

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Board Meeting held May 13, 2008

A special business meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:35 p.m. by Vice-Chairman William C. Seeds, Sr. on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Seeds were: William L. Hornung, Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Steve Stine, Township Solicitor; Watson Fisher, Stray Winds Area Neighbors; Robert Milligan, Recycle America; James E. Chiaruttini, Recycle America; Tom Stang, Waste Management; and Scott Wagner and Ed Ward, Penn Waste.

Pledge of Allegiance

Mr. Blain led in the recitation of the Pledge of Allegiance.

Public Comment

No public comment was provided.

Action on bids for the collection of municipal solid wastes and recyclables

Mr. Wolfe noted that the purpose of the meeting is to review bids for the collection of municipal solid waste (MSW) and recyclables. He noted that there was some confusion regarding this meeting, noting that RecycleBank was prepared to make a presentation for their product, but, he explained that this is the time for the Board members to review the bids received for the MSW and recyclables contracts. He noted that it would be up to the Board members, after they review the bids, if they wish to view the presentation by RecycleBank. He noted that the advertised purpose of the meeting was to review and act on bids and not to obtain additional information from bidders.

Mr. Wolfe noted that Mr. Robert Milligan from RecycleBank has provided the Board members additional information. Mr. Crissman noted that there is no point in passing out the information as there would be no time to review the papers.

Mr. Seeds noted that the Township has been provided an option to choose RecycleBank, noting that it would provide for more recycling from the Township residents. He explained, if the Township does not have 100% participation in recycling, it could lose grant funds. Mr. Wolfe noted that there is no State requirement that the Township must use RecycleBank, but there is a State requirement that the Township must recycle, receiving performance funds for recycling. He noted the more the Township recycles, the greater a chance that it would receive additional funding. Mr. Seeds suggested if the Township used RecycleBank's services, it would provide a greater potential for grant funds from the Department of Environmental Protection (DEP).

Mr. Wolfe noted that the purpose of the meeting is to review the bids received by the haulers. He explained that he has additional information provided by RecycleBank, and he would distribute that information when he gets to that part of the bid discussion.

Mr. Wolfe explained that Lower Paxton, East, South, and West Hanover Townships, as a group of municipalities, issued bids for MSW and recyclables. He noted that the bids were opened on May 7, 2008, and he provided a memorandum detailing the results of those bids.

Mr. Wolfe noted that the Board is tasked with selecting the lowest responsible bidder. He noted on page one of the memorandum, a list of eight options to determine the lowest responsible bid. He noted that the contract with the current provider, Waste Management, expires on July 1, 2008, and the Township needs to have a contract in place by July 2, 2008. He explained that one of the alternates requires that Lower Paxton Township must take action, prior to the service being available to East, South, and West Hanover Townships. He noted if any of the Hanover's desires to select the RecycleBank alternative, it first must be accepted by Lower Paxton Township. He noted that there is somewhat of an immediacy for this Board to act since

the Hanover's would not be able to make a decision until the Township has determined what services it would chose. Mr. Seeds questioned if the Township does not select RecycleBank, then the Hanover's would not be allowed to select that option as well. Mr. Wolfe answered that that was correct.

Mr. Wolfe noted that that options that the Township has before it are to award a contract to the lowest responsible bidder for services for MSW and recycling; reward a bid for the regular collection plus the RecycleBank alternate; a bid for the regular collection service and the mandatory leaf waste program; regular collection service and the optional leaf waste program; regular collection service, RecycleBank alternate, and the mandatory leaf waste; regular collection service, RecycleBank alternate, and the optional leaf waste; plus the emergency leaf waste alternate; and future rates for a contract extension for years six through ten as individual options. He noted that the base contract is for a five-year period.

Mr. Wolfe noted that the base bid for regular collection service for MSW and recyclables with no changes, with the hauler picking up four cans at curbside, unlimited recyclables and one bulk item, would have Waste Management as the lowest bidder with monthly costs for Year 1: \$15.95, Year 2: \$16.20, Year 3: \$16.77, Year 4: \$16.77, and Year 5: \$17.10, with a total bid amount of \$13,118,725 over a five-year contact period.

Mr. Hornung questioned what the current cost for this service was. Mr. Wolfe answered that it is \$16.09 per month.

Mr. Wolfe noted that the next lowest bid was provided by Penn Waste, whose monthly costs for services are \$16.55 for all five years, with a total bid amount of \$13,157,250.

Mr. Seeds questioned if there was a fuel escalator on top of these bids. Mr. Wolfe answered that each hauler provided its own fuel escalator cost. Mr. Seeds questioned if the fuel escalator had to be consider in the bidding process. Mr. Wolfe explained that the bidders requested that it be removed as an item for consideration in the award of the bids. He noted that

the bids were originally structured that the fuel escalator was a consideration, but in meeting with the haulers, they had significant opposition to this, and it was removed from the base for bidding.

Mr. Wolfe noted that the Board members could also consider the out-years pricing.

Mr. Wolfe noted that the second bid to consider would be the base bid and the RecycleBank alternate. He noted that the Board members have visited RecycleBank's site and have seen their materials, noting that he had additional material from RecycleBank to distribute. He noted that RecycleBank partners with municipalities to provide a rewards program that rewards customers for recycling as opposed to putting items into the trash. He noted that participants receive a larger container than what is now supplied, more detailed information as to what is recyclable, and information on the RecycleBank rewards from the vendors and merchants who are sponsors for the program. He noted that RecycleBank informed him that the average family of four can expect to receive rewards on a monthly basis of \$20. He noted that Mr. Milligan from RecycleBank emailed him to inform him that its participants would be charged a \$2 per household fee monthly. Mr. Seeds questioned if the hauler pays this fee to RecycleBank. Mr. Wolfe answered that that is the arrangements set up for in the bids; RecycleBank would be a subcontractor to the hauler, and there would be no business relationship between the Township and RecycleBank. He noted that the lowest responsible bid for the base bid and RecycleBank alternate is Penn Waste, whose monthly costs for services would be \$19.50 per month for five years for a total amount of \$15,502,500. He noted that this bid ranges from \$3.55 in Year 1 to \$2.40 in Year 5 per month more than the Waste Management bid.

Mr. Wolfe explained that Waste Management was the second lowest bid for the alternate with its costs beginning in Year 1: \$20.80; Year 2: \$21.17, Year 3: \$21.54, Year 4: \$22.01, and Year 5: \$22.52, with a total amount of \$17,184,780.

Mr. Wolfe noted that York Waste chose not to bid on the Recycle Bank alternate bid, as it was not required.

Mr. Wolfe noted that keeping RecycleBank in the mix, and moving on to other alternates attached to the base bid that would include a mandatory leaf waste participation program, noting that all residents would participate in the curbside leaf waste program, the lowest responsible bid was from Waste Management for Year 1: \$.72, Year 2: \$.75, Year 3: \$.78, Year 4: \$.82, and Year 5: \$.86. He noted that the next lowest bid was from Penn Waste for \$1.00, per month, for each year of the contract. He noted that five years ago, the Township attempted this program and was met with great opposition from the residents.

Mr. Blain noted that five years ago, when the mandatory leaf waste collection was such an issue, it was his understanding that the price was much higher. Mr. Wolfe suggested that it was more like \$2.40 a quarter. Mr. Wolfe noted that the cost for the mandatory leaf waste program was highly contested by a large segment of the community. He suggested that the mandatory leaf waste program is the best way to go, but it may not be the road of least resistance.

Mr. Wolfe explained that the next option would be the base bid plus the optional leaf waste program, structured like it is today, except that the service would be provided by the hauler and not the Public Works Department. He noted that the Township now provides that service for \$72 a year for roughly 1,500 customers. He noted that the lowest bidder for this option was from Waste Management for Year 1: \$6.58, Year 2: \$6.81; Year 3: \$7.05; Year 4: \$7.37, and Year 5: \$7.69, ranging from \$76.96 in Year 1 to \$92.28 in Year 5. He explained that Penn Waste was the next lowest bidder for this program at a flat amount of \$12.00 per month, for a five-year contract, noting a total annual cost of \$144.00.

Mr. Crissman questioned if Mr. Wolfe would tie in Mr. Stine's note regarding the waste collection schedule, and the transfer miles statement. Mr. Wolfe explained that he would wait until the end to do this. Mr. Crissman questioned if Mr. Stine's question would have any impact

on Option 3. Mr. Wolfe noted that it would not, and it would not have any impact on the other bids.

Mr. Wolfe noted that Option 5 includes the base bid, the RecycleBank alternate, and the mandatory leaf waste alternate. He noted that the lowest bidder for the three bundled services was Penn Waste, whose base bid and RecycleBank alternate is \$ 19.50 for five years, plus \$1.00 for the mandatory leaf waste in all five years. This produces a total monthly cost of \$20.50 for all five years. He noted that the next lowest bid was from Waste Management with the total cost for Year 1 at \$21.52, and increases each year after.

Mr. Wolfe noted that Option 6 includes the regular collection service, RecycleBank alternative, and the optional leaf waste alternate. He explained that he was not able to determine the lowest bidder. He noted that there is no definitive dollar amount for the optional leaf waste program. He noted that using Penn Waste as the lowest bidder, it would provide the total bid amount of \$16,582,500. He noted that providing the same mathematical calculations for Waste Management, the amount totals \$17,814,780. He noted that choosing the Penn Waste bid, the cost for service basically doubles for the leaf waste program at \$144.00 per year. He noted that he did not think that it is possible to determine the lowest bidder under this scenario.

Mr. Hornung questioned if there was a contingency for the 1,500 residents number changing. Mr. Wolfe noted that he did not know what a contingency would be, and how you would program that based upon a bidders cost. He noted that he included the prices for the separate items, and those items were not included in the base award. Mr. Hornung noted that for the bidder's side, if the participation dropped from 1,500 to 1,000 residents, the costs for collection would go up, but they would still be able to charge the rate that is shown. Mr. Wolfe noted that it is a very difficult item to bid.

Mr. Blain questioned if RecycleBank is the program where they weigh each person's recyclables and the residents would received some type of reward based on the amount of

recycling they do. Mr. Wolfe noted that they would be able to redeem RecycleBank rewards. Mr. Blain questioned if the cost for the three options would be \$21 per month, then there would be a good chance that the costs would be less, since the residents could redeem RecycleBank coupons.

Mr. Wolfe noted that he also included the emergency leaf waste alternative, a fee paid by the Township, and York Waste was the lowest bidder, ranging from \$7,000 per event in the first year, with Penn Waste bidding \$20,000 for all five years, and Waste Management bidding \$19,859 in the first year.

Mr. Wolfe noted that the alternate for the contract extension in years six through ten resulted in a 2.2% increase per year for Waste Management, a 3% increase per year for Penn Waste, and York Waste providing an out-year price inflator of 1.71% per year.

Mr. Wolfe noted that should the Board decide to maintain its current services with no changes, then Waste Management's bid should be accepted and, under this scenario, the Public Works Department would continue the optional leaf waste collection. He noted, if the Board would decide to implement the base bid with only the RecycleBank Alternate, then the Penn Waste Bid should be accepted, and the Public Works Department would continue to provide the optional leaf waste program. He noted, if the Board decided to implement the base bid, Recycle Bank, and mandatory leaf waste alternate, then Penn Waste should be selected. He noted, in choosing this option, it should be noted in the year 2002, the citizens did not like the mandatory leaf waste collection as part of their monthly costs for services. He suggested that the Board could try this approach, and if it didn't work, and Penn Waste was willing, the Township could negotiate a contract addendum, and reconstitute the optional leaf waste program. He noted that there are no acceptable bids for base bid, including the RecycleBank Alternate, and the optional leaf waste program. He noted, if the Board chooses to forgo the RecycleBank Alternate, then it can maintain all collection services as is, with the award going to Waste Management, and also

award the optional leaf waste program to Waste Management. He noted that this would provide the outsourcing of the leaf waste bi-weekly collection, and the Township would no longer be responsible for the collection or billing. He noted, if the Board should choose to award only the base bid and the mandatory leaf waste collection program, the award would go to Waste Management. He noted that he would not recommend an award for the emergency leaf waste service since both of the bidders were much higher than the lowest responsible bidder.

Mr. Wolfe noted that less than \$40,000 separates Waste Management and Penn Waste for the base bid amounts, which is unbelievably close. He noted that Lower Paxton Township's bids were less than any of the bids received by the Hanover's. He noted that Mr. Seeds wanted to know if the Township was subsidizing the Hanover's, and he suggested that the answer was yes. He noted that the Township has entered into a contract with Penn Waste to sell its recyclables which should generate \$150,000 per year to the Township.

Mr. Wolfe noted that Mr. Stine reviewed the bids and he questioned if he had anything to add to his comments. Mr. Stine answered that the bids for Waste Management and Penn Waste are complete, but he noted that he was missing some items that were required in the York Waste bids, noting that he only had a copy, and they may have been attached to the original documents.

Mr. Blain noted that there is a risk that if the Board does not choose RecycleBank, there is a good likelihood that the recycling collection would not be nearly as high as it should be. Mr. Wolfe explained that the receipt of the \$150,000 from Penn Waste is based upon the current collection amount. He noted, if the Township received a 30% increase in recyclable materials, with participation in the RecycleBank Program, the \$150,000 could increase by 30%.

Mr. Blain questioned if anyone else in the area uses RecycleBank. Mr. Wolfe noted that the service is only provided in the eastern part of the State, in Montgomery County.

Mr. Seeds explained that none of the Board members have held previous discussions on the bid documents before this meeting, and he explained that he questioned his wife if she would

be interested in the RecycleBank Program and use the coupons, and she stated that she would not bother. He questioned if she would use the RecycleBank program enough to justify the additional costs per quarter, and she stated that she would not. He questioned how many people would use the service to make up the difference between the extra charge per quarter and redeeming the rewards.

Mr. Seeds questioned the Board members if they wanted to hear from the representatives from RecycleBank. Mr. Hornung answered that he did not want to hear any more from them as he did not think they would have anything more to offer.

Mr. Wolfe explained that representatives from RecycleBank, Waste Management, and Penn Waste are present to answer any questions.

Attorney James Chiaruttini, explained that he planned to be present at the meeting as an observer, noting that he represents Penn Waste, and he could answer questions, but he would like to have a few minutes to address the Board on highlights that go directly to the comments and questions that have been asked amongst the Board members, such as credits that could be earned, the recycling increase in tonnage, and the increase for the Penn Waste recycling contract. He noted that he took a half a page of notes from the Board members comments, and would address those comments in place of the planned presentation. He stated that he was not present to provide a huge speech, just to discuss some key points that would limit Board members decisions between the base bid and the base bid with the recycling. Mr. Seeds noted, if the Board had a question, it would ask, and requested Mr. Chiaruttini to keep the remarks strictly to that question.

Mr. Crissman questioned if the Board needed to go beyond the five year contract, there is another five-year period offered for future rates. He suggested that it should be taken into consideration when making a decision. Mr. Wolfe noted that his math indicates that any decision that the Board makes would change if it decides to go into the sixth through tenth years. Mr. Crissman noted that it would lock the contract into a ten-year rate. Mr. Stine noted that the Board

would not choose, at this time, if it wanted to use the five-year extension, it would be decided at the time the first five-year contract has expired.

Mr. Crissman noted that the Board needs to determine if it would use RecycleBank and impose the mandatory leaf waste program or continue to provide this service in-house. Mr. Hornung suggested that the Board should make the RecycleBank decision first, as it would eliminate some other options. Mr. Wolfe noted that this would be done by choosing the hauler, explained that if the Board decided to use the RecycleBank program, then they would have chosen the hauler.

Mr. Blain noted that the RecycleBank program weighs the recyclables and at the end of the month, coupons would be mailed to the resident. Mr. Crissman noted that he only wanted Mr. Milligan to answer questions and make no presentations. Mr. Milligan explained that each person would be assigned an account page that could be accessed by phone or the Internet, and the customer could choose their means of redemption from over 400 vendors. He noted that the customer would be sent the RecycleBank awards in the mail, and then they could go to the local vendor to receive a discount on products or services. Mr. Crissman questioned if he accessed the Internet and found that he had a \$20 credit that could be redeemed by 400 vendors, could he print out a coupon from the Internet. Mr. Milligan answered that it would be sent to him in the mail.

Mr. Blain questioned if the vendors provided gas rewards, or grocery rewards, or is it clothing. Mr. Milligan noted that there are over 400 vendors with a full gamut of available coupons. Mr. Blain questioned if it would include Giant Foods Stores. Mr. Milligan answered that it would include certain grocery stores. Mr. Crissman questioned if there was a complete list of available vendors in the information that he distributed. Mr. Milligan answered that it could be found on the Internet.

Mr. Blain questioned how a resident would be notified of what their credits are. Mr. Milligan explained that each cart would have a computer chip that would be married to the customer's account. Mr. Blain noted that the resident would have to access the Internet or call the RecycleBank phone number. Mr. Chiaruttini noted that each bin would be weighed and the amount for the weight would be credited toward their electronic account. He noted, the more the residents recycle, the more credits they can accumulate, based on weight.

Mr. Blain questioned, in the municipalities that use this program, what percentage of the individuals take advantage of the rewards. Mr. Milligan answered that residents tend to want to build up their rewards to receive multiple rewards; therefore, he would suggest that it is in the neighborhood of 60%. Mr. Blain questioned if Mr. Milligan could provide hard numbers for this. Mr. Milligan answered that he could. Mr. Blain questioned what the average credit in dollars was redeemed by customers. Mr. Milligan answered that the average, across-the-board credit, is \$240 worth of reward savings per year. He noted that there is a limit of \$540 per year, with an average of \$20 per month.

Mr. Seeds questioned if this is such a good deal for everyone, why does the hauler charge \$2 per month. He suggested that this service should be provided at no charge to the residents. Mr. Milligan explained that the cost to the hauler is \$3 per month, but the resident would receive a reward, such as people receive for airline credit miles based on the amount of flying they do. He noted that the Township would make money through the recycling contract and secure additional DEP grant funds.

Mr. Seeds noted that the Township must charge the residents more than what they normally pay to get the coupons. He suggested that people will complain because their trash bill was increased to cover the program, especially if they are not interested in participating in the program. Mr. Chiaruttini noted that if you look at Waste Management's base bid without RecycleBank, noting that they are the lowest bidder, and compare it to base bid with RecycleBank, in which Penn

Waste is the lowest bidder, the difference between the two options is just shy of \$2,400,000. He noted that this is an amount that the community would have to swallow, but the people would be able to earn reward coupons. He noted to answer the question regarding why the Township could not receive the service without charge, is because it is the ability of RecycleBank to partner with the vendors who provide the monetary benefit for what the consumers would spend in a store using the coupons. He suggested that the question is whether the residents would be willing to take the extra steps to call or access the Internet, and wait three days to get their rewards coupon in the mail. He noted that if the Board thinks that the community is not willing to do this then this program may not be right for the Township. He noted that a resident would pay three dollars more per month, over the course of the five-year contract, \$180 more, but on average, earn \$240 per year, per household, which would total \$1,200 for each household for redemption coupons for the five-year period..

Mr. Seeds noted that in 2002, the people strongly objected to the \$2.40 quarterly charge for mandatory leaf waste collection. He suggested that people will not want to participate in this program.

Mr. Blain questioned, of the municipalities using the RecycleBank program, what is the age demographics for the users of the program. Mr. Milligan answered, for the municipalities involved, the age group is pretty well represented across the board. He noted that 70,000 to 80,000 customers are happy with the program. Mr. Blain questioned if the program users are 35 years of age or under, or is it well versed throughout the age group. Mr. Milligan answered that it is used by all groups, especially seniors who are trying to watch their money, and others who do it to help the recycling cause. Mr. Blain noted that his mother is 75, doesn't have a computer, and she would not join this program. Mr. Chiaruttini explained that the customers need to make the phone call to redeem their coupons; the tonnage of recycling material is significantly higher, so it shows that the people are using it, it would increase the 904 Grant funds, and it would increase

the monthly contract with Penn Waste. Mr. Blain noted that he had already computed the figures, but he noted that he would be asking the residents to spend \$4 extra each month for the program. He noted that there would need to be a very good education process in how to use the program, otherwise, it would not be a viable program.

Mr. Milligan noted that if the Township informs the people that, by law, they are required to recycle, this would be an added benefit to the Township and its citizens.

Mr. Crissman noted that he recycles every week, and questioned what he would do differently with this program. Mr. Milligan answered that assuming that he was recycling everything that he can, adding cardboard, the resident would be putting the materials in one container, which would make it easier for the resident. He noted that he would be using a cart, and receiving rewards, as opposed to receiving nothing for his current recycling. Mr. Crissman noted that his rate would be increased and the advantage would be that he would have a container provided to him to put all recyclables in as opposed to carrying the cardboard to the street. Mr. Milligan noted that all items could be placed in the one container. Mr. Hornung noted that although Mr. Crissman may not find much of a change, statistics show that many residents will experience a significant change.

Mr. Hornung noted that the Board must decide to be environmentally responsible, and charge the customers from \$3.55 to \$2.30 over a five-year period, or go with the lower rate and not be as environmentally responsible. Mr. Blain noted that he did not agree with this statement, as the law requires the residents to recycle, and he did not think that the Township would not be environmentally responsible if it did not choose to use the RecycleBank services. He noted that using RecycleBank may encourage more people to recycle. Mr. Hornung noted that Recycle Bank has provided to the Township that there has been a 73% increase in recycling for their program. He noted that it would result in a greater benefit to the environment, if it is a benefit to the environment, and assuming that it is, it would increase the amount of recycling. He

questioned if the Board had the nerve to tell the taxpayers that they would need to pay roughly \$2.75 more, per month, to be more environmentally responsible. Mr. Chiaruttini noted that the customers could get back \$240 a year. Mr. Blain noted that the Township would have to educate the people to understand how the rewards program would work.

Mr. Stang noted that Mr. Hornung commended that there was a 73% increase in recycling for customers using the RecycleBank program, but he suggested that you need to take into consideration that some of the places, such as Wilmington, Delaware, virtually were not doing any recycling at all. He noted that the Township has a very solid program and the residents participate in the program. He explained that he had no doubt that the Township would experience an increase in recycling, but he did not believe that it would be a 73% increase in recycling. Mr. Milligan noted that the Township would not experience a 73% increase in recycling, but double its current rate.

Mr. Crissman suggested that his generation is more attuned to recycling, and so is the generation coming behind him as they tend to be green and recycling orientated. He noted that the residents in Lower Paxton Township do a good job in recycling. Mr. Milligan noted that the current average for the Township is 9 pounds per household, but he projected that the Township would do an additional 9 pounds per household. Mr. Hornung questioned why he was projecting that number. Mr. Milligan noted that he has historically seen this rate of increase in communities similar to Lower Paxton Township. He noted that he is seeing an average of 22 pounds per household, and more. He suggested that people who recycle all the time would experience a higher rate of recycling with the program.

Mr. Chiaruttini noted that the uniform bin is something much better, because the current system uses a hodgepodge of bins for recycling, and some of the recycling is missed by the haulers. He noted that stickers are not placed on all the bins, and some recycling may be picked up as trash.

Mr. Seeds noted that he wanted to move the discussion to the leaf waste program. Mr. Hornung noted that the recycling issue should be resolved prior to discussing the leaf waste program. Mr. Seeds questioned Mr. Wolfe if a decision had to be made at this meeting, since more information has been provided to the Board members. Mr. Wolfe noted that he hoped that the Board could make a decision tonight, however, if the Board members are unable to do so, there is time to make a decision, as it may require a special meeting. He noted that the next meeting is May 19<sup>th</sup>, but the Board could go as long as May 27<sup>th</sup>, the night of the Authority meeting. Mr. Crissman noted that he would prefer to not go to the May 27<sup>th</sup> meeting. Mr. Seeds noted that he is prepared to vote for the program tonight. Mr. Crissman questioned if it would be good to wait until May 19<sup>th</sup> to vote on the issue when Mr. Hawk is present. Mr. Blain noted, at this time, he is leaning toward the RecycleBank option, but the Township would really need to educate the residents on how to utilize the program. He noted, if the Township had a 50% increase in its recycling, from 9 pounds per household to 14 pounds per household, it would increase the funds that the Township receives from its agreement with Penn Waste, which would be deposited into the General Fund Account. He noted, if people are conscientious about recycling, they could almost offset the majority of their bill with RecycleBank credits. He noted that the onus is on the Township to educate the residents; otherwise, they would have the same issue as the affordable housing issue, in which the residents perceive that it is for Section 8 housing.

Mr. Hornung noted that one way to make the program more palatable for the residents would be, noting that the Township would receive roughly \$150,000 for its recyclables, taking those funds at roughly \$11 per household per year, or \$2 per month and apply it to their bill. He noted that instead of costing \$3.50 more per month, it would only cost \$1.50 per month. He suggested that this could be funded for a year or two, until the residents become more familiar with the program. He noted that it would provide time to educate the population and have them

buy into the program. He noted that by doubling the recyclables, it would increase the \$150,000, and the Township would still have money to put into the General Fund.

Mr. Seeds questioned how many residential pickups there were in the Township. Mr. Hornung answered that it was roughly 13,000. Mr. Seeds noted that you could only provide \$1 per month to each household. Mr. Hornung noted that Mr. Seeds was correct.

Mr. Crissman noted that he did not want to pay any more money for something that he is already doing, and something that all the citizens should be doing. Mr. Seeds noted that he agreed with what Mr. Blain stated, but five years ago, the Township was in an uproar over an additional \$2.40 per month, and he noted that the Township should educate the people now, and implement the program at a later date. Mr. Blain questioned if the community was ready for this program, and that is why he needed time to think it over. He noted that, conceptually, the economics make sense, but the question remains, will the people use the program the way it should be used, and is it worth the extra couple dollars per month for all of the residents. He noted that he needs more time to think this through.

Mr. Stang noted that the Township has worked well with Waste Management for many years, and he has done what was in the best interest of the residents for the Township. He noted that if it comes down to RecycleBank and Penn Waste, or no RecycleBank and Waste Management, and if he was the low bid for both, he would suggest that the right thing for the residents would be not to award RecycleBank because the standard program costs \$2.34 million over the five-year term; the residents would be paying additional monthly fees, and the rebate of \$150,000 per year from Penn Waste would amount to \$750,000 that would be available to put into the General Fund. He noted, if the yard waste program is added, and the Township no longer provides the service, and the RecycleBank option is chosen, then the \$2.34 million becomes \$2.8 million. He noted, if everyone was included in the yard waste program, it would result in an expenditure of \$2.6 million. He suggested that the yard waste program option should

be decided, as it too adds into the overall costs, prior to deciding on the RecycleBank amount, since the number becomes larger due to the different bids from the two haulers.

Mr. Stang questioned if RecycleBank is ready to roll out the program and make it happen. He noted that the known is the additional costs to the residents, and the unknown is will people be a part of the program.

Mr. Chiaruttini noted that he can't discount the comments made, but they are only accurate if you look at it in a vacuum. He noted that at every turn there will be some little change, noting that the comment has been made that there would be a uniform bin and it would be important to people. He noted that there would be increased revenue for an extra \$80,000 a year for the 904 Grant funding. He noted that there would be increased revenue from the tonnage from the contract with Penn Waste, so the Board would be remiss not to pay heavy attention to this. He noted that if you break down the numbers, with respect to the additional amount that are going out, if you take 13,000 residences, at \$3 per month, over 5 years, it would amount to an extra \$2.5 million that the citizenry would pay, but with the RecycleBank program, what they stand to receive back, in addition to the Act 904 money and contract money, is \$15 million to \$15.5 million if they take advantage of the program. He noted that at every turn there is always some aspect of change. He noted that the citizenry had to adapt to changes in the programs in the past. He noted, if a person has an extra bag, they must buy a tag. He noted that by distributing flyers and educating persons, the Township would be straight forth in telling the residents that their bill increased \$3, but using the new program would increase Township revenue by a certain amount of dollars, increase revenue for the recyclable contract, and if you recycle properly, they will get enough rewards to conceivably pay the entire trash bill. He questioned how the Board could reject this option, based on the premise that the people would not bother with the RecycleBank program. He noted that people respond to gas incentives from their grocery store,

noting that if the Board does not take advantage of this now, it will be stuck in a five-year contract as is.

Mr. Seeds suggested that it would be good to wait until the next meeting scheduled for May 19<sup>th</sup>, to provide Mr. Hawk with an opportunity to take part in the process. Mr. Blain agreed with Mr. Hornung that the RecycleBank decision must be resolved before discussing the Leaf Waste issue. He noted that he did not think that the RecycleBank issue would be resolved tonight, and it would be good to wait until the next meeting. Mr. Hornung noted that it would take another two hours of discussion to resolve the issues. He noted, if the Board chooses the RecycleBank option, there would be a major uproar from the public, and the Board must decide if it wants to tolerate that in order to get more people to recycle. He noted that it would take some time to resolve this issue, in addition to the leaf waste issue.

Mr. Hornung questioned if the award could be made with an option for the RecycleBank program to start in the second year. Mr. Stine noted that that is not what the bid specifications call for. Mr. Wolfe noted that the RecycleBank program would not begin until the last quarter of the year 2008. Mr. Wolfe suggested that the leaf waste issue would not take a significant amount of time. He noted if the Board chooses Waste Management and foregoes RecycleBank, he would strongly urge the Township to maintain the optional leaf waste service, and award that option to Waste Management. However, if the Board chooses to pick RecycleBank and use Penn Waste, he did not think Penn Waste's optional leaf waste service is viable at \$12 per month and \$144 per year. Mr. Seeds noted that Mr. Wolfe is suggesting that the Township should get out of the leaf waste program if it can, dependant upon the RecycleBank decision.

Mr. Seeds noted that he is prepared to make a decision, but he wanted to provide time for the other Board members to be prepared to vote, especially if they think Mr. Hawk should be involved in the decision. Mr. Hornung noted that Mr. Hawk should definitely be involved in the decision.

Mr. Wolfe suggested that this item could be placed on the May 19<sup>th</sup> Board meeting agenda. It was agreed by the Board members to do this.

Mr. Blain made a motion to table this agenda item until the May 19<sup>th</sup> Board meeting. Mr. Crissman seconded the motion, and a unanimous vote followed.

**Adjournment**

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded the motion, and the meeting adjourned at 8:00 p.m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

Gary A. Crissman  
Township Secretary