

March 10, 2015

Dear Mayor Jensen and Assembly:

A little more than a year ago, you approved the proposal to go forward with a “near term” commingled recycling program using blue bags and contracting out the collection services. Since then, the program has been quite successful with some minor tweaks here and there. Ruger's Trucking succeeded PIA in April of 2014 as our collection contractor and has done an excellent job by all accounts.

However, it is now time to review and reassess our recycling course. Due to the positive voluntary response to the commingling program, the Assembly mandate on enterprise fund reserve balances and the current program's expenses of \$115,000 a year, now is the time to determine the best long term recycling program for Petersburg. If we do not decrease the expenses of the recycling program, we will have to raise garbage rates by 9% in order to pay for the recycling collection contractor and annual bag purchases. The currently scheduled rate increase, approved in 2012, will only be 2%.

There is a way to continue the commingled recycling program at a lesser cost to the borough and ultimately the rate payers. By reducing baler facility hours, reassigning existing staff to recycling collection and purchasing the equipment and carts needed to streamline the program, there is an immediate and substantial annual savings to the Borough and the rate payers. All that is required is a restructuring of the Sanitation Department's duties and the initial investment into the program.

It makes monetary sense to reduce expenses and maximize the benefits of a climbing local recycling rate. Although the current proposal to purchase a third collection truck is weighty, the cost is spread out over several years by way of the Sanitation's Department's contributions to the Motor Pool Fund. The Motor Pool fund serves as a savings account that the department pays into annually and this fund pays for equipment outright with the forward funding of the next purchase spread out over the next ten years.

In addition, by restructuring sanitation staff duties, we will be utilizing our existing staff to serve hundreds of customers on daily recycling routes instead of a handful at the baler facility. When sanitation staff audited the number of baler customers from different time periods of the year, our research indicated that the best time of day to close the baler facility is in the morning as it would impact only about 5 customers a day. It's also beneficial to continue the morning recycling collection for continuity in serving our customers. Ruger's Trucking has proven the recycling collection can be done in 3 1/2 hours a day and the Borough can do the same.

There is no plan to hire additional employees in the future, but even if the department did hire an employee, their salary and benefits would be about \$20,000 less than the current Ruger's Trucking contract amount. This indicates that even if a future employee

was needed, the Borough would still be money ahead to transition the collection to Borough staff. However, to restate, there is no plan, or need, to hire an additional employee to make the in-house recycling collection a success.

Switching to carts will be cleaner and easier for all involved. The carts are like the current garbage cans on wheels which are easy to move by tipping and rolling them, rather than trying to carry a heavy bag. Carts are also much less accessible to animals and the messes they can create in our yards and streets. Carts eliminate the inconvenient errands of stopping to get a supply of bags and sealing every bag, and the worry, or reality, of ripping the bags with cardboard. Some contamination of the recycling stream may occur with carts but this won't be any different than what is possibly included in the current blue bag system.

Let's make the move to a long term, sustainable recycling program by transitioning to a cart based system. I have previously provided a wealth of information to the Assembly in support of this transition but to boil it all down: carts are essentially a durable, one time purchase; carts offer more convenience to our customers; cart based collection is highly efficient and won't result in additional sanitation employees; and carts will decrease annual expenses. If the Borough continues to use blue bags and contract for recycling collection, customers will see a 9% increase in collection rates to pay for it, much more than the scheduled 2% approved in 2012.

It's up to the Assembly to determine if rate payers see a small increase or a large increase to accomplish the same simple goal – collecting our community's recycling stream.

Respectfully,

Karl Hagerman, Public Works Director