



***DRAFT* MINUTES**
TOWN OF NAGS HEAD
WASTE REDUCTION TASK FORCE MEETING (VIRTUAL)
THURSDAY, FEBRUARY 4, 2021 at 2 PM

Members Present Kari Bakus; Robert Netsch; Ann Wunderly; and Meredith Fish

Members Absent David Bragg

Others Present Dep Town Manager Andy Garman; Public Works Director Terry Haugen;
Facility Maintenance/Sanitation Superintendent Mike Norris; and Town Clerk
Carolyn F. Morris

Welcome

Dep Town Manager Andy Garman welcomed everyone in attendance to the virtual meeting.

Review/Approval of Meeting Minutes

MOTION: Kari Bakus made a motion to approve the September 11, 2020 and the October 1, 2020 minutes of the Waste Reduction Task Force, as presented. The motion was seconded by Ann Wunderly. The Town Clerk polled each member present and the motion passed 4 - 0 (Mr. Bragg was not present.).

Review of Recycling Alternatives

- Bid from TFC for recycling subscription service
- Bay Disposal contract for town-wide service

Dep Town Manager Andy Garman summarized his memo to Task Force members dated February 2, 2021 which read in part as follows:

"As you are aware, the waste reduction task force has discussed several alternatives that would allow the town to offer recycling services to residential customers. The first alternative would involve modifying the town's current contract with Bay Disposal to divert recyclables to a new recycling processing facility in Portsmouth, Virginia, RDS. Other than the location where material is taken, there would be no other changes to the services provided as part of this arrangement. Bay Disposal would collect recycling from May 1 to September 30 on the blue route (beach road). Town forces would collect recycling in other parts of the town from May 1 to September 30 and would collect the entire town for the remainder of the year. All material would be taken to Bay Disposal's transfer facility in Currituck. From there the material would be transferred to the facility in Portsmouth. This alternative would be provided to all residential properties within the town. The cost of the service would be paid for as part of the town's annual budget as a general fund expense. Staff would note that the costs provided for this alternative are based on preliminary discussions with Bay Disposal. We expect to receive updated information this week in writing however we do not anticipate substantial changes to the proposal. It is also important to note that the town would likely need to commit to a three-year contract with this alternative.

The second alternative involves entering into a contract with a new vendor, TFC Recycling, to offer a subscription service. Earlier this year, the town solicited bids to provide a recycling subscription service via exclusive franchise and received one bid from TFC on January 28th. Property owners would sign up for the service directly with TFC and would be billed a monthly fee. The cost of the service would be borne by the subscribers. The task force has discussed the town subsidizing the monthly fee to encourage participation and to demonstrate the town's commitment to recycling. The bid proposal quoted the monthly rate per subscriber at \$14.

Review of Alternatives

Option 1 – Town wide Service, Recycle w/ Bay and RDS

RDS Recycling Processing Charge per Ton = \$57.50
Bay Disposal Hauling Charge per Ton = \$23.80
Approximately 900 tons @ \$81.30 (\$57.50 + \$23.80) = \$73,170
Bay Disposal Collection for Blue Route = \$162,810
Total cost for hauling + processing = \$235,980

Option 2 – Subscription Service, TFC Recycling

Cost per Household per Month = \$14
Annual Cost per Household = \$168
Processing Fee = included in monthly charge
Annual Cost for 500 customers = \$84,000
Service Date – Monday, town wide
(The Bid proposal submitted by TFC is attached)

Subsidy Discussion

As the task force is aware, moving from a town wide service to a subscription service shifts the cost burden for recycling from the town to the property owner. This includes both collection costs and processing costs. With a subscription service, any material that is recycled no longer requires the town to pay a tipping fee. Staff's initial thoughts on this would involve the town subsidizing the monthly rate paid by the subscriber to offset what they would have paid in tipping fees. An analysis provided by staff estimates that the monthly tipping fee paid per household averages between \$5 and \$7. Recognizing that not all material would be diverted to recycling, staff would suggest a subsidy in the range of \$3 to \$5 per month. A subsidized rate of \$10 per month would be less than the subscription rates charged in other Dare County communities. Kill Devil Hills charges \$12.45 per month and Manteo charges \$11.35 per month.

As an example, if the town provided a monthly subsidy of \$4 per subscriber, the cost to the town for 500 subscribers would be \$2,000. The annual cost would be \$24,000. While this is certainly less than the town cost for recycling under the previous contract, it would serve to encourage subscribers and demonstrate the town's commitment to maintaining a recycling program at a reasonable cost.

Attached is information prepared for the board last year reviewing changes to the town wide recycling service since it began as well as data regarding the costs and benefits of the program. This provides additional background information that may be useful to the Task Force as it reviews the aforementioned alternatives."

Dep Manager Garman said that the Recycling Service RFP was advertised and TFC responded; Bay Disposal did not respond but they did provide information to include costs re: what they can do to restore the contract to recycling rather than the current incineration service.

Option #1 - Town-wide service, Recycle with Bay and RDS and *Option #2 - Subscription Service, TFC Recycling* were discussed by Task Force members - some highlights:

- Both options would include three-year contracts
- Both options represent residential, curbside service only
- Decision needs to be made soon in order to handle anticipated logistical issues
- Staff would like to provide Task Force recommendation to Board at their Feb 17th meeting

- Education has to be included as an important component of recycling
- Both options would resolve the issue of not being able to apply for State grants
- Staff has spoken with State of NC DEQ representative Matt James
- Dual role with the Town and the company encouraging subscription service

- TFC Recycling gets high marks from staff member who used to work with them
- The project would be a constantly moving ball that would be addressed on a weekly basis
- Project will continually change over the next 3 to 5 years as options continue to be evaluated
- Members are leaning toward Option #2 with TFC Recycling

Recycling Centers

- Recycling Centers are open 24/7 and unmanned; variety of items are dropped off
- Centers need to more clearly identify what goes where
- Some other type of Center/Facility is needed
- TFC may be interested in a revamp of the recycling centers also

Recycling Subsidy

- Suggestion to go 50/50 with the Town/subscribers
- Encourage people to subscribe with a deal - save money by subscribing early
- How to fill the gap if 440 people do not subscribe
- Possibly fill gap by Board providing an upfront cost to company
- Make sure information is disseminated to everyone
- Getting the monthly cost to \$10 or below is favorable
- Currently there are 211 subscribers

Action

Consensus of Task Force members is to propose that the Town go with *Option #2 - Subscription Service, TFC Recycling* for a three-year contract that includes a Monday pickup for residential, curbside service, with a Town subsidy that would mean a cost to customers of \$10 or less per month. Dep Town Manager Andy Garman is to prepare an outline for a strategic plan summarizing the consensus of Task Force members, as discussed at their meeting on Feb 4th, with a set of recommendations (for review by members prior to being submitted to the Board) for discussion/consideration by the Board of Commissioners at their Feb 17th mid-month meeting.

Adjournment

The Waste Reduction Task Force meeting adjourned at 3:45 p.m.