT with few if any programs discontinued.
- Based on preliminary pricing estimates, such a program could reduce our solid waste tipping fees by approximately \$200,000 per year and produce about \$1,000,000 in revenue, thus reducing our property tax levy by about \$1.2 million.

### Future Solid Waste Issues

Solid Waste management in Maine is approaching a crossroads. Incineration, the major alternative to landfilling in Maine, will be challenged financially as long term advantageous energy contracts have or will soon terminate. The incinerator in Biddeford recently closed. Communities in the Bangor area are seeking alternatives that could result in the closure of that facility as well. MMWAC, which has already lost its energy contract, is facing a significant financial challenge and is poised to raise rates by about 40% to its member community owners.

At this point, it is not clear that the remaining incinerators in the state will be able to effectively compete long-term with the cost of landfilling, especially at the point where incinerators face significant capital costs to upgrade or be adequately maintained.

Should MMWAC close, we will lose our current ash for trash arrangement. Under it, the revenue we receive from accepting ash roughly equals our disposal costs. Should we lose the MMWAC option, disposing of our current 11,000 annual tons of residential waste will require that we either reopen our solid waste facility for such materials, at a significant cost, or transport to another landfill where tipping fees are in the \$80 per ton range. With transportation, this would increase our solid waste costs by roughly \$1,000,000 per year. PAYT would significantly mitigate this long term risk while addressing current challenges.

### Conclusion and Request

There are strong economic and environmental benefits associated with the PAYT approach. It is more equitable than our current system since individuals would pay in proportion to their use. It provides a strong incentive to recycle or reuse materials, both saving energy and resources and reducing greenhouse gas emissions. At the same time, it is a significant change, and change is often difficult. To put it in perspective, this change process will take just several months while the benefits of fixing the system will bring a set of structurally permanent benefits.

At this point, we are not asking the Council to take any action toward implementing a PAYT system. We are, however, requesting your support to continue to evaluate this approach, gather additional information, answer questions that you or the public may have, and develop a plan for moving this initiative forward, perhaps as an element of the upcoming budget process.



## EXECUTIVE DEPARTMENT

Edward A. Barrett, City Administrator  
Phil Nadeau, Deputy City Administrator

May 7, 2015

To: Honorable Mayor and Members of the City Council  
Fr: Edward A. Barrett  
Su: Pay as You Throw Solid Waste Proposal

### Background

In January, staff and representatives of Waste Zero made a presentation to the City Council outlining the Pay as You Throw (PAYT) solid waste program and requested Council concurrence in continuing to evaluate such an approach. That memo outlined the following major reasons for moving to a PAYT system:

#### It would:

- Increase overall equity by moving from a system where all property owners pay property taxes to support the solid waste system with some paying a separate additional amount for waste collection and disposal to a system where everyone pays for the cost of collecting and disposing of solid waste.
- Remove the current cost of municipal solid waste from the property tax, thus helping to stabilize or reduce our property tax rate
- Simplify the administration and oversight of our current program by eliminating the City's multi-family charge for service system.
- Allow MMWAC to replace the waste we reduce with other waste for which a higher tipping fee is charged, improving that facility's financial situation
- From the point of view of the taxpayer, move the cost of solid waste from an uncontrollable expense, where individual actions have no or very limited ability to effect the actual amount paid, to a controllable expense where individual actions can reduce costs, similar to the ability to control energy costs through conservation efforts or gasoline costs through choice of vehicle.
- Reduce energy use and greenhouse emissions through enhanced recycling.
- Based on preliminary pricing estimates, such a program could reduce our solid waste tipping fees by approximately \$200,000 per year and produce about \$1,000,000 in revenue, thus reducing our property tax levy by about \$1.2 million.

Conversely, the major concern about changing to such a system is public reaction to transitioning from what is now considered a "free" service for some to a pay system for all.

A complete copy of the January memo is attached.

## Subsequent Efforts

Since then, we have continued to review and evaluate the potential for adopting such a program, including a more detailed evaluation of its potential budgetary and tax rate impacts. The Committee to Review Public Works' Service Level Standards that was created by the City Council has also reviewed the program, and its recommendation is attached.

## Budget Implications

For Fiscal Year 16, our overall solid waste system operates at a \$1,259,980 operating loss. This amount must be covered by other General Fund Revenues, most notably the property tax.

Implementing a pay as you throw system with 30 pound bags priced at \$2.00 and 15 pound bags at \$1.25 is conservatively estimated to produce \$1,000,000 in revenue on an annual basis. In addition, the reduction in solid waste delivered to the Mid-Maine Waste Action Corporation will reduce our tipping fees by roughly \$275,000. Taking these changes into account, the current deficit in the solid waste system should be completely covered, eliminating the need for any property tax support.

Reducing this amount from our property tax levy will reduce the municipal tax rate by roughly 66 cents. Note, however, that this assumes that the new system is in place for a full year.

Attached you will find a multi-year history of the City's solid waste revenues and expenditures as well as a more detailed spreadsheet showing the budget for more recent years including the recently adopted budget for FY 16.

## Request

At this point, we would request that the City Council consider taking formal action to move the analysis of PAYT forward through authorizing staff to coordinate a series of forums in which the program can be presented to the public for review and comment. We would anticipate that this would be done during the months of May and June with the goal of returning to the City Council in late June or early July with an update. At that time, the Council would have several options including implementing the program, not implementing it, or continuing to review it for potential later implementation. If a decision to proceed is reached prior to the annual tax commitment, the Council would also be able to amend the FY16 budget to reduce the overall property tax rate to reflect the change. Under this scenario, the program could be implemented in October and be in effect for 75% of next budget year. This would reduce the first year impact of the change to a net of about \$937,500. At this level, the first year tax rate impact would be a reduction of about 49 cents.

## Conclusion

City staff and representatives of Waste Zero will be available on Tuesday to review the program with you and provide any further information you may find helpful. Please feel free to let me know in advance if you have any questions.

City of Lewiston  
Solid Waste Trend - All Divisions

<b>Description</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<i>Expenditures:</i>			
Personnel Services	248,707.84	216,162.00	243,927.00
Fringe	111,004.27	99,859.82	113,673.87
Other	1,164,907.18	1,157,107.00	1,240,981.00
Overhead - PW - 4.9%	10,059.04	10,124.51	10,698.78
Overhead - Finance 2%	18,599.65	18,545.57	19,532.67
Overhead - Admin. - .75%	3,640.79	3,603.06	3,656.52
Overhead - HR 1.1%	1,700.93	1,600.27	1,608.21
Debt Service	489,169.17	468,448.26	443,529.14
<b>Total Expenditures</b>	<b>2,047,788.87</b>	<b>1,975,450.48</b>	<b>2,077,607.19</b>
<i>Revenues:</i>			
	<b>787,808.62</b>	<b>763,390.00</b>	<b>773,430.00</b>
<b>Net Costs</b>	<b>1,259,980.25</b>	<b>1,212,060.48</b>	<b>1,304,177.19</b>

Divisions include: Waste Collection, Waste Disposal & Recycling

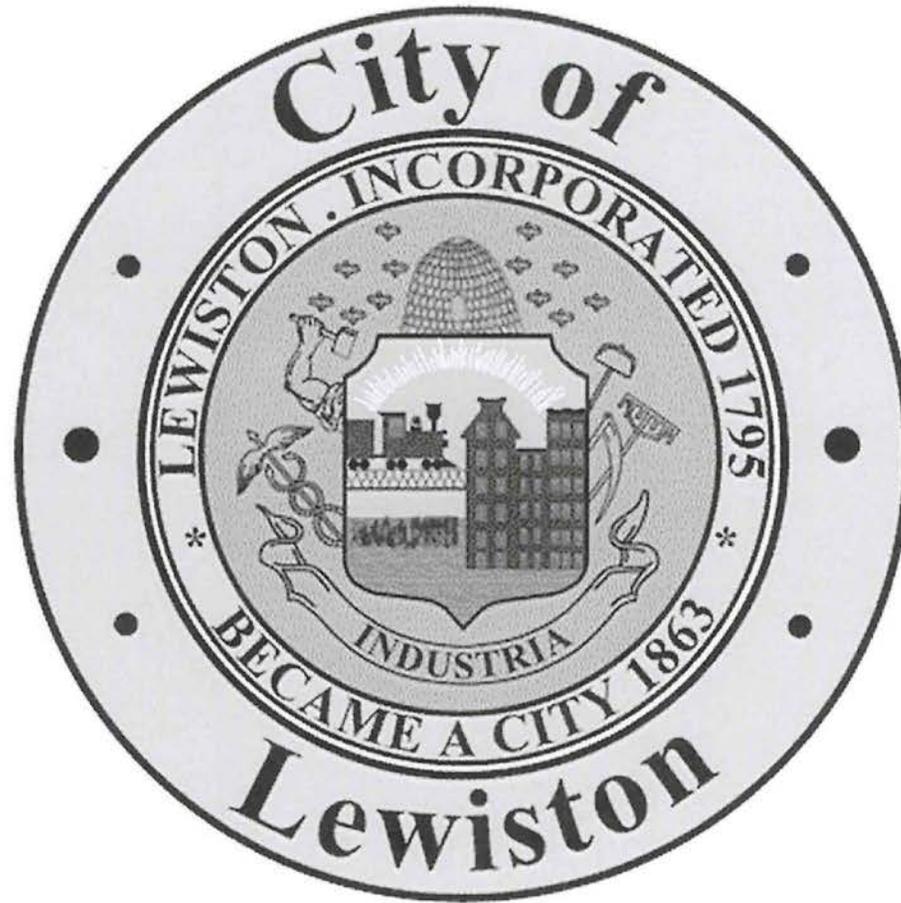
Bonds: 19B, 30B-F, 31A, 34M&N, 36P, 39S, 40U&V, 41G, 52Q, 56J&K, 61Q&R, 65J, 67E, 72E

# “Pay-as-You-Throw” for Lewiston

Why Pay-as-  
You-Throw

How It  
Works

Benefits



February 2016

# Solid Waste Today

Why Pay-as-  
You-Throw

How It  
Works

Benefits

- **Lewiston has significant room for improvement with solid waste and recycling.**
- **Taxpayers pay \$200,000 too much for dumping each year.**
- **If we don't address the cause of the problem, solid waste costs will continue to rise**
- **The solution involves using incentives to make residents true partners in solving this problem.**
- **Pay as you throw is working with 31% of the population of Maine, with extremely good results.**

# Summary

## Why Pay-as-You-Throw

### A Change in How You Pay for Trash

- **Why?** It is the only way to fix a broken system
- **Today:** Residents pay the same no matter how much they throw away
- **With PAYT:** Residents are empowered and can manage it better; they only pay for what they throw away

## How It Works

### Numerous Benefits

- **City budget savings**—by sending less trash to incinerator
- **Lower taxes** – resulting from lower costs
- **Sustainability**—more recycling is good for the environment, good for jobs, and is the right thing to do
- **Equity**—paying for your own waste, not your neighbors'

## Benefits

### Very Few Changes

- Households simply recycle more; little changes for them
- Relatively simple to implement
- Lasting change is created with little ongoing work

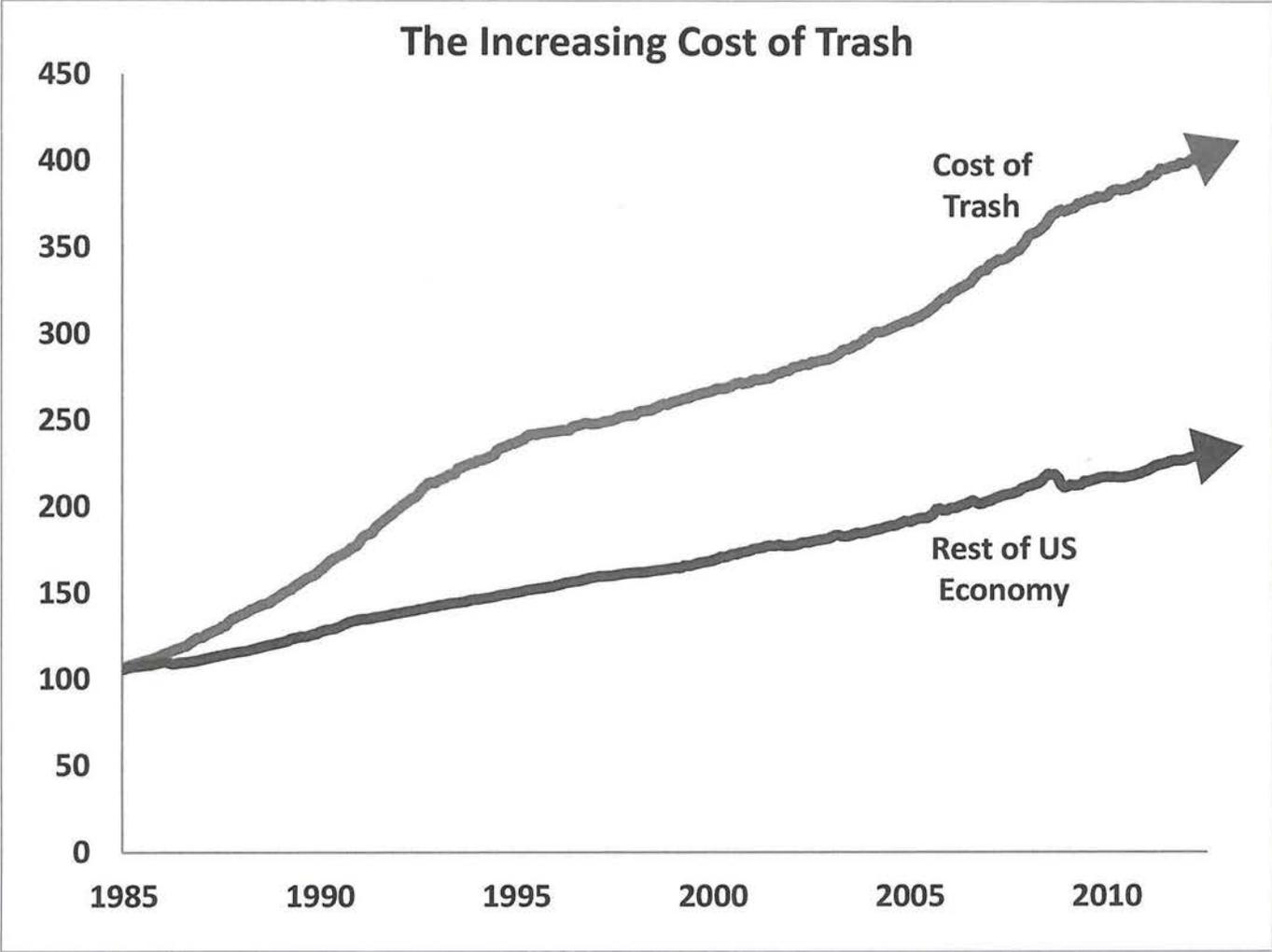


# Solid Waste Costs Rising – Poor Recycling

Why Pay-as-You-Throw

How It Works

Benefits



# Solid Waste is a Utility, But is Not Priced That Way

Why Pay-as-You-Throw

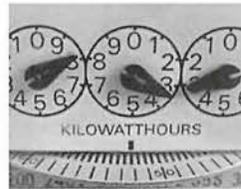
How It Works

Benefits

We Pay Based on How Much We Use



Water



Electricity

We Pay a Set Amount No Matter How Much We Use



Garbage



Residents are motivated to conserve



Residents are less motivated to conserve

# The Result: Unfairness

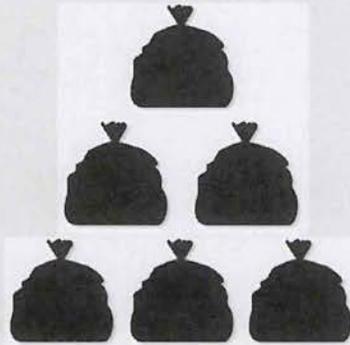
Why Pay-as-You-Throw

How It Works

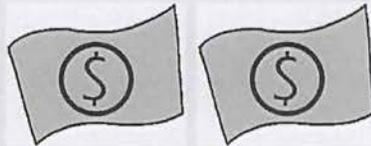
Benefits

**Some Neighbors:**

Recycle Little and  
Throw Away More



Cost Lewiston Money;  
Costs Shifted to Others

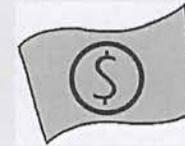


**You:**

Recycle Responsibly  
and Throw Away Less



Save Lewiston Money



# You Currently Have No Control Over Costs

Why Pay-as-You-Throw

How It Works

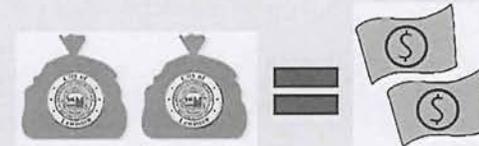
Benefits

**Now:  
You Pay a Set Amount No Matter  
How Much You Throw Away**

CITY OF LEWISTON REAL ESTATE TAX STATEMENT			Fiscal Year 2015 July 1, 2014 to June 30, 2015	
PANEL NUMBER	ACCOUNT NUMBER	DATE OF BILLING	TOTAL TAXES	5,247.27
00-002006	37596	01/15/2015	BILL NUMBER	15A00002006
LOCALITY OF PROPERTY AND DESCRIPTION			DUE SEPTEMBER 15, 2014	2,623.64
01008 LISBON ST LAND & BLDG - 110X118			DUE MARCH 15, 2015	2,623.63
1008 LISBON STREET LLC 1008 LISBON ST LEWISTON, ME 04240			AMOUNT PAID TO DATE	0.00
CURRENT BILLING INFORMATION			INTEREST DUE	61.39
Valuation	Homestead Exemption	Other Exemption	TOTAL	5,308.66
Taxable Valuation	Tax Rate	TOTAL TAX		
<p><b>Solid Waste Costs Buried in Property Taxes – But You Are Still Paying!</b></p>				
<p>1008 LISBON STREET LLC 1008 LISBON ST LEWISTON, ME 04240</p>			<p>LOCATION: 01008 LISBON ST LAND &amp; BLDG - 110X118 PARCEL NUMBER: 00-002006 ACCOUNT NUMBER: 37596 DATE OF BILLING: 01/15/2015 DUE SEPTEMBER 15, 2014: 2,623.64 DUE MARCH 15, 2015: 2,623.63 PAYMENT AMOUNT:</p>	

**No Control Over Costs Passed  
Along in Tax Bill**

**With Pay-as-You-Throw:  
You Pay Based on How  
Much You Throw Away**



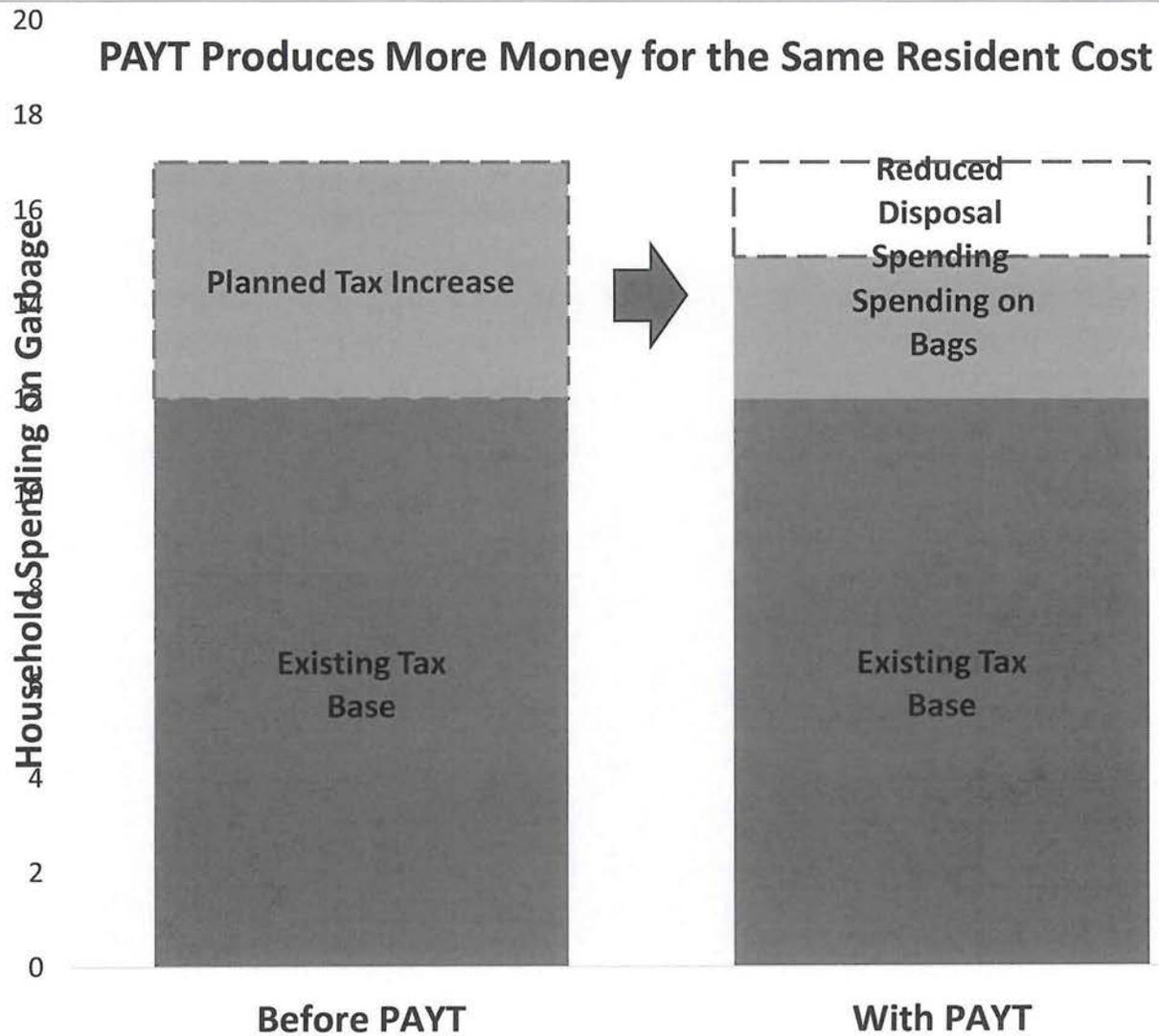
**It's like giving you your own  
electric meter rather than  
sharing one with all your  
neighbors.**

# Impact on Household Finances

Why Pay-as-You-Throw

How It Works

Benefits



# A Manageable Expense

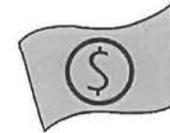
Because people *recycle more and throw away less* with pay-as-you-throw, the *cost of bags is minimal* in the average PAYT household:

1 Small Bag per Week  
1 Large Bag per Week



=

\$1.25 per Week  
\$2.00 per Week



With PAYT, residents can choose how much they spend by recycling more. Tax increases and flat fees don't permit that.

Why Pay-as-You-Throw

How It Works

Benefits

# Simple for Residents

Why Pay-as-You-Throw

How It Works

Benefits

Now

Buy Trash Bags at Store



Take Bags to Curb



With Pay-as-You-Throw

Buy Trash Bags at Store



Take Bags to Curb



The only change is that you have more recycling.

# Streamlined Operations

Why Pay-as-You-Throw

How It Works

Benefits

**Now**

Run Garbage Pickup Routes



Collect From Homes



Messy Streets on Trash Day



Finish Routes



**With Pay-as-You-Throw**

Run Garbage Pickup Routes



Collect From Homes



Cleaner Trash Day



Finish Routes—*Earlier*

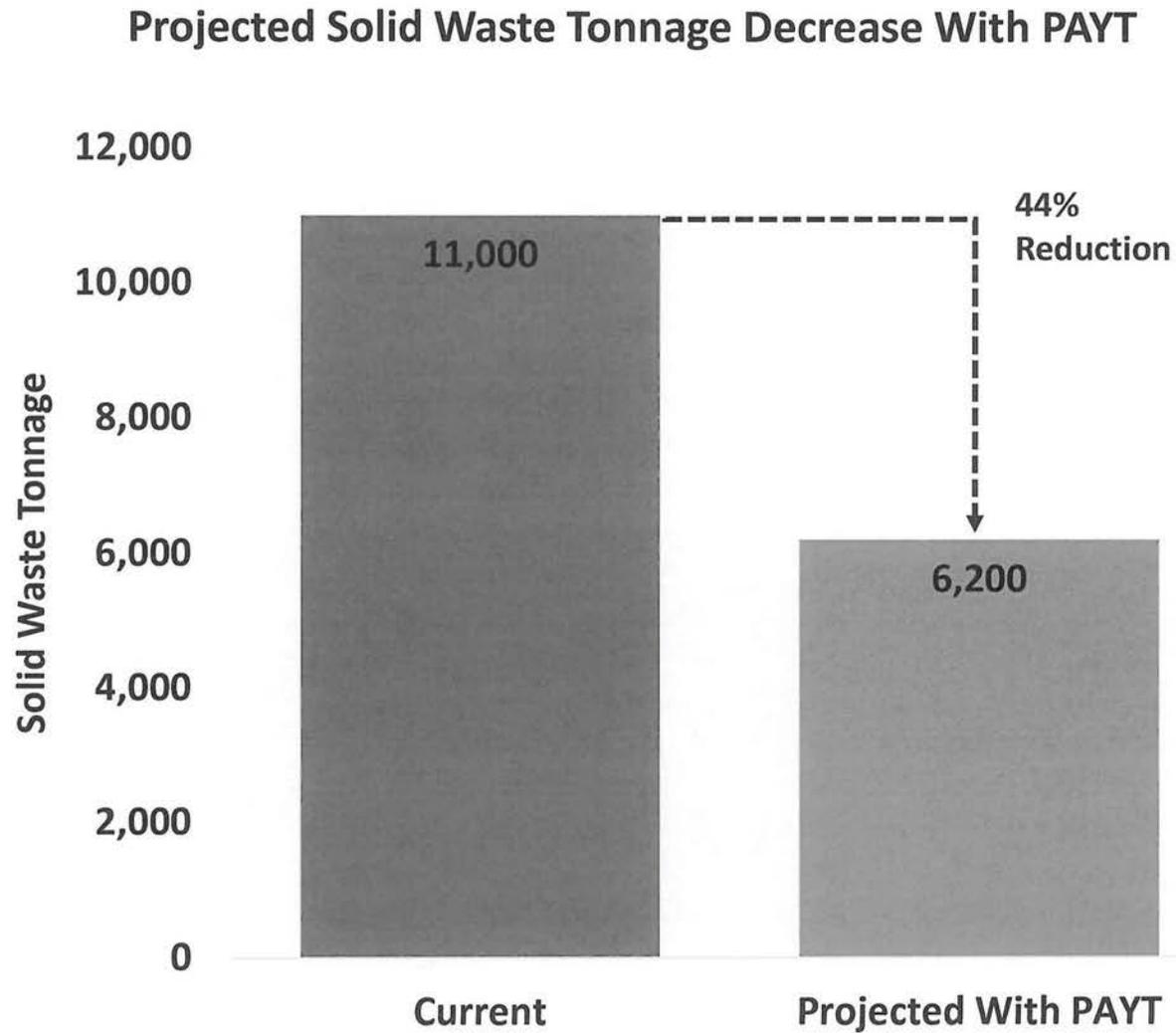


# Large Drop in Trash Tonnage

Why Pay-as-You-Throw

How It Works

Benefits

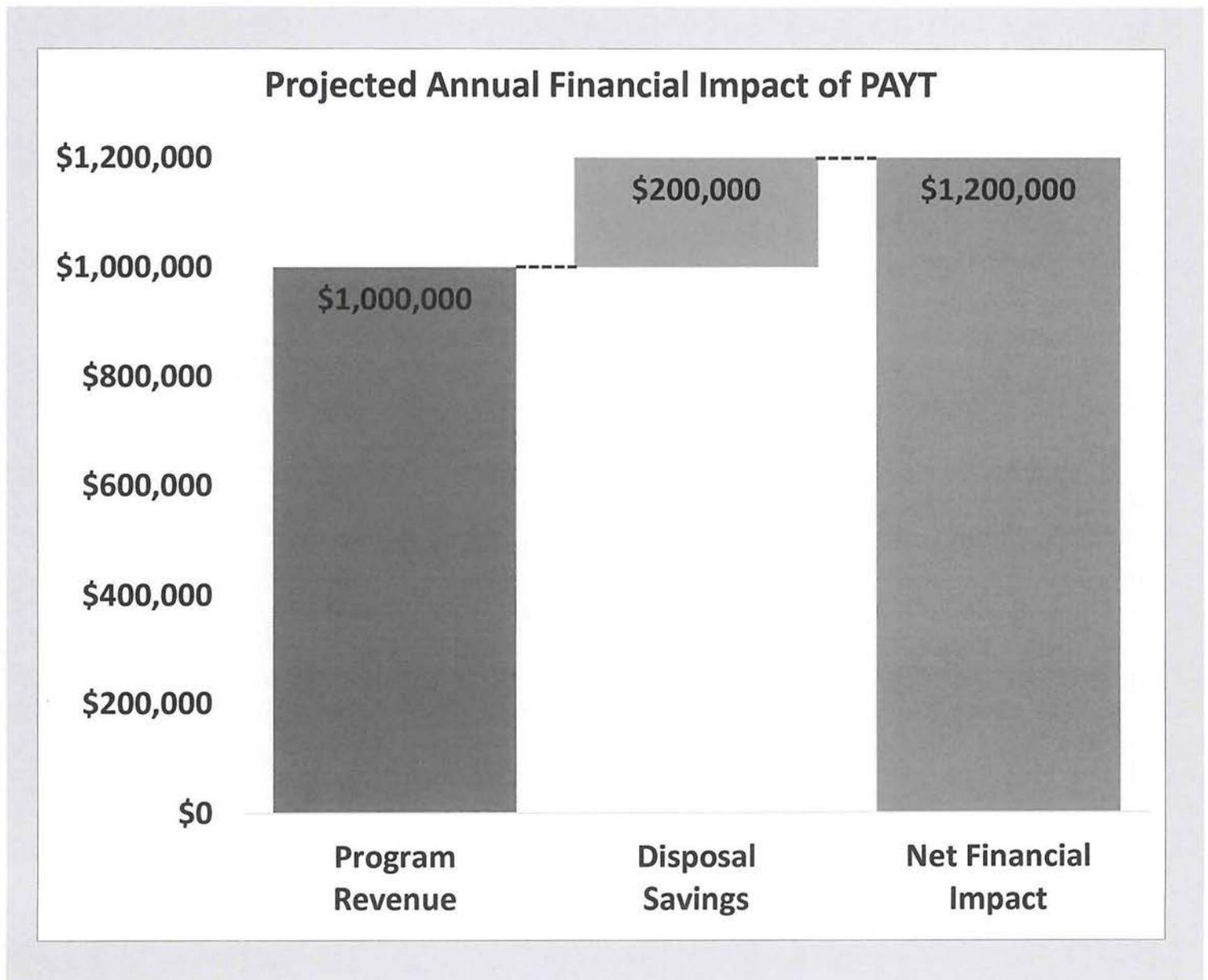


# Financial Impact

Why Pay-as-You-Throw

How It Works

Benefits



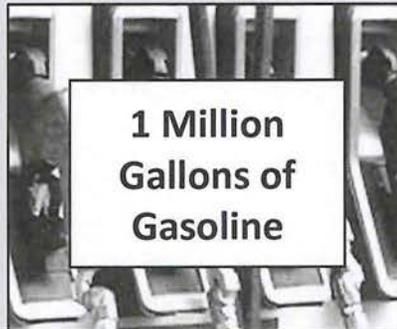
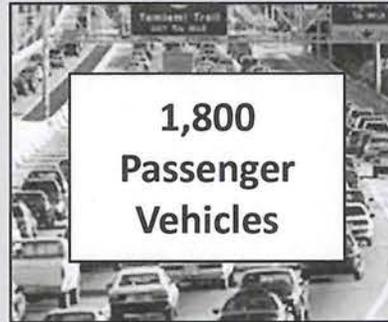
# Environmental Savings

Why Pay-as-You-Throw

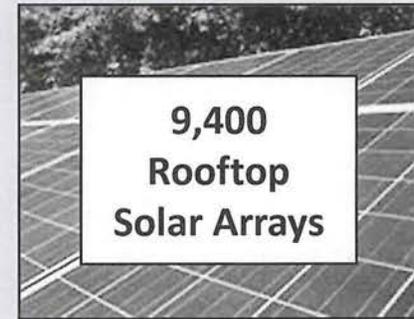
How It Works

Benefits

**Savings in Greenhouse Gas Emissions—  
Like Taking Away...**



**Energy Savings—  
Like Capturing  
the Energy From...**



# Conclusion

Why Pay-as-  
You-Throw

With PAYT, the City can generate \$1.2 million in annual impact while only charging residents \$1 million.

PAYT is fair, allowing residents to pay their own cost for solid waste.

How It  
Works

By increasing recycling, PAYT will reduce the City's costs and help create jobs in recycling businesses.

Benefits

PAYT is no different than the metering we have done for electricity, water and other public services.

# Will PAYT Cause Illegal Dumping?

City leaders and other experts agree:  
PAYT does not increase illegal dumping.

All the things people said could happen and would happen—illegal dumping, throwing of trash across the city—**never happened.**

—Bob Moylan, Commissioner (retired), Worcester MA Public Works

**“Overall, PAYT does not lead to increased illegal dumping....**  
Communities report that illegal dumping is a ‘perceived’ barrier and not an actual barrier.”

Econservation Institute  
“Fact Sheet: Pay-As-You-Throw and Illegal Dumping”

“Most communities with PAYT have found that illegal diversion has proven to be **less of a concern than anticipated**—and that there are steps they can take to minimize its occurrence..”

US Environmental Protection Agency

Concerns that implementing a pay-as-you-throw system would bring an increase in illegal dumping have been **largely unfounded.**

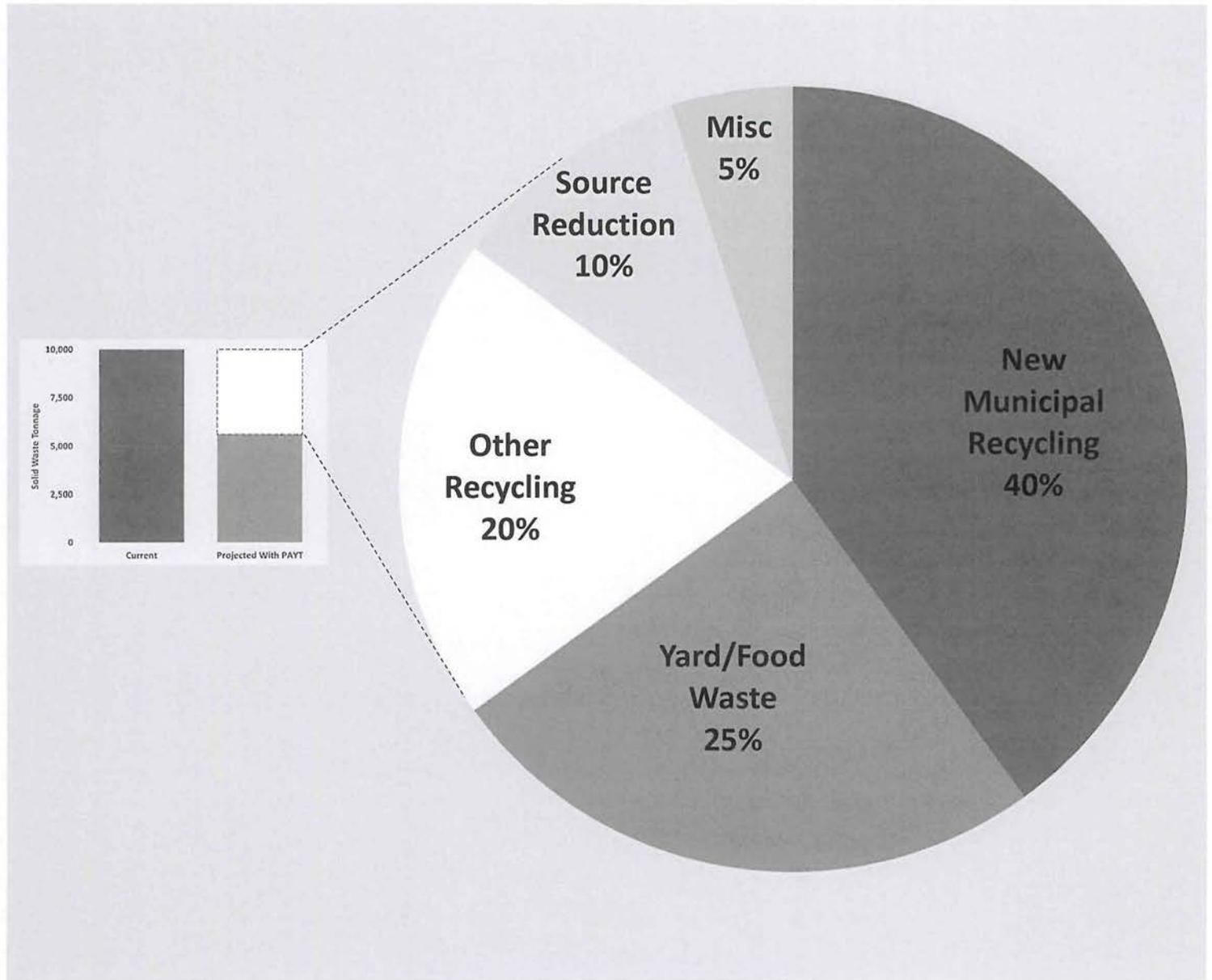
—Chip Chesley, General Services Director, Concord NH

**80% of illegal dumping is actually commercial material, not residential.**

Frequently  
Asked  
Questions

# Where Does the Trash Go?

Frequently  
Asked  
Questions



# Public Engagement Overview

Public engagement is very important for a successful program.

Council Budget  
Modification /  
PAYT

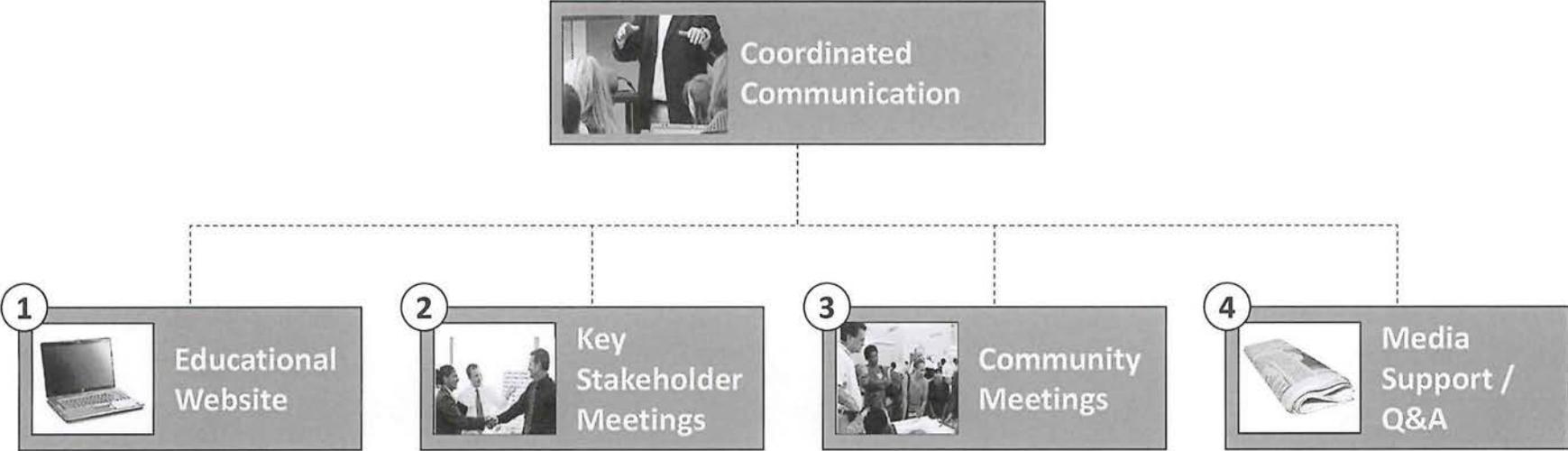


Public Engagement

- Highlight the solid waste challenge & the need to solve it
- Introduce PAYT
- Outline benefits of PAYT
- Collect resident input & feedback
- Encourage dialog about waste reduction & recycling

# Public Engagement

The city needs to engage with residents to explain why the “trash problem” is important, and why PAYT is the best way to solve it.



# Public Engagement Educational Website

## Key Purposes:

- Describe the city's challenges or goals, and how they could be addressed by "cutting the trash 44%"
- Introduce PAYT as a solution
- Show how a successful PAYT program works
- Outline the program's estimated benefits to the city and to residents
- Describe the resident experience with PAYT
- Show results from other, similar towns and cities
- Address common concerns or questions
- Provide a mechanism to give feedback, ask questions, and get involved.



## CONTACT INFORMATION

City Administrator Ed Barrett  
Lewiston City Hall  
27 Pine Street  
Lewiston, ME 04240  
(207) 513-3000  
[www.lewistonmaine.gov](http://www.lewistonmaine.gov)

## CITY OF LEWISTON

WHY PAYT?	WHAT CHANGES?	FINANCIAL BENEFITS	FAIRNESS	ENVIRONMENTAL BENEFITS	PAYT IN MAINE	FAQS
-----------	---------------	--------------------	----------	------------------------	---------------	------

### WHY LEWISTON IS CONSIDERING PAYT

For every ton of trash that Lewiston residents throw away, the city has to spend \$42.50 to send it to [Maine Waste Action Corporation \(MWAC\)](#), the waste-to-energy facility in Auburn. These tipping fees cost the city almost a half-million dollars every year.

The city's solid waste and recycling budgets total nearly \$1.5 million. Waste disposal is a significant part of that, but it doesn't have to be as great as it is now. A lot of the city's trash is currently made up of reusable materials like recyclable goods, food waste, and textiles—and if that comes out of the waste stream, the city could save a lot of money.

Pay-as-you-throw would give Lewiston residents the incentive to keep things like recyclables, food scraps, and old t-shirts out of their trash cans, which could save the city a great deal of money and help the environment.

According to projections, pay-as-you-throw in Lewiston would cut the amount of trash the city throws away by 44%. That would bring a number of very positive benefits:

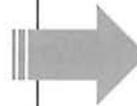
*The website can be a **critical tool** for educating the public, addressing questions and concerns, collecting feedback, and motivating grassroots participation.*

# Public Engagement Stakeholder Briefings

It is important to meet with a range of community leaders to educate them about why it's important to "cut the trash and increase recycling," how the program will benefit the community, and to engage in helpful dialog.

## Key stakeholders may include:

- Elected Officials
- City Staff Members
- Individual Business or Community Leaders
- Local Organizations
  - Advocacy Groups
  - Business Organizations
  - Service Clubs
  - Community Groups
- Others (as appropriate)



## Main topics addressed include:

- Why this is important
- What PAYT is and how it works
- Benefits to the city
  - Financial
  - Environmental
- Fairness and convenience for residents
- Feedback
- Questions

*These meetings are extremely helpful in producing a **common understanding** of the need and the program, as well as for **boosting support** throughout the community.*

# Public Engagement Community Meetings

**These public forums can provide good opportunities to educate residents, as well as gather their feedback and answer questions.**

- Three public meetings
- City staff and vendor
- Attend and deliver presentations regarding
  - PAYT Overview
  - Financial and Environmental Benefits
  - Resident Experience
  - Other (as appropriate)
- Address questions and concerns
- Provide literature for the attendees
- Engage with media (as appropriate)



# Public Engagement

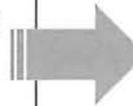
## Media Support

**Educating the media is, by extension, educating residents. Lewiston needs to ensure that the media fully understands the need and the solution.**

### Objectives:

- Ensure that city officials have what they need to effectively meet the needs of the media
- Ensure that local media channels are fully briefed on the need for the program and how it works

*The Ayrton Globe*



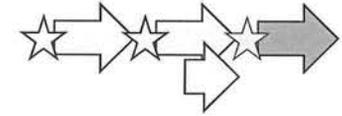
### Key Components:

- Value and benefits of the program
- Key logistical issues
- Frequently asked questions (FAQs)
- Editorial board briefings for local media
- Background documents for the media
  - Key messages and statistics
  - FAQs
  - PAYT Primer / Backgrounder
- Press release for the city

# Public Presentation Material

- The following is a presentation meant to demonstrate why PAYT is was chosen as a way to increase recycling, save money and reduce solid waste.
- This presentation would also work well presented alongside a piece on all of the recyclables that are accepted through curbside collection.

# Ongoing Progress Reports & Media Outreach



As the program generates significant and positive results, WasteZero can help city leaders communicate that to the media and to residents.

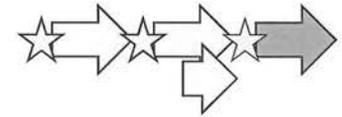
## WasteZero offers

- Regular reporting to the city regarding program results (requires the city to share some ongoing data with WasteZero)
- Notification when key milestones are achieved
- Press releases and media outreach announcing achievement of key milestones
  - For the municipality to release
  - For WasteZero to release, as well, with municipal approval
- Development of a case study highlighting the program's success



WasteZero's media outreaches often result in **positive coverage** of the program's results in local media. With larger "first mover" cities in a region, positive **national press** is also possible.

# Ongoing Communications



After launch, many communications tools created during the pre-launch phase will remain in effect, and additional support is added.

## Continued from pre-launch period:

### Program Website



### Toll-Free Line

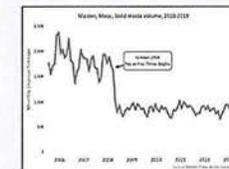


### Educational Materials



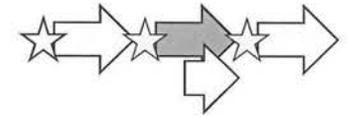
## Added after launch:

### Progress Reports & Media Outreach



# Public Engagement

## Logistics-Related Communications



In the ~3 months leading up to launch, the strategy shifts to giving residents all the information they need to participate in the program. WasteZero provides a range of tools and support.

Program Website	Toll-Free Line	Launch Materials	Educational Materials
<ul style="list-style-type: none"> <li>• Customized for the city</li> <li>• Program overview &amp; benefits</li> <li>• Bag prices &amp; sizes</li> <li>• Retail locations</li> <li>• FAQs</li> <li>• Recycling &amp; trash collection guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• 24/7 availability</li> <li>• Pre-recorded self-service</li> <li>• Menu-driven</li> <li>• Key program information</li> <li>• Available option to speak live with customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Postcard mailed to each home (city covers postage)</li> <li>• Launch flyer (provided to city electronically)</li> </ul>	<ul style="list-style-type: none"> <li>• Customized with the city's name &amp; seal</li> <li>• Wide range of useful tips &amp; topics for residents</li> <li>• Electronic format for easy printing</li> </ul>



# Department of Public Works

David A. Jones, P.E.

Director



August 5, 2015

Re: Pay-As-You-Throw Agreement with WasteZero

Mayor and Members of the City Council,

Following your direction and approval of the funding for the Public Education and Community Engagement phase of the PAYT program at your July 14, 2015 meeting, City staff finalized the agreement with WasteZero and brought it forward to the Finance Committee recommending award.

At the Finance Committee meeting on August 4<sup>th</sup>, the two City Council representatives on the Finance Committee expressed concerns, and the Committee voted to table the action on the contract/agreement until the full City Council was made aware of their concerns. The following is a summary of the concerns, along with interim responses from City staff.

1. The Councilors were concerned the Council had not seen the final agreement.  
Response: The Councilors were correct and we have included a copy of the final agreement in the Council package including all exhibits that were not available to the Finance Committee.
2. The Councilors were concerned three (3) exhibits identified in the final agreement were not available.  
Response: See 1. above.
3. One Councilor indicated a concern that paragraph 9. Sales Tax. States: *"Municipality acknowledges and agrees that WasteZero is not liable to collect or remit sales or use tax for or on behalf of Municipality for the Supplies or Services provided to Municipality herein."*  
Response: This issue has no impact on the contract during the Public Education and Communication phase authorized by the Council. It would have an impact if/when the Council decides to implement the PAYT program. We checked with other municipalities in Maine and the Maine Revenue Services (MRS) has agreed municipalities may pay the sales tax on only the cost of the bags themselves (see MRS letter to town of Sanford attached). This sales tax would not be paid at the point of sale to consumers purchasing the bags, but would be paid directly by the City.
4. The Councilors were concerned Exhibit A Section 1. Scope of Services identified only four (4) Public Meetings.  
Response: This Exhibit and section of the agreement is the Scope of Services for the Public Education and Communication Services phase of the agreement, which the Council authorized staff to proceed with. It identifies five specific items in the Scope including:
  - Key messages to be used by City Leaders as talking points to consistently communicate with members of the community;
  - Educational website to be developed and maintained by WasteZero to help communication;
  - Stakeholder briefings with face-to-face meetings with the mayor, all City Councilors and five additional members of City staff and face-to-face meetings with leaders of up to five (5) community groups or community leaders. We anticipate these groups might include the Landlords association, Chamber of Commerce and other Community groups expressing interest;

- Media briefings and support including three (3) face-to-face meetings with local media outlets and ongoing outreach during the process; and
  - Four (4) Public meetings including a presentation about PAYT in Lewiston and question/answer periods.
5. One Councilor was concerned that Exhibit D Services Section 10. Launch Announcement states: "Municipality must pay the costs of printing and mailing the launch announcement." The Councilor also indicating at least 1-2 direct mailings to every property receiving a tax bill would be needed.
- Response: Exhibit D and the launch announcement are not part of the Public Education and Communication phase the council authorized staff to proceed with. It is part of the actual implementation period if and when the Council decides they want to proceed. We did not include any funding or RFP requirements for the consultant to support direct mailings as part of the contract.

We hope this gives you the information you need to provide guidance to City staff and the Finance Committee on how you wish them to proceed. We will move forward as you wish and will be available at the meeting to respond to any questions or concerns you may have.

David A. Jones, P.E.  
Director of Public Works  
City of Lewiston



## EXECUTIVE DEPARTMENT

**Edward A. Barrett, City Administrator**  
**Phil Nadeau, Deputy City Administrator**

September 10, 2015

To: Honorable Mayor and Members of the City Council  
Fr: Edward A. Barrett  
Su: Pay as You Throw Proposal

Following recent discussions on initiating a community education program around the proposed pay as you throw proposal, I understand that a number of Councilors have questioned whether this process should begin prior to the November election and the new Council taking office in January. As a result of these concerns, we have not initiated this process and are seeking guidance from the Council on how to proceed.

One option is to delay starting the public education phase of this effort until after the new Council takes office. We believe that this would allow sufficient time for education prior to adopting the City budget in May. Should this be the Council's pleasure, we would be sure to cover the Pay as You Throw system in our new Council orientation session that takes place in December so that the new Councilors will have the opportunity to come up to speed on the issue and be in a position to act on it in January. We have also spoken to our potential contractor who has indicated that such a schedule is workable.

I also understand that there may be some interest in deferring the implementation of this program pending a city-wide referendum on it. This poses a number of issues and may be more problematic. First, such a referendum could not take place until June 2016, close to the beginning of the new fiscal year and after the City's budget must be adopted for the following year. While not insurmountable, timing would be a challenge if there is any interest in implementing the program in the City's FY 17.

Second, staff and our consultant believe that it would be difficult to achieve a positive vote on this plan prior to actually implementing it. As we all know, change and the unknown are challenges. The initial reaction of many is to prefer the status quo. It is also difficult to effectively respond to questions or criticisms about a new way of operating until residents have had experience with it and can judge how it has actually impacted them and the community. In today's environment, people are loath to just "take our word for it" without having seen a proposal in action.

While PAYT programs have, to the best of our knowledge, been universally supported at referendums held after they have been implemented (see Waterville and Sanford), it is much less likely that they would be if the referendum is held in advance of the program being in place. Again to the best of our knowledge, communities have not held referendums prior to starting such programs. While this is not an impossible approach, we do believe that it significantly lowers the chance of adopting the program, placing at higher risk the cost of the public education program. In addition, it is not clear that the education and implementation firm we are working with would be comfortable in proceeding given the initial program startup costs that they expect to recover over time.

While this question can be deferred to the 2016-2017 Council, we did want to make you aware of the issues with this approach in advance of the new Council's discussions.