



Meeting Minutes

Recycling Committee Meeting April 22, 2015, 3 pm Nags Head Conference Room

Committee Members Present

Mayor Bob Edwards
Commissioner Marvin Demers
Annette Ratzenberger
Mark Cornwell
Cliff Ogburn

Andy Garman
Ralph Barile

Recycling Committee members met on Wednesday, April 22nd to resume discussion of bid options to provide year round, mandatory recycling services to residences within the Town. Staff provided the committee with a memorandum containing additional analysis of the options to determine the full cost to the town for each option. The memo noted additional tipping fee savings that would be anticipated with each option, costs to purchase and distribute recycling carts to 4,400 residences, and anticipated costs for the upcoming budget year. It was also noted that the Town has received a \$30,000 grant from the North Carolina Department of Environment and Natural Resources to assist with purchasing the recycling carts. The memo is attached for reference.

The committee made a recommendation to request that the Town Manager include bid option 3 in the Manager's Recommended Budget for FY 2015-16. This recommendation would be subject to Board of Commissioner's approval at part of budget process. It is anticipated that town-wide recycling service would begin on December 1, 2015 if it is funded in the budget for the upcoming year.

Robert C. Edwards
Mayor

Susie Walters
Mayor Pro Tem

Cliff Ogburn
Town Manager



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M. Renée Cahoon
Commissioner

John Ratzenberger
Commissioner

Marvin Demers
Commissioner

MEMORANDUM

TO: Recycling Committee

FROM: Cliff Ogburn/Andy Garman

DATE: April 21, 2015

SUBJECT: Town Wide Curbside Recycling

We were requested to provide you with additional information on the tonnage savings we would anticipate if we adopted a year round recycling program. Ralph Barile developed tonnage projections last fall based on statistics from the subscription and pilot recycling programs. Ralph worked with Mike Norris, the Town's Facilities Maintenance Supervisor, to refine the numbers based on Mike's previous experience with Bay Disposal. We distributed this memo at the last committee meeting (see attached). We have refined these numbers to include a small increase in collections for seasonal residences in the shoulder and off-season time periods.

The refined numbers are included below:

Estimated Recycling Tonnages/Tipping Fee Cost Savings						
	# Residences	Tons Per Week	# Weeks	Non-Seasonal Tons Per Week	# Weeks	Total Tonnage
Year-round residences	1300	6.5	52	0	0	338
Seasonal residences	3100	15.5	16	3	36	356
				Recycling Tonnage		694
				Tipping Fee Per Ton		\$ 73.15
				Total Tipping Fee Savings		\$ 50,766.10

We believe this represents a conservative estimate of tipping fee savings for budgetary purposes.

The following table incorporates the tipping fee savings into the total bid cost per option and adds the first year of a five year installment payment for the purchase of the carts. Ralph has confirmed with the bidder that they will finance the purchase of the carts over a five year period for \$50,000 per year. This would be the anticipated annual cost to the Town for the next five years. After the fifth year, this cost would be reduced by \$50,000 and the Town would own the recycling carts. Please note that in order to receive the cart financing, the Town would be required to contract with the service provider for five years for any of the proposed options.

Option	Bid Estimate	Tipping Fee Savings	Total Budgeted Cost	Cart Cost (first five years)	Total
Option 1	\$ 216,756.00	\$ 50,766.10	\$ 165,989.90	\$50,000	\$ 215,989.90
Option 2	\$ 160,280.00	\$ 50,766.10	\$ 109,513.90	\$50,000	\$ 159,513.90
Option 3	\$ 88,480.00	\$ 50,766.10	\$ 37,713.90	\$50,000	\$ 87,713.90

The final table represents the FY 2015-16 budgeted cost for each option incorporating the tipping fee savings, the cart costs, a \$30,000 grant the Town has been awarded for the purchase of the carts, and the number of months the bidder will be providing the service during the upcoming budget year:

	Bid Estimate	# Service Months FY 2015-16	Fee in FY 2015-2016	Cart Cost	Cart Grant	Revised Cart Cost	FY 2015-16 Cost	Tipping Fee Savings	FY 2015-16 Budgeted Cost
Option 1	\$ 216,756	9	\$ 162,567	\$ 50,000	\$ 30,000	\$ 20,000	\$ 182,567	\$ 38,075	\$ 144,492
Option 2	\$ 160,280	2	\$ 64,112	\$ 50,000	\$ 30,000	\$ 20,000	\$ 84,112	\$ 29,614	\$ 54,498
Option 3	\$ 88,480	2	\$ 35,392	\$ 50,000	\$ 30,000	\$ 20,000	\$ 55,392	\$ 29,614	\$ 25,778

The committee should also note that the tipping fee savings have been adjusted to account for when the Town would begin the recycling service during the upcoming year. Option 1 assumes the service begins in October and Options 2 and 3 assume that the service begins in December.